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23 November 2026

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Authorised for lodgement by the Board of Yancoal Australia

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THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yancoal Australia Ltd, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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YANCOAL
兖煤澳大利亚有限公司

Yancoal Australia Ltd

ACN 111 859 119

兖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)

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF AN INDIRECT 80% INTEREST IN THE KESTREL COAL MINE

Capitalised terms used shall have the same meanings as those defined in the section headed "Definitions" in this circular. A letter from the Board is set out in pages 7 to 21 of this circular.

The Company has obtained written Shareholders' approval for the SPA and the transactions contemplated thereunder pursuant to Rule 14.44 of the Hong Kong Listing Rules from the relevant Shareholder who holds more than 50% of the total issued Shares with the right to attend and vote at a general meeting. Accordingly, no Shareholders' meeting will be held to approve the Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Hong Kong Listing Rules.

This circular is being despatched to the Shareholders for information only.

* *for identification purpose only*

23 November 2026

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In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"**ACCC**"	the Australian Competition and Consumer Commission
"**Acquisition**"	the acquisition of the Sale Interests by the Company from the Sellers and the Warrant Holders pursuant to the SPA
"**Acquisition Announcement**"	the announcement of the Acquisition by the Company dated 14 April 2026
"**Adaro**"	Adaro Capital Limited, a company incorporated in Malaysia with limited liability
"**Adaro Sale Shares**"	720,385,220 fully paid ordinary shares in the capital of the Target Company, legally and beneficially owned by Adaro
"**ASX**"	the Australian Securities Exchange
"**ASX Listing Rules**"	the official listing rules of the ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of the ASX, each as amended from time to time, except to the extent of any express written waiver by the ASX
"**A$**"	Australian dollars, the lawful currency of Australia
"**Board**"	the board of Directors of Yancoal Australia Ltd
"**Business Day(s)**"	a day on which banks are open for general banking business in Singapore, Hong Kong, Melbourne, Sydney, Brisbane, Macau, Beijing, New York, Grand Cayman and Jakarta (not being a Saturday, Sunday or public holiday in any such place)
"**CHPP**"	coal handling and preparation plant
"**circular**"	this circular issued by the Company to the Shareholders
"**Coal Reserves**"	as defined under the JORC Code, the economically mineable part of a measured and/or indicated Coal Resource
"**Coal Resources**"	as defined under the JORC Code, that part of a coal deposit for which there are reasonable prospects for eventual economic extraction

"**Company**"	Yancoal Australia Ltd, a company incorporated in Australia with limited liability, whose shares are listed on the ASX and the Hong Kong Stock Exchange
"**Competent Person(s)**"	has the meaning ascribed thereto under the Hong Kong Listing Rules, and for the purpose of this circular, the Competent Persons appointed by the Company are SLR Consulting Australia Pty Ltd and John T. Boyd Company (Australia) Pty Ltd
"**Competent Person's Report**"	the competent person's report on the Coal Resources and Coal Reserves of the Kestrel Coal Mine prepared by SLR Consulting Australia Pty Ltd (with the Statement of Coal Reserves as at 30 June 2026 prepared by John T. Boyd Company (Australia) Pty Ltd) in accordance with Chapter 18 of the Hong Kong Listing Rules, a copy of which is set out in Appendix VI to this circular
"**Completion**"	the completion of the Acquisition, which occurred in three stages, being the First Completion, the Second Completion and the Third Completion
"**Completion Date**"	the date on which the First Completion and the Second Completion took place, being 1 October 2026
"**Conditions Precedent**"	the conditions precedent to Completion as described in the section headed "*2. The Acquisition — Principal Terms of the SPA — (viii) Conditions Precedent*" in this circular
"**connected person**"	has the meaning ascribed thereto under the Hong Kong Listing Rules
"**Consideration**"	the consideration payable by the Company under the SPA, as described in the section headed "*2. The Acquisition — Principal Terms of the SPA — (iv) Consideration*" in this circular
"**Contingent Consideration**"	the amount of contingent consideration (if any) payable by the Company, as described in the section headed "*2. The Acquisition — Principal Terms of the SPA — (iv) Consideration*" in this circular
"**Deposit**"	US$40,000,000
"**Director(s)**"	the director(s) of the Company
"**Effective Time**"	immediately prior to the First Completion

"**EMR Affiliates**"	EMR Manager, EMR Capital Management and EMR Capital Limited and their respective affiliates
"**EMR Bare Trusts**"	the bare trusts established to invest in the Target Company for and on behalf of (a) any fund, vehicle or investment portfolio managed or advised by any of the EMR Affiliates or (b) any limited partner or co-investor of a person referred to in (a)
"**EMR Bare Trusts Beneficiaries**"	the beneficiaries of the EMR Bare Trusts
"**EMR Capital Management**"	EMR Capital Management Limited, a company incorporated in the Cayman Islands with limited liability
"**EMR Cayman**"	Kestrel Coal (EMR) Limited, a company incorporated in the Cayman Islands with limited liability
"**EMR Cayman Sale Shares**"	67,659,062 fully paid ordinary shares in the capital of the Target Company, legally and beneficially held by EMR Cayman
"**EMR Manager**"	EMR Capital Advisors Pty Ltd, a company incorporated in Australia with limited liability
"**EMR Nominee**"	Kestrel Coal (EMR) Pty Ltd, a company incorporated in Australia and the legal holder of the EMR Nominee Sale Shares as nominee for the EMR Bare Trusts Beneficiaries
"**EMR Nominee Sale Shares**"	713,053,985 fully paid ordinary shares in the capital of the Target Company, legally held by the EMR Nominee as nominee and beneficially owned by the EMR Bare Trusts Beneficiaries
"**EMR Sellers**"	EMR Manager and EMR Cayman
"**Enlarged Group**"	the Group and the Target Group
"**FIRB**"	the Foreign Investment Review Board of Australia
"**First Completion**"	completion of the transfer of the beneficial interest in the EMR Nominee Sale Shares and the legal and beneficial title to the Sale Warrants, which occurred on the Completion Date
"**Group**"	the Company and its subsidiaries from time to time

"**Hong Kong**"	the Hong Kong Special Administrative Region of the PRC
"**Hong Kong Listing Rules**"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
"**Hong Kong Stock Exchange**"	The Stock Exchange of Hong Kong Limited
"**JORC Code**"	the 2012 edition of the Australasian Code for Reporting on exploration results, mineral resources and ore reserves, as prepared and published from time to time by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia
"**KCR**"	Kestrel Coal Resources Pty Ltd, a company incorporated in Australia and an indirect wholly-owned subsidiary of the Target Company
"**Kestrel Coal Mine**"	the Kestrel coal mine, an underground longwall metallurgical coal mine located in the Bowen Basin, in central Queensland, Australia
"**Kestrel Joint Venture**"	the unincorporated joint venture established under the Mitsui Joint Venture Agreement that owns the Kestrel Coal Mine
"**Latest Practicable Date**"	16 November 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information
"**Long Stop Date**"	the date by which the Conditions Precedent were required to be satisfied or waived, being: (a) in respect of all Conditions Precedent other than the Outbound Regulatory Approvals, 30 November 2026, as may be extended by agreement of the parties to 28 February 2027; and (b) in respect of the Outbound Regulatory Approvals, 5 Business Days after the date in (a)
"**Mitsui**"	Mitsui Kestrel Coal Investment Pty Ltd (ACN 002 429 763), a company incorporated in Australia and the holder of the remaining 20% participating interest in the Kestrel Joint Venture
"**Mitsui Joint Venture Agreement**"	the joint venture agreement originally dated 15 April 1985, the parties to which are now KCR and Mitsui

"**Mt**"	million tonnes
"**Mtpa**"	million tonnes per annum
"**Outbound Regulatory Approvals**"	the outbound investment approvals required from the National Development and Reform Commission, the Department of Commerce of Shandong Province and the State Administration for Market Regulation
"**Relevant Ratios**"	the applicable percentage ratios as set out in Rule 14.07 of the Hong Kong Listing Rules
"**Respective Proportion**"	the proportion applicable to the relevant Seller, being 47.50% in the case of EMR Manager, 4.51% in the case of EMR Cayman and 47.99% in the case of Adaro
"**ROM**"	run-of-mine
"**Sale Interests**"	the Sale Shares and the Sale Warrants
"**Sale Shares**"	the EMR Nominee Sale Shares, the EMR Cayman Sale Shares and the Adaro Sale Shares, being all of the issued shares in the capital of the Target Company
"**Sale Warrants**"	all warrants in the Target Company held by the Warrant Holders
"**Second Completion**"	completion of the transfer of legal title to the EMR Nominee Sale Shares, which occurred on the Completion Date immediately after First Completion
"**Sellers**"	EMR Manager, EMR Cayman and Adaro, being the sellers of the Sale Shares
"**Shareholder(s)**"	holder(s) of the Shares
"**Shares**"	the fully paid shares of the Company
"**SPA**"	the sale and purchase agreement dated 14 April 2026 entered into between the Company, EMR Manager, EMR Cayman, Adaro and EMR Capital Management in relation to the Acquisition
"**Target Company**"	Kestrel Coal Group Pty Ltd, a company incorporated in Australia with limited liability

"**Target Group**"	the Target Company together with its subsidiaries
"**Tenements**"	the mining tenements granted to the Target Group under the Mineral Resources Act 1989 (Qld), including any renewal, extension, conversion, amalgamation, variation, replacement or substitution thereof, in whole or in part
"**Third Completion**"	completion of the transfer of legal and beneficial title to the EMR Cayman Sale Shares and the Adaro Sale Shares, which occurred on the day after the Completion Date
"**Upfront Consideration**"	US$1,850,000,000
"**US$**"	United States dollars, the lawful currency of the United States of America
"**Valuation Report**"	the valuation report on the mineral assets of the Target Group prepared by Censere Group Limited in accordance with Chapter 18 of the Hong Kong Listing Rules, a copy of which is set out in Appendix VII to this circular
"**Warrant Payment**"	A$1
"**Warrant Holders**"	EMR Capital Management and Adaro, being the sellers of the Sale Warrants
"**Yankuang Energy**"	Yankuang Energy Group Co. Limited* (兗礦能源集團股份有限公司), a joint stock company established in the PRC with limited liability, the H shares and A shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
"***%***"	per cent.

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)

Executive Director:
Mr. Ning YUE

Non-executive Directors:
Mr. Gang RU *(Chair)*
Mr. Jiuhong WANG
Mr. Xiaolong HUANG
Mr. Zhiguo ZHAO
Ms. Ping NIE

Independent Non-executive Directors:
Mr. Gregory James FLETCHER
Ms. Debra Anne BAKKER
Mr. Peter Andrew SMITH

Registered and Principal Place of Business:
Level 18 Darling Park 2
201 Sussex Street
Sydney NSW 2000
Australia

23 November 2026

To the Shareholders and for information purposes only

Dear Sir/Madam,

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF AN INDIRECT 80% INTEREST IN THE KESTREL COAL MINE

1. INTRODUCTION

Reference is made to (i) the announcement of the Company dated 14 April 2026 in relation to the Acquisition, pursuant to which the Company acquired an indirect 80% participating interest in the Kestrel Joint Venture, which owns the Kestrel Coal Mine; (ii) the announcement of the Company dated 20 April 2026 in relation to the despatch of this circular and (iii) the announcement of the Company dated 1 October 2026 in relation to Completion of the Acquisition.

The purpose of this circular is to provide you with, among other things, further details of the Acquisition, the SPA and the transactions contemplated thereunder. This circular has been prepared in compliance with the applicable requirements of the Hong Kong Listing Rules and the ASX Listing Rules.

2. THE ACQUISITION

Principal Terms of the SPA

(i) Date

14 April 2026

(ii) Parties

(a) The Company (as buyer);

(b) EMR Manager, in its capacity as investment manager and attorney for each of the EMR Bare Trusts Beneficiaries (as Seller);

(c) EMR Cayman (as Seller);

(d) Adaro (as Seller and Warrant Holder); and

(e) EMR Capital Management (as Warrant Holder).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Sellers, the Warrant Holders and the EMR Bare Trusts Beneficiaries, and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

(iii) Subject Matter

Pursuant to the SPA:

(a) the Sellers conditionally agreed to sell, and the Company conditionally agreed to purchase, the Sale Shares, comprising:

(1) the EMR Nominee Sale Shares, representing approximately 47.50% of the issued share capital of the Target Company. The EMR Nominee Sale Shares were legally held by the EMR Nominee as nominee and were beneficially owned by the EMR Bare Trusts Beneficiaries, in respect of whom EMR Manager acted as investment manager and attorney;

(2) the EMR Cayman Sale Shares, representing approximately 4.51% of the issued share capital of the Target Company; and

(3) the Adaro Sale Shares, representing approximately 47.99% of the issued share capital of the Target Company; and

(b) the Warrant Holders conditionally agreed to sell, and the Company conditionally agreed to purchase, the Sale Warrants, being all warrants in the Target Company held by the Warrant Holders.

As at the date of the SPA, the Target Company indirectly owned 100% of KCR, which held an 80% participating interest in the Kestrel Joint Venture that owns the Kestrel Coal Mine. The remaining 20% participating interest in the Kestrel Joint Venture was held by Mitsui. Upon Completion, the Company owned 100% of the Target Company and indirectly held an 80% participating interest in the Kestrel Coal Mine through the Target Company.

(iv) Consideration

The Consideration in respect of the Sale Interests comprised:

(a) in respect of the Sale Shares:

(1) the Upfront Consideration of US$1,850,000,000, subject to Completion adjustment for net debt and working capital; and

(2) the contingent cash consideration up to a maximum total of US$550,000,000 in aggregate (the "**Contingent Consideration**");

(3) in respect of the legal title to the EMR Nominee Sale Shares, the payment of A$1; and

(b) in respect of the Sale Warrants, the Warrant Payment of A$1.

(v) Payment of Consideration

The Consideration (excluding the Contingent Consideration) was settled by the Company in the following manner:

(a) within one Business Day of the date of the SPA, the Company paid the Deposit of US$40,000,000 to the Sellers as security for the performance of its obligations, which was credited (together with any accrued interest) against the amount payable at Completion;

(b) on the Completion Date, the Company paid (i) to each Seller its Respective Proportion of the completion amount, which comprised the Upfront Consideration, *less* the Deposit (together with any accrued interest), *plus* the estimated net debt and estimated working capital adjustment amount of the Target Group as at the Effective Time, and (ii) to the Warrant Holders the Warrant Payment; and

(c) following Completion, the Sellers prepared the completion accounts to determine the actual net debt and actual working capital of the Target Group as at the Effective Time. The completion accounts were prepared based on the specific policies set out in the SPA, which included certain assumptions regarding coal inventory volumes and at a pre-determined price agreed by the parties, after taking into account the inventory cost. Any difference between the estimated and actual amounts of the net debt and the working capital was settled between the Company and the Sellers, in their Respective Proportions, within 5 Business Days after the completion accounts became final and binding on the parties.

Under the terms of the SPA, the Deposit would be retained by the Sellers only in certain circumstances, namely, if the Company fails to complete the Acquisition, repudiates the SPA or does not obtain Outbound Regulatory Approvals. The Deposit was determined after commercial negotiation with the Sellers on an arms' length basis, and was considered reasonable by the Company in the context of this specific transaction after taking into consideration the strategic rationale for the Acquisition and the competitive bidding process conducted by the Sellers.

The Consideration (excluding the Contingent Consideration) paid by the Company on Completion was US$1.85 billion. Such amount was funded by the Company's available cash and a US$1.2 billion five-year syndicated acquisition loan facility.

The Contingent Consideration (if any) is payable in accordance with the terms of a contingent consideration deed annually over the five Assessment Years following Completion, if in any year the average (mean) published daily prices for the Platts Premium Low Vol. Hard Coking Coal FOB Australia (PLVHA00) Index published by S&P Global exceeds a specified threshold. Under the contingent consideration arrangements, the Company will pay to the Sellers 30% of the Company's share (through the Target Company) of the coal sales revenue from the Kestrel Coal Mine that is attributable to benchmark coal pricing exceeding US$225/t (nominal) in any of the first five years following Completion. Calculation of the Contingent Consideration is measured on an annual basis, with amounts to be paid to the Sellers shortly after each of the first five anniversaries of Completion where the conditions for payment have been met[1, 2]. The Contingent Consideration will be funded by cash flows generated by the Enlarged Group over the first five years post-Completion. In addition, the Company has also secured a US$200 million five-year committed working capital facility to support its liquidity requirements following Completion.

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1 In any given year, the Kestrel Coal Mine's revenue will reflect sales volumes, sales mix, relevant indices and relativities.

2 By way of example, if in a relevant year the benchmark is US$250/t and realised pricing relativity is 85%, then the contingent payment would equal attributable sales volumes x (US$250 – US$225) x 85% x 30%.

(vi) Basis of determining the Consideration

The Sellers conducted a competitive auction sale process for the sale of the Target Company and the Company was one of several bidders in that auction process. The Consideration was determined following such competitive auction sale process and arm's length negotiations between the Company and the Sellers. In assessing the fairness and reasonableness of the Consideration, the Company had regard to, among other things, (a) the historical and forecast financial and operating performance of the Target Group, (b) the mine plan for the Kestrel Coal Mine, its Coal Reserves, known Coal Resources and the potential upside of the asset, and (c) a number of comparable trading and transaction multiples. The comparable trading multiples reviewed by the Company comprised earnings-based valuation multiples of selected Australian and United States listed coal producers, which were considered relevant having regard to their operating profile, commodity exposure and scale. The comparable transaction multiples reviewed by the Company comprised earnings multiples and reserve and resource multiples derived from recent acquisitions of producing metallurgical coal assets in Queensland, Australia. These transactions were selected on the basis of their similarity to the Target Company's operations, asset characteristics and geographic location. Based on the Company's analysis, the implied acquisition multiples were within the range of the comparable trading and transaction multiples reviewed.

Contingent consideration mechanisms are common in mergers and acquisitions involving mining companies. Such mechanisms address the risks and uncertainties inherent in mining projects, market volatility around commodity prices and align the interests of the transacting parties. In determining the Contingent Consideration, the Company referred to precedent transactions with price-linked contingent payments, reviewed probabilistic and deterministic outcomes, and had regard to the prevailing coal market.

As disclosed in the Acquisition Announcement, as part of the Company's due diligence for the Acquisition, the Company undertook a detailed review of the September 2025 Coal Resources and Reserves reporting by the Target Company in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves 2012 Edition (the "**JORC Code**") and supporting information provided by the Target Company. As part of this review, the Company independently assessed and verified the key assumptions and data underpinning the estimates provided by the Target Company and which were confirmed by the Target Company's competent persons. Based on this assessment, the Company considered such Coal Resources and Coal Reserves reporting as at 1 September 2025 to be an accurate reflection of the Kestrel Coal Mine.

The factors referred to above were considered collectively by the Company together with the support of due diligence and financial analysis undertaken with the assistance of the Company's professional advisers based on information provided by the Sellers in arriving at the Consideration.

As required under the Hong Kong Listing Rules, following the publication of the Acquisition Announcement, the Company engaged SLR Consulting Australia Pty Ltd to prepare the Competent Person's Report on the Coal Resources and Coal Reserves estimates of the Kestrel Coal Mine and Censere Group Limited to prepare the Valuation Report on the mineral assets of the Target Group, in each case as at 30 June 2026, and such reports are set out in Appendices VI and VII to this circular, respectively.

As noted above, the maximum consideration payable by the Company of US$2.4 billion includes the Contingent Consideration of up to US$550 million, which is subject to future conditions and outcomes, including coal prices and production. Based on the Company's current assessment, it is expected that only a portion of the Contingent Consideration would become payable resulting in an expected total consideration being below or towards the lower end of the valuation range of US$2.149 billion to US$2.512 billion as set out in the Valuation Report.

The Company considers the Consideration (including the Contingent Consideration) to be fair and reasonable in the context of the competitive auction sale process and the valuation and other analyses undertaken by the Company as described above.

(vii) Completion

Completion occurred in three stages on and immediately after the Completion Date, which took place on 1 October 2026, upon satisfaction or waiver of the Conditions Precedent (as further described below):

(a) at the First Completion on the Completion Date, the beneficial interest in the EMR Nominee Sale Shares and the legal and beneficial title to the Sale Warrants were transferred to the Company;

(b) at the Second Completion, which occurred immediately after the First Completion, legal title to the EMR Nominee Sale Shares was transferred to the Company against a nominal payment of A$1 to the EMR Sellers; and

(c) at the Third Completion, which occurred on the day after the Completion Date, legal and beneficial title to the EMR Cayman Sale Shares and the Adaro Sale Shares were transferred to the Company.

Following Completion, the Company held the full legal and beneficial interests in the Sale Interests, and the Target Group has been consolidated into the Group's accounts in accordance with the applicable accounting standards.

(viii) Conditions Precedent

Completion was conditional upon the satisfaction (or, where applicable, waiver) of the following Conditions Precedent:

(a) the ACCC either (i) having made a determination that the Acquisition is not required to be notified or (ii) having issued (or being taken to have issued) a determination that the Acquisition may proceed, and any applicable review period having expired without challenge;

(b) the Company having received approval from the FIRB in respect of the Acquisition;

(c) Mitsui not having exercised, or having waived, its pre-emptive rights in respect of the Acquisition under the Mitsui Joint Venture Agreement, and having approved the Company as the transferee of the Sale Shares;

(d) the Company having received approval from the National Development and Reform Commission to implement and effect the Acquisition; and

(e) the competition authorities in Japan, Korea and India having cleared (or deemed to have cleared) the Acquisition.

The Conditions Precedent in paragraphs (a), (b), (d) and (e) may not be waived. The Condition Precedent in paragraph (c) may only be waived in writing by the Company and the Sellers.

(ix) Termination

The SPA may be terminated under the following situations:

(a) by either the Company or the Sellers, if any of the Conditions Precedent are not satisfied or waived by the Long Stop Date or if it becomes apparent that a Condition Precedent is incapable of being satisfied before the Long Stop Date, provided that the terminating party is not itself responsible for the failure of the relevant Condition Precedent;

(b) by the Company, in the event of the insolvency of any of the Sellers or any Target Group Company prior to the First Completion;

(c) by the Sellers, in the event of the insolvency of the Company prior to the First Completion;

(d) by the Company, if certain material adverse changes occur in respect of the Kestrel Coal Mine and are not remedied before First Completion;

(e) by the non-defaulting party, if the other party fails to comply with its Completion obligations under the SPA on the Completion, in which case the non-defaulting party may elect to proceed to Completion or to defer Completion for up to 10 Business Days at the expiry of which if the defaulting party remains in non-compliance with its Completion obligations, the non-defaulting party may terminate with notice; and

(f) by the Sellers, if there is a change of control of the Company prior to the First Completion.

(x) Conduct of Business

From the date of the SPA until Completion, the Sellers agreed to procure that each member of the Target Group, among other things:

(a) operate in the ordinary course of business, consistent with usual business practices and policies;

(b) comply with relevant laws, material contracts and authorisations in all material respects; and

(c) act in accordance with agreed budgets and work plans.

The SPA also contained certain restricted conduct provisions, subject to agreed thresholds, including limitations on capital structure changes, material acquisitions or disposals, material contracts, debt and encumbrances, and amendments to constitutional documents.

(xi) Warranties and Indemnities

The Sellers have given customary warranties and indemnities in relation to the Target Group in the SPA including in relation to Aboriginal cultural heritage matters, which are subject to time limits and monetary thresholds for claims which had been agreed by reference to the nature and size of the Acquisition. The Company has also given customary warranties in relation to itself and limited indemnities in relation to certain public disclosures and environmental-related liabilities relating to the Target Group to the Sellers in the SPA. The Company has obtained a buy-side warranty and indemnity insurance policy with an appropriate policy limit determined by reference to the nature and size of the Acquisition with effect from the date of the SPA, covering liabilities that the Company may suffer or incur in connection with breaches of the warranties given by the Sellers and certain tax indemnity obligations under the SPA.

3. VALUATION OF THE TARGET GROUP'S MINERAL ASSETS

The Company has engaged Censere Group Limited to conduct a valuation of the mineral assets of the Target Group in accordance with the requirements under Chapter 18 of the Hong Kong Listing Rules, and the Valuation Report is set out in Appendix VII to this circular. According to the Valuation Report, the value of the mineral assets of the Target Group as at 30 June 2026 was estimated to be in the range of US$2.149 billion to US$2.512 billion.

4. FINANCIAL EFFECTS OF THE ACQUISITION ON THE COMPANY

The financial effects of the Acquisition on the Company (including its effect on the earnings, assets and liabilities of the Company) are illustrated in the Accountants' Report of The Target Group set out in Appendix II and the unaudited pro forma financial information of the Enlarged Group set out in Appendix IV to this circular.

(1) Assets and liabilities

Based on the unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as set out in Appendix IV to this circular, (i) the consolidated total assets of the Group would have increased from approximately A$11,990 million to approximately A$14,063 million on a pro forma basis; (ii) the consolidated total liabilities of the Group would have increased from approximately A$2,969 million to approximately A$5,262 million on a pro forma basis; and (iii) the consolidated net assets of the Group would have decreased from approximately A$9,021 million to approximately A$8,801 million on a pro forma basis.

(2) Earnings

For the six months ended 30 June 2026, the unaudited consolidated net profit after tax attributable to Shareholders was approximately A$17 million. According to the financial information of the Target Group as set out in Appendix II to this circular, the audited consolidated net profit after tax of the Target Group for the six months ended 30 June 2026 was approximately US$27 million. It is expected that after Completion, the Target Group would make a positive contribution to the profit of the Group.

5. REASONS FOR AND BENEFITS OF THE ACQUISITION

The Acquisition is consistent with the Group's growth strategy and long-term focus on metallurgical coal. The Directors believe the Acquisition represents a valuable opportunity for the Group to acquire a high-quality, long-life metallurgical coal asset. The key strategic benefits of the Acquisition are as follows:

(a) Increased scale and diversification

The Acquisition increases the Company's scale and further consolidates its leading position among the Australian coal producers listed on the ASX. On a pro forma basis, the Kestrel Coal Mine will meaningfully increase the Company's attributable Queensland production and significantly expand the Enlarged Group's metallurgical coal exposure, with approximately 80% of the Kestrel Coal Mine's production output comprised of metallurgical coal.[3] The Acquisition also enhances the Company's diversification by geography, coal type and customer base, broadening the Group's exposure to Asian steelmakers. Increased scale and diversification are both expected to improve earnings resilience across commodity cycles and enhance strategic optionality over the long term.

(b) Large, long-life, efficient operation with high margin products

The Kestrel Coal Mine is a large-scale, long-life underground operation underpinned by 156 Mt of marketable Coal Reserves and 397 Mt of Coal Resources, with a 25-year mine life and further extension potential supported by Coal Resources outside the mine plan.[4] The Kestrel Coal Mine is one of the largest producing underground metallurgical coal mine in Australia[5], with historical ROM production exceeding 8.0 Mtpa and installed CHPP capacity of 10.5 Mtpa.

The Kestrel Coal Mine produces a premium hard coking coal product characterised by low ash and high fluidity, with strong demand from global steelmakers. The operating unit cost and realised pricing of the Kestrel Coal Mine places it in the top 35% of global seaborne metallurgical supply on the margin curve[6], which supports resilient margins and strong free cash flow generation through commodity cycles. Since 2018, approximately A$1.4 billion of capital investment has been deployed into the Kestrel Coal Mine and associated infrastructure, positioning the operation for ongoing productivity improvements and potential production expansion.

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[3] Based on average product sales contribution over 2018 – 2025 sourced from the Target Company's Management Accounts.

[4] Mine life is subject to environmental approvals and mining licenses. Coal Resources and Coal Reserves have been rounded (significant figure) in line with the JORC Code to reflect the relative uncertainty of the estimates where applicable.

[5] Kestrel production sourced from the Target Company's 2025 Management Accounts. Peers sourced from company filings where available and supplemented with Wood Mackenzie.

[6] Based on Wood Mackenzie's 2025 Global Seaborne Metallurgical Coal Margin Curve.

(c) Well-positioned to capitalise on outlook for the metallurgical coal market

The long-term outlook for metallurgical coal remains structurally attractive, driven by sustained steel demand growth in Asia and a constrained global supply pipeline. The Kestrel Coal Mine is highly leveraged to these dynamics, with sales predominantly into Asia, including Japan, Korea, India and Southeast Asia, and limited exposure to lower-growth markets. The Kestrel Coal Mine's premium quality product positions it to achieve a strong price realisation relative to the Platts Premium Low Vol Hard Coking Coal FOB Australia (PLVHA00) Index. As high-quality supply continues to tighten over time, the Kestrel Coal Mine should benefit from strengthening demand-supply fundamentals.

(d) Positive cash flow contribution and attractive acquisition multiple

Upon Completion, the Acquisition is expected to positively contribute to cash flow and enhance the Company's production profile, product mix and operating cash flow. The acquisition multiple implied by the Acquisition compares favourably to comparable market transactions, providing scope for value creation through both operational performance and market recovery.[7]

(e) Committed funding structures

The Acquisition was funded through a mix of existing cash and fully committed acquisition debt facilities, ensuring funding certainty and preserving the Company's balance sheet strength and financial flexibility. On a pro forma basis, the Company's leverage is expected to be in the range of 0.9 to 1.1 times, with gearing of approximately 15% to 18%, providing full balance sheet flexibility.[8] As at 31 December 2025, as the Company was in a net cash position, its gearing ratio was effectively nil.

The Directors believe that the terms of the SPA are fair and reasonable and in the interests of the Shareholders as a whole.

6. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

As one or more of the Relevant Ratios in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Hong Kong Listing Rules, and is subject to announcement, circular and shareholders' approval requirements under Chapter 14 of the Hong Kong Listing Rules.

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[7] Based on EV/2025 EBITDA. Listed peers include Whitehaven, New Hope Group, Stanmore Resources, Peabody, Alpha Metallurgical, Warrior Met, and Core Natural Resources.

[8] The Company expects to fully consolidate the Target Company. Pro-forma leverage equals net debt/CY25 operating EBITDA. Pro-forma gearing equals net debt divided by the sum of net debt and total equity. Calculations are based on latest financials as at 31 December 2025 for the Company and the Target Company pro-forma for acquisition facilities.

Pursuant to Rule 14.44 of the Hong Kong Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval without the need of convening a general meeting if (i) no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Acquisition; and (ii) written approval has been obtained from a Shareholder or a closely allied group who together hold more than 50% of the voting rights at that general meeting of the Company to approve the Acquisition.

So far as the Company is aware, having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting on the resolution to approve the Acquisition if the Company were to convene a general meeting to approve the same. In addition, the Company has obtained written Shareholders' approval from Yankuang Energy, a controlling shareholder of the Company holding approximately 62.26% of the total issued Shares of the Company as at the date of such approval. Accordingly, no general meeting will be convened by the Company to approve the Acquisition.

Pursuant to Rule 14.41(a) of the Hong Kong Listing Rules, where the Acquisition was to be approved by way of written Shareholders' approval in lieu of holding a general meeting of the Company, the Company would have been required to despatch this circular within 15 Business Days after the publication of the announcement of the Company dated 14 April 2026. The Company has applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 14.41(a) of the Hong Kong Listing Rules to permit this circular to be despatched by 23 November 2026.

7. INFORMATION OF THE COMPANY

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.

8. INFORMATION OF THE SELLERS

(1) EMR Capital

EMR Capital is a specialist resources private equity fund manager and operator and was co-founded by Mr. Owen Hegarty, Mr. Jason Chang and Mr. Tony Manini. The EMR Sellers are EMR Capital group entities through which EMR Capital managed fund investors' 52.01% stake in the Target Group is held and managed.

(2) Adaro

Adaro is a company established in Malaysia, is the holder of 47.99% shares of the Target Group as at the date of the announcement. Adaro is a subsidiary of PT Adaro Andalan Indonesia Tbk, a publicly listed company in the Indonesian Stock Exchange (IDX) and based on public filings, its largest shareholder as at 31 December 2025 was PT Adaro Strategic Investments.

9. INFORMATION OF THE TARGET GROUP

(1) The Target Company

The Target Company is a company incorporated in Australia and is an investment holding company. The Target Company indirectly owns 100% of KCR, which holds an 80% participating interest in the Kestrel Joint Venture. The remaining 20% minority participating interest in the Kestrel Joint Venture is held by Mitsui.

Mitsui Resources Pty. Ltd. is the holding company for Mitsui's investments in Australian coal developments and it has interests in four coal mines, including the interest in Kestrel Coal Mine. Mitsui Resources Pty. Ltd is part of Mitsui & Co. (Australia) Ltd., which is a leading exporter and a major investor in Australia. Mitsui & Co. (Australia) Ltd.'s business portfolio covers iron ore, coal, LNG, oil, gas, power generation, transportation, construction and mining machinery, chemicals, steel products, woodchips, salt, food and financial services and it is the wholly-owned Australian subsidiary of Mitsui & Co.. To the best of the Directors' knowledge, information and belief, Mitsui is a third party independent of the Company.

The Target Group is engaged in the operation of the Kestrel Coal Mine, an underground coal mine using the retreat longwall mining method to extract ROM coal, which is processed at an on-site CHPP and sold predominantly into Asian steelmaking markets.

(2) The Kestrel Coal Mine

The Kestrel Coal Mine is a large-scale, long-life underground metallurgical coal mine located in Queensland's Bowen Basin and is one of the largest producing underground metallurgical coal operations in Australia. It produces predominantly high-quality hard coking coal, with secondary semi-soft coking and thermal coal products, and benefits from established, well-capitalised and low-risk infrastructure, including a 10.5 Mtpa CHPP and dedicated rail access to the RG Tanna Coal Terminal at Gladstone.

In 2025, the Kestrel Coal Mine recorded approximately 8.2 Mt of ROM production and 5.9 Mt of saleable production. The Kestrel Coal Mine is positioned within the top 35% of global seaborne metallurgical coal supply on the margin curve, reflecting its scale, established logistics and efficient underground longwall operation.[9]

Sales from the Kestrel Coal Mine are predominantly to Asian steelmaking markets, including Japan, Korea, India and Southeast Asia, which aligns the asset with long-term demand growth for blast furnace steel production.

Since 2018, approximately A$1.4 billion of capital investment has been deployed into the mine and its associated infrastructure, positioning the operation for continued productivity improvements and potential production expansion.

(3) Financial Information of the Target Group

Set forth below is certain financial information extracted from the consolidated financial statements of the Target Group prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board ("**AASB**"):

	For the half year ended 30 June 2026 (audited) *US$ million*	**For the half year ended 30 June 2025 (unaudited)** *US$ million*
Profit/(loss) before tax	34	(44)
Profit/(loss) after tax	27	(28)

	As at 30 June 2026 (audited) *US$ million*
Net asset value	1,532

The accountants' report of the Target Group is included in Appendix II to this circular.

[9] Based on Wood Mackenzie's 2025 Global Seaborne Metallurgical Coal Margin Curve.

10. FURTHER INFORMATION ON THE KESTREL COAL MINE

Please refer to Appendix V to this circular for further information on the Kestrel Coal Mine.

For further details on the Coal Resources and Coal Reserves estimates of the Kestrel Coal Mine, please refer to the Competent Person's Report as set out in Appendix VI to this circular.

SLR Consulting Australia Pty Ltd has confirmed that no material changes have occurred since the effective date of the Competent Person's Report.

11. RECOMMENDATION

Having considered the reasons for and benefits of the Acquisition described above, the Board considers that the SPA and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, if a general meeting were to be convened, the Board would recommend that the Shareholders vote in favour of the resolution to approve the Acquisition.

12. FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By order of the Board
Yancoal Australia Ltd
Gang RU
Chairman

Hong Kong, 23 November 2026

1. FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for each of the three years ended December 31, 2023, 2024 and 2025 and the unaudited consolidated financial statements for the six months ended June 30, 2026 were disclosed in the following documents which have been published on the Company website at **https://www.yancoal.com.au/** and the HKEXnews Website at **https://www.hkexnews.hk**, and can be accessed at the hyperlinks below:

(i) annual report of the Company for the year ended December 31, 2023 (page 59 to 118): **https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0429/2024042900933.pdf**

(ii) annual report of the Company for the year ended December 31, 2024 (page 44 to 104): **https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0424/2025042400382.pdf**

(iii) annual report of the Company for the year ended December 31, 2025 (page 44 to 104): **https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0423/2026042301062.pdf**

(iv) interim report of the Company for the six months ended June 30, 2026 (page 50 to 77): **https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0924/2026092400069.pdf**

2. INDEBTEDNESS

As at 30 September 2026, being the latest practicable date for the purpose of this indebtedness statement, the Enlarged Group had the following indebtedness:

Outstanding Borrowings

As at 30 September 2026 the Enlarged Group's borrowings included US$990 million of borrowings of the Group and US$369 million of borrowings of the Target Group.

In April 2026, the Group secured acquisition financing facilities in connection with the Acquisition, comprising a US$1.2 billion five-year syndicated acquisition loan facility and a US$200 million five-year committed working capital facility.

The facilities are provided by a syndicate of seven international financial institutions. As at 30 September 2026, US$990 million of the acquisition loan facility has been utilised to partially fund the Upfront Consideration and US$ nil million of the working capital facility has been utilised. The facilities are secured by the assets of the Company and its wholly owned Australian subsidiaries (subject to certain exclusions). All financiers are subject to a single Common Terms Deed Poll, with semi-annual compliance testing against the same set of financial covenants.

The facilities include the following financial covenants to be tested half-yearly: (a) The gearing ratio of the Group must not exceed 45%; (b) interest cover ratio must not be less than 5.0; and (c) the consolidated net worth must not be less than A$7.2 billion.

The Target's Group borrowings of US$369 million is provided under a US dollar denominated Syndicated Facility Agreement (the "**SFA**") with a maturity date of 14 November 2027, with principal and interest payable in instalments on a quarterly basis. The total borrowings are secured over all the assets and undertakings of the Target Group.

The SFA includes the following financial covenants to be tested quarterly: (a) the cash flow available for debt service plus cash to senior debt ratio of greater than 1.2 times; and (b) the ratio of net senior debt to EBITDA must be not more than 3.5 times, and (c) net present value of projected cash flow available for debt service to senior debt ratio of greater than 1.5 times.

On 9 October 2026, the Enlarged Group repaid in full the Target Group's borrowings from available cash and cash equivalents and by drawing the remainder of the US$1.2 billion five-year syndicated acquisition loan facility.

Guarantee Facilities

The Group is a party to guarantee facilities that have been issued for operational purposes in favour of port, rail, government departments and other operational functions. On 28 November 2025, the Group refinanced its existing guarantee facilities under the parent Company, increasing the facility limit from A$1.2 billion to A$1.35 billion, with a five-year tenor, maturing on 28 November 2030. Under the refinancing agreement, the Group had the option to increase the facility limit to $1.5 billion, subject to satisfaction of certain conditions. On 15 July 2026, those conditions were satisfied and the facility limit was increased to $1.5 billion.

The providers of the facilities are twelve Australian and international financial institutions. As at 30 September 2026, A$1,141 million of the facilities have been utilised.

The guarantee facilities are subject to the same security package, guarantee structure and financial covenant arrangements as the Group's acquisition loan facility and working capital facility.

The Target Group held bank guarantees in favour of various port and rail infrastructure providers. As at 30 September 2026, the Target Group held bank guarantees of US$11 million.

Lease Liabilities

As at 30 September 2026, the Enlarged Group's lease liabilities included A$49 million of the Group and US$11 million of the Target Group.

Contingent Liabilities

Save as disclosed above under "**Guarantee Facilities**", the contingent liabilities of the Group as at 30 September 2026 comprised (i) bank guarantees and surety bonds comprising A$395 million of performance guarantees provided to third parties and A$746 million of guarantees provided in respect of the cost of restoration of certain mining leases given to government departments as required by statute with respect to the Group's owned and managed mines; (ii) a letter of support dated 4 March 2015 provided to Middlemount Coal Pty Limited ("**Middlemount**"), a joint venture of the Group confirming that (a) it will not demand the repayment of any loan due from Middlemount, except to the extent that Middlemount agrees otherwise or as otherwise provided in the loan agreement; and (b) it will provide financial support to Middlemount to enable it to meet its debts as and when they become due and payable, by way of new shareholder loans in proportion to its share of the net assets of Middlemount. This letter of support will remain in force whilst the Group is a shareholder of Middlemount or until notice of not less than 12 months is provided or such shorter period as agreed by Middlemount; and (iii) a number of claims that have been made against the Group, including in respect of personal injuries, and in relation to contracts which Group members are party to as part of the Group's day to day operations.

Save as disclosed above under "**Guarantee Facilities**", the contingent liabilities of the Target Group as at 30 September 2026, with respect to its 80% interest in the Kestrel Joint Venture, includes:

As part of a compensation agreement for surface rights, the Kestrel Joint Venture gave an undertaking to the relevant tribunal to pay compensation to the landowner if the land was sold during the term of the mining lease. The value to be equivalent to the difference between fair market value and the price realised. The amount is therefore unspecified.

The Kestrel Joint Venture has entered into agreements with surrounding landowners obliging the Kestrel Joint Venture to 'make good' any adverse impact that mining operations at Kestrel has on the landowner's water entitlements. The amount is therefore unspecified.

As part of a compensation agreement for the renewal of a mining lease, the Kestrel Joint Venture has given an indemnity to landholders to make good any loss or damage caused by the Kestrel Joint Venture's use of the land. The amount is therefore unspecified.

3. WORKING CAPITAL

The Directors, after due and careful enquiry and taking into account the financial resources of the Enlarged Group and the effect of the Acquisition, are of the opinion that the working capital available to the Enlarged Group's requirements for at least 12 months from the date of publication of this circular.

The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Hong Kong Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS

Having produced 19.8Mt of attributable saleable production during the first half of the year, the Group is well positioned to target full year attributable saleable production in the upper half of its guidance range of 36.5Mt to 40.5Mt.

With first half cash operating costs per product tonne of $96/tonne impacted by higher diesel prices, the Group's full year cash costs are likely to be in the upper half of its guidance range of $90/tonne to $98/tonne.

Capital expenditure for property, plant and equipment in the first half of the year was $254 million and, in August 2026, the full year guidance range was revised to $600 million to $750 million.

The guidance commentary provided excludes the expected benefit of the acquisition of the 80% interest in the Kestrel Coal Mine.

5. MATERIAL ADVERSE CHANGES

Save as announced by the Company since 31 December 2025, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group were made up.

The following is the text of a report received from the Company's reporting accountants, SW Audit, for the purpose of incorporation in this circular.



Take the lead

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF KESTREL COAL GROUP PTY LTD AND ITS SUBSIDIARIES TO THE DIRECTORS OF YANCOAL AUSTRALIA LIMITED

Introduction

We report on the historical financial information of Kestrel Coal Group Pty Ltd (the "Target Company") and its subsidiaries (together, the "Target Group") set out on pages II-3 to II-69, which comprises the consolidated statements of financial position of the Target Group as at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity, and the consolidated statements of cash flows, of the Target Group for each of the years ended 31 December 2023, 31 December 2024, 31 December 2025 and half year ended 30 June 2026 (the "Relevant Periods") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages II-3 to II-69 forms an integral part of this report, which has been prepared for inclusion in the investment circular of Yancoal Australia Limited ("Yancoal") dated 23 November 2026 (the "Circular") in connection with the Transaction (as defined in the Circular).

Directors' responsibility for the Historical Financial Information

The directors of the Target Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1a to the Historical Financial Information, and for such internal control as the directors of the Target Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

The directors of Yancoal are responsible for the contents of this Circular in which the Historical Financial Information of the Target Group is included, and such information is prepared based on accounting policies materially consistent with those of Yancoal.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1a to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Target Company, as well as evaluating the overall presentation of the Historical Financial Information.

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Take the lead

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Target Group's financial position as at 31 December 2023, 31 December 2024, 31 December 2025 and 30 June 2026 and the Target Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation set out in Note 1a to the Historical Financial Information.

Review of the stub period

We have reviewed the stub period comparative financial information of the Target Group which comprises the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months ended 30 June 2025 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Target Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 1a to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410 issued by the International Auditing and Assurance Standards Board. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 1a to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements have been made.

Yours sincerely



SW Audit
Chartered Accountants
Rami Eltchelebi

Sydney, 23 November 2026

A. FINANCIAL INFORMATION OF THE GROUP

HISTORICAL FINANCIAL INFORMATION OF THE KESTREL GROUP

Preparation of financial information of Kestrel Coal Group Pty Ltd ("Kestrel Group")

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of Kestrel Group for the Period ("Underlying Financial Statements") prepared in accordance with accounting policies which conform with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), on which the Historical Financial Information is based, were audited by SW Audit in accordance with Australian Auditing Standards issued by the Auditing and Assurance Standards Board in Australia.

The Historical Financial Information is presented in US Dollars ("US$") and all values are rounded to the nearest million (US$M) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Six months ended 30 June	
USD	*Notes*	**2023**	**2024**	**2025**	**2025**	**2026**
		$'M	*$'M*	*$'M*	*$'M*	*$'M*
					(unaudited)	
Revenue from contracts with customers	*4*	993	711	623	226	410
Other income	*5(a)*	19	2	14	4	7
Other gains – net	*5(b)*	(4)	22	23	8	14
Changes in coal inventories		(19)	(19)	52	23	(34)
External services expenses		(112)	(114)	(119)	(55)	(59)
Depreciation and amortisation expense		(150)	(112)	(143)	(55)	(64)
Freight expenses		(89)	(80)	(90)	(43)	(49)
Materials and consumables used		(94)	(80)	(77)	(35)	(39)
Employee benefits expense		(71)	(71)	(68)	(31)	(36)
Royalties		(174)	(102)	(67)	(25)	(52)
Fuel and energy expenses		(35)	(25)	(26)	(13)	(14)
Insurance		(10)	(10)	(9)	(4)	(5)
Other expenses		(24)	(24)	(34)	(17)	(23)
Finance expenses	*5(c)*	(77)	(60)	(54)	(27)	(22)
Profit/(loss) before income tax		**153**	**38**	**25**	**(44)**	**34**
Income tax benefit/(expense)	*6*	(46)	(6)	(1)	16	(7)
Profit/(loss) for the period		**107**	**32**	**24**	**(28)**	**27**
Other comprehensive income						
Other comprehensive income/ (loss) for the year/period, net of tax		**–**	**–**	**–**	**–**	**–**
Total comprehensive income/ (loss) for the year/period		**107**	**32**	**24**	**(28)**	**27**
Total comprehensive income/ (loss) for the year/period is attributable to:						
Owners of Kestrel Coal Group Pty Ltd		107	32	24	(28)	27

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

USD	Notes	At 31 December 2023	2024	2025	At 30 June 2026
		$'M	*$'M*	*$'M*	*$'M*
ASSETS					
Current assets					
Cash and cash equivalents	*7*	163	129	144	181
Trade and other receivables	*8*	134	58	91	89
Derivative financial instruments	*16*	–	–	–	2
Inventories	*9*	57	41	96	59
Current tax receivables		5	13	–	–
Total current assets		**359**	**241**	**331**	**331**
Non-current assets					
Trade and other receivables	*8*	7	6	6	6
Property, plant and equipment	*10*	1,993	1,990	1,913	1,892
Right of use assets	*11*	11	10	9	8
Intangible assets	*12*	–	–	1	1
Total non-current assets		**2,011**	**2,006**	**1,929**	**1,907**
Total assets		**2,370**	**2,247**	**2,260**	**2,238**
LIABILITIES					
Current liabilities					
Trade and other payables	*14*	88	57	82	63
Borrowings	*15*	7	–	–	–
Lease liabilities	*11*	4	3	2	3
Derivative financial instruments	*16*	51	33	9	–
Current tax liabilities		–	–	1	2
Employee benefit obligations	*17*	28	28	29	28
Provisions		–	3	11	13
Total current liabilities		**178**	**124**	**134**	**109**

USD	Notes	At 31 December 2023	At 31 December 2024	At 31 December 2025	At 30 June 2026
		$'M	*$'M*	*$'M*	*$'M*
Non-current liabilities					
Borrowings	*15*	576	465	444	419
Lease liabilities	*11*	11	12	11	9
Deferred tax liabilities	*19*	108	114	116	123
Provisions	*18*	48	51	50	46
Total non-current liabilities		**743**	**642**	**621**	**597**
Total liabilities		**921**	**766**	**755**	**706**
Net assets		**1,449**	**1,481**	**1,505**	**1,532**
EQUITY					
Contributed equity	*20*	1,184	1,184	1,184	1,184
Retained earnings		265	297	321	348
Total equity		**1,449**	**1,481**	**1,505**	**1,532**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

USD	Contributed equity *$'M*	Retained profits *$'M*	Total equity *$'M*
Balance at 1 January 2023	1,184	158	1,342
Profit for the year		107	107
Other comprehensive income		–	–
Total comprehensive income for the year		107	107
Balance at 31 December 2023	1,184	265	1,449
Balance at 1 January 2024	1,184	265	1,449
Profit for the year		32	32
Other comprehensive income			
Total comprehensive income for the year		32	32
Balance at 31 December 2024	1,184	297	1,481
Balance at 1 January 2025	1,184	297	1,481
Profit for the year		24	24
Other comprehensive income			
Total comprehensive income for the year		24	24
Balance at 31 December 2025	1,184	321	1,505

USD	Contributed equity *$'M*	Retained profits *$'M*	Total equity *$'M*
Balance at 1 January 2025	1,184	297	1,481
Loss for the period		(28)	(28)
Other comprehensive income			
Total comprehensive loss for the period		(28)	(28)
Balance at 30 June 2025 (unaudited)	1,184	269	1,452
Balance at 1 January 2026	1,184	321	1,505
Profit for the year		27	27
Other comprehensive income			
Total comprehensive income for the year		27	27
Balance at 30 June 2026	**1,184**	**348**	**1,532**

CONSOLIDATED STATEMENTS OF CASH FLOWS

USD	Notes	Year ended 31 December 2023 $'M	2024 $'M	2025 $'M	Six months ended 30 June 2025 $'M (unaudited)	2026 $'M
Cash flows from operating activities						
Receipts from customers (inclusive of GST)		999	781	601	229	412
Payments to suppliers and employees (inclusive of GST)		(654)	(535)	(464)	(219)	(290)
Interest received		10	11	8	4	3
Income taxes paid		(16)	(8)	13	13	–
Net cash inflow from operating activities	*28(a)*	**339**	**249**	**158**	**27**	**125**
Cash flows from investing activities						
Payments for property, plant and equipment and intangibles		(119)	(101)	(73)	(18)	(43)
Proceeds from sale of property, plant and equipment		–	–	2	–	–
Net cash outflow from investing activities		**(119)**	**(101)**	**(71)**	**(18)**	**(43)**
Cash flows from financing activities						
Loans repaid to related parties	*28(b)*	(3)	–	–	–	–
Proceeds from borrowings	*28(b)*	–	–	100	100	–
Repayment of borrowings	*28(b)*	(144)	(122)	(125)	(60)	(26)
Interest and fees paid		(66)	(54)	(48)	(25)	(19)
Lease payments		(4)	(2)	(2)	(1)	(1)
Net cash (outflow)/inflow from financing activities		**(217)**	**(178)**	**(75)**	**14**	**(46)**
Net increase/(decrease) in cash and cash equivalents		**3**	**(30)**	**12**	**23**	**36**
Cash and cash equivalents at the beginning of the financial period		160	163	129	129	144
Effects of exchange rate changes on cash and cash equivalents		–	(4)	3	2	1
Cash and cash equivalents at end of period	*7*	**163**	**129**	**144**	**154**	**181**

1. Summary of material accounting policies

This note provides a list of all material accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all Track Record Periods presented, unless otherwise stated.

The financial statements comprise the Group, Kestrel Coal Group Pty Ltd and its subsidiaries. The Group owns an 80% interest in the Kestrel Coal Mine (the "Mine"), a large-scale, long-life coal asset located in Queensland's Bowen Basin, Australia. The Mine primarily produces a premium metallurgical product (high fluidity and plasticity, low ash, and low deleterious elements), which is in high demand from steelmakers. It is the largest producing underground coal mine in Australia.

(a) Basis of preparation

These consolidated financial statements are general purpose financial statements prepared to provide information to the directors of the Company for their internal governance purposes. These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. Kestrel Coal Group Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Kestrel Coal Group Pty Ltd also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities which are measured at fair value.

(iii) New standards and interpretations adopted

The Group has applied the following standards and amendments for the first time in its annual reporting period commencing 1 January 2026:

- *Disclosures about Uncertainties in the Financial Statements (Amendments to AASB 136 and AASB 137);*

- *Classification and Measurement of Financial Instruments (Amendments to AASB 9 and AASB 7); and*

- *Annual Improvements to AASB Accounting Standards (Amendments to AASB 1, AASB 7, AASB 9, AASB 10, and AASB 107)*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published but are only effective for reporting periods beginning after 1 January 2026 and have not been early adopted by the Group.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 will replace AASB 101 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.

- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs.

The other amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

(v) Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(b) Principles of consolidation and joint arrangements

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kestrel Coal Group Pty Ltd ("Company" or "parent entity") and the results of all subsidiaries for the Track Record Period ended. Kestrel Coal Group Pty Ltd and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 1(i)). Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are adjusted where necessary to ensure consistency with the policies adopted by the Group.

(ii) Joint arrangements

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Kestrel Coal Group Pty Ltd has only a joint operation.

Joint operations

Kestrel Coal Group Pty Ltd recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These amounts have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 27(b).

(c) Segment reporting

The Group operates in one operating segment in one geographical location, being the coal mining industry in Queensland, Australia.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in United States dollars ($), which is Kestrel Coal Group Pty Ltd's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year/period end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss and other comprehensive income on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(e) Revenue recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Revenue is recognised for the major business activities using the methods outlined below.

(i) Sale of coal

Revenue comprises sales to third parties at invoiced amounts, with most sales being free on board (FOB) with each shipment considered a single performance obligation.

Sales revenue is recognised on each individual sale when control transfers to the customer. Control passes to the customers and sales revenue is recognised when the product is loaded onto the vessel on which the coal will be shipped to the destination port. For CFR contracts revenue is recorded at the invoiced amounts, however, the shipping service represents a separate performance obligation and is recognised separately from the sale of coal over period which the shipping service has been provided, along with associated shipping costs.

In some circumstances the terms of executed sales agreements allow for an adjustment to the sales price based on a specified coal index. These adjustments can be settled monthly or quarterly in arrears. Revenue on such provisionally priced sales is initially recognised at the commercial terms specified in the sales contract. The fair value of the final sales price adjustment is continually re-estimated and measured with reference to the relevant coal index. The associated fair value movement is accounted for under AASB 9 and is presented as part of other income.

(ii) Management fees

Management fees are recognised on a monthly basis in accordance with the terms of agreements with Joint Venture parties.

(iii) Interest income

Interest income is recognised on a time proportionate basis using the effective interest method.

(f) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Where the grant is in relation to an asset, the proceeds will be applied against the asset rather than recognised as income. The grant will reduce the asset cost base, and the benefit of the grant will be recognised through a reduction in depreciation expense.

(g) Income tax

The income tax expense or credit for the period is the tax payable on the corresponding period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the country where the Group's subsidiaries operate and generate taxable income. The Group evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Tax consolidation legislation

Kestrel Coal Group Pty Ltd and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Kestrel Coal Group Pty Ltd, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Kestrel Coal Group Pty Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Kestrel Coal Group Pty Ltd for any current tax payable assumed and are compensated by Kestrel Coal Group Pty Ltd for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Kestrel Coal Group Pty Ltd under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial period. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

(h) Leases

The Group leases various offices and equipment. Rental contracts have varying lease terms and may have extension options as described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,

- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,

- amounts expected to be payable by the Group under residual value guarantees,

- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,

- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each year.

Right-of-use assets are measured at cost comprising the following: the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Critical judgements in determining the lease term

In determining the lease term, consideration is given to all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of property the following factors are normally the most relevant:

- If there are significant penalty payments to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).

- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

(i) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- fair values of the assets transferred

- liabilities incurred to the former owners of the acquired business

- equity interests issued by the Group

- fair value of any asset or liability resulting from a contingent consideration arrangement, and

- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as mineral rights and is classified within mine properties (refer to note 1(t)). If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(j) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

(k) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institution, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

Cash that is reserved and its use specifically restricted for maintenance and/or debt servicing under the Group's borrowing agreements is defined as restricted cash.

(l) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 40 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, then they are recognised at fair value.

The Group holds the following types of trade receivables:

- Trade receivables held at amortised cost: These are trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

- Trade receivables at fair value through profit and loss (FVPL): These are trade receivables with embedded derivatives for provisional pricing. These receivables are generally held to collect but do not meet the "solely payments of principal and interest" criteria and as a result must be held at FVPL. These balances are considered in their entirety for classification purposes under AASB 9. Subsequent fair value movements are taken to the consolidated statement of profit or loss and other comprehensive income and presented as part of other income.

Due to the short-term nature of trade and other receivables, their carrying amount is considered to be the same as their fair value.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 month and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

(m) Inventories

Inventories of coal are physically measured or estimated and valued at the lower of cost and net realisable value.

Cost is determined as follows:

- Coal stocks – cost comprises average mining cost under normal mining conditions or actual purchase price and, where applicable, coal preparation expenditure, fixed and variable overhead costs and transportation costs.

- Raw material and stores – costs comprises average cost or purchase price and associated charges. As regular and ongoing review is undertaken to establish the extent of surplus items, and a provision is made for any potential loss on their disposal.

Net realisable value is the amount estimated to be obtained from sale of inventory in the normal course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Other inventory represents Australian Carbon Credit Units (ACCUs) generated under the Carbon Farming Initiative. Units are held as inventory and have been valued at the lower of cost and net realisable value (NRV).

(n) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss and other comprehensive income.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the consolidated statement of profit or loss and other comprehensive income. The Group doesn't hold any assets at FVOCI.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9/IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(o) Exploration and evaluation expenditure

Exploration, evaluation and relevant acquisition costs are accumulated separately for an area of interest. They comprise acquisition costs, direct exploration and evaluation costs and an appropriate portion of related overhead expenditure.

Each area of interest is limited to a size related to a known or probable mineral deposit capable of supporting a mining operation.

Costs arising from exploration and evaluation activities are expensed when incurred up until a decision to proceed with a pre-feasibility or full feasibility study is undertaken, at which point exploration and evaluation costs are capitalised when incurred. Capitalised exploration and evaluation costs are amortised over the life of mine of any operation commenced as a result of this exploration and evaluation expenditure work once production commences, or are written off should the relevant exploration and evaluation area be deemed not worthy of any further progression.

Costs arising from the exploration and evaluation activities are carried forward from the feasibility study phase of the project provided such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, at reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves.

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

(p) Intangible assets

(i) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets. Software is amortised on a straight-line basis over 4-5 years.

(q) Property, plant and equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Assets are fully depreciated over their economic lives, or over the remaining life of the mine if shorter. For certain assets, the economic benefits from the asset are consumed in a pattern that is linked to the level of production. In such cases, depreciation is generally charged on a unit of production basis. The straight line method is used for some operations where this provides a suitable alternative because production is not expected to fluctuate significantly from one year to another. Assets for which consumption of economic benefits is linked to passage of time are depreciated on straight line basis.

Land is not depreciated unless acquired for mining purposes in which case it is included in mining properties. The depreciation and amortisation rate used for each class of asset is as follows:

- Mine properties – remaining marketable reserves utilised on a unit of production basis
- Plant and equipment – the shorter of applicable mine life and 2-15 years depending on the nature of the asset
- Buildings not part of mine properties – 40 years

Certain mining property assets recognised as part of the mine acquisition are unwound based on marketable reserves as at the time of acquisition. In applying the units of production method, depreciation is normally calculated using the quantity of material extracted from the mine in the period as a percentage of the total quantity of material to be extracted in current and future periods based on proven and probable reserves and resources included in the life of mine plan. Development costs that relate to a discrete section of an ore body and which only provide benefit over the life of those reserves, are depreciated over the estimated life of that discrete section.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. Changes to the estimated residual values or useful lives are accounted for prospectively.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1u)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

Maintenance, repair costs and minor renewals are charged as an expense as incurred. These are included in profit or loss.

(r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 45 days after end of month. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(t) Mine properties

Mine properties includes aggregate expenditure in relation to mine construction, mine development, exploration and evaluation expenditure where a development decision has been made and acquired mineral rights.

Development costs incurred after the commencement of production are capitalised to the extent they give rise to a future economic benefit. Interest on borrowings related to construction or development projects is capitalised until the point when substantially all the activities that are necessary to make the asset ready for its intended use are complete.

Mineral rights comprise identifiable exploration and evaluation assets, mineral resources and ore reserves, which are acquired as part of a business combination acquisition and are recognised at fair value at the date of acquisition. Where possible, mineral rights are attributable to specific areas of interest and are classified within mine properties.

Depreciation in relation to mine properties is set out in note 1(q).

(u) Provisions

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(v) Provisions for close down restoration and environmental clean-up costs

Close down and restoration costs include the dismantling and demolition of infrastructure, the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the site development or during the production phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments and are subject to formal review at regular intervals.

Close down and restoration costs are a normal consequence of operations and the majority of close down and restoration expenditures are incurred at the end of the life of the operation. Although the ultimate cost to be incurred is uncertain, the Group estimates its costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the consolidated statement of profit or loss and other comprehensive income in each financial period.

The initial closure provision together with other movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the lives of operations and revisions to discount rates are capitalised within closure assets. These costs are then depreciated over the lives of the assets to which they relate.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the outstanding continuous rehabilitation work at each balance date and the cost is charged to the consolidated statement of profit or loss and other comprehensive income.

Environmental clean-up costs

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the balance date. These costs are charged to the consolidated statement of profit or loss and other comprehensive income.

(w) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is presented as current employee benefit obligations in the consolidated statement of financial position. All other short-term employee benefit obligations are presented as payables.

Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Additional long service leave payments are made monthly to the Queensland Coal Mining Industry (Long Service Leave Funding) Corporation based on the eligible monthly payroll of employees involved in the mining of black coal. Reimbursement is sought from the fund when long service leave is paid to employees involved in the mining of black coal. For these employees, the entire long service leave obligation is classified as current as Kestrel do not have oversight over the length of accumulated leave from previous service when they join the Group, and as such do not know when the employee will be eligible for long service leave. An asset for the amount recoverable from the Coal Mining Industry (Long Service Leave Funding) Corporation is recognised in trade and other receivables.

(iii) Short term incentive plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration key performance indicators including, but not necessarily limited to safety performance, financial performance and climate related performance. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of MSB 137 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(x) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(y) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(z) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting year but not distributed at the end of the reporting year.

(aa) Parent entity financial information

The financial information for the parent entity, Kestrel Coal Group Pty Ltd, disclosed in note 30 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries and joint venture entities

Investments in subsidiaries and joint venture entities are accounted for at cost in the financial statements of Kestrel Coal Group Pty Ltd.

2. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Judgement is exercised in applying the Group's accounting policies.

(a) Significant estimates and judgements

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(b) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(i) Mine closure and rehabilitation provisions estimates

The calculation of rehabilitation and closure provisions (and corresponding capitalised closure cost assets where necessary) rely on estimates of costs required to rehabilitate and restore disturbed areas of land to their required condition. The costs are estimated on the basis of a closure plan. Significant judgement is required in determining the provision as there are many transactions and other factors that will affect the ultimate liability payable.

Factors that will affect this liability include future disturbances caused by further development, changes in technology and restoration techniques, changes in the timing of rehabilitation expenditure due, for example, to changes in ore reserves or production rates, changes in regulations, price increases and changes in discount rates. These estimates are regularly reviewed and adjusted in order to ensure the most up to date data is used to calculate these balances. When these factors change in the future, such differences will impact the provision in the period in which they change or become known.

(ii) Determination of coal reserves and resources

The Group estimates its coal reserves and coal resources based on information compiled by Competent Persons as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves of December 2012 (the "JORC code"), which is produced by the Australasian Joint Ore Reserve Committee. Reserves determined in this way are used in the calculation of depreciation, amortisation and impairment charges, the assessment of mine lives, and for forecasting the timing of the payment of close-down and restoration costs and the recovery of deferred tax assets.

(iii) Warrants

The fair value of warrant instruments recognised as financial liabilities is estimated based on an assessed fair market value of shares in the Group as at the vesting date. Inputs such as assumed market volatility, as well as observable market data such as risk free rates are used in order to generate the estimate. The chosen valuation techniques and assumptions used are appropriate in determining the fair value of warrant instruments recognised as financial liabilities.

Further information related to the fair valuation inputs on the warrant instruments recognised as financial liabilities is disclosed in note 16(a). The valuation is categorised as level 3 in the fair value hierarchy.

(iv) Deferred tax assets

Deferred income tax assets are recognised for all deductible temporary differences carried forward unused tax assets and unused tax losses. Deferred tax assets are based on tax laws and tax rates that have been enacted at the consolidated statement of financial position date.

Deferred tax assets have been recognised to the extent that their recovery is probable, having regard to the availability of sufficient taxable temporary differences relating to the same tax authority and the same taxable entity, the projected future taxable income of these taxable entities and after taking account of specific risk factors that are expected to affect the recovery of these assets.

3. Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Each Track Record Periods' profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions	Cash flow forecasting	Debt and sales both in same currency
	Site expenses are denominated in Australian dollar	Sensitivity analysis	Hedging foreign currency exposure
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Monitoring exposure and market rates

Risk	Exposure arising from	Measurement	Management
Market risk – commodity price	Future commercial transactions	Sensitivity analysis	Commodity swaps (where appropriate)
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, debt investments and contract assets	Aging analysis Credit ratings	Diversification of derivative instruments, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Group's risk management is predominantly controlled by the board of directors. The board identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

(a) Market risk

(i) Foreign exchange risk

Exposure

The Group's exposure to Australian dollar foreign currency risk, expressed in United States dollars, was as follows:

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*
Trade and other receivables	19	17	30	19
AUD denominated liabilities	(115)	(108)	(140)	(112)

The aggregate net foreign exchange gains/losses recognised in profit or loss were:

	31 December 2023	31 December 2024	31 December 2025	30 June 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*	*$'M*
				(unaudited)	
Net foreign exchange (losses)/ gains included in other gains	(4)	4	(2)	2	3

Instruments used by the Group

The Group sells product internationally which is primarily in USD. The Group is exposed to foreign exchange risk, primarily the Australian dollar from other revenue and operating expenses. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The risk is measured through a forecast of highly probable Australian dollar expenditures.

The Group uses foreign exchange collar option contracts to hedge its currency risk at the direction of the Board of Directors. Entered contracts generally mature within 12 months and are designated as cash flow hedges.

Sensitivity

As shown in the exposure table above, the Group is primarily exposed to changes in USD/ AUD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from AUD-denominated financial instruments.

	31 December 2023	31 December 2024	31 December 2025	30 June 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*	*$'M*
				(unaudited)	
Impact on post-tax profit					
USD/AUD exchange rate – increase 5%*	2	5	6	5	3
USD/AUD exchange rate – decrease 5%*	(2)	(5)	(6)	(5)	(3)

* Holding all other variables constant

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. In the past, the Group entered into long-term borrowings at floating rates and swapped them into fixed rates that were lower than those available if the Group borrowed at fixed rates directly. During each Track Record Period, the Group's borrowings at variable rate were denominated in US dollars. The applicable variable rate on these borrowings is the Secured Overnight Financing Rate (SOFR) administered by the Federal Bank of New York. No existing debt will be impacted by the IBOR reforms.

The Group's borrowings and receivables are carried at amortised cost. The borrowings are periodically contractually repriced (see below) and to that extent are also exposed to the risk of future changes in market interest rates.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings at the end of each Track Record Period are as follows:

	31 December 2023	**31 December 2024**	**31 December 2025**	**30 June 2025**	**30 June 2026**
	$'M	*$'M*	*$'M*	*$'M*	*$'M*
				(unaudited)	
Variable rate borrowings – SOFR/LIBOR	599	476	451	451	424

Instruments used by the Group

There are currently no interest rate swaps in place to cover the balance of the variable loan principal outstanding. The variable rates are based on SOFR plus 4.00%. The rate set on variable interest at the end of each financial period was 9.35596% (31 December 2023); 8.32878% (31 December 2024); 7.67194% (31 December 2025) and 7.64392% (30 June 2026).

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates. Other components of equity change as a result of an increase/ decrease in the fair value of the cash flow hedges of borrowings.

	31 December 2023	31 December 2024	31 December 2025	30 June 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*	*$'M*
				(unaudited)	
Impact on post-tax profit/(loss)					
Interest rates – increase by 50 basis points*	(2)	(1)	(1)	(1)	(1)
Interest rates – decrease by 50 basis points*	2	1	1	1	1

* Holding all other variables constant

(iii) Commodity price risk

The Group's main commodity price risk arises from hard-coking coal sales contracts that are linked to the floating market price of coal, which exposes the Group to a cash flow commodity price risk. Group policy is to perform commodity price hedging only with approval from the Board.

Instruments used by the Group

The Group previously held fixed price commodity swap contracts to fix the price of hard coking coal on the Australian Coking Coal (TSI) Low Vol Index. These arrangements came to full term on 30 June 2022, and no further contracts have been executed to hedge the commodity price beyond this date. No contracts are held at year/period end.

(b) Credit risk

Credit risk arises from cash and cash equivalents, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

(i) Risk management

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored.

Sales to customers are required to be settled using a variety of trading terms. There are no significant concentrations of credit risk, whether through exposure to individual customers and/or regions.

(ii) Security

For some trade receivables the Group may obtain security in the form of bills of exchange or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of financial assets

The Group's main financial assets that are subject to the expected credit loss model are trade receivables for sales of inventory.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there is no identified impairment loss in either reporting period.

Trade receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 30 June 2026 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance for trade receivables as at each Track Record Period were determined as follows:

30 June 2026	Current	More than 30 days past due	More than 60 past due	More than 120 days past due	Total
Expected loss rate	0%	0%	0%	0%	0%
Gross carrying amount – trade receivables	67	–	–	–	67
Loss allowance	–	–	–	–	–

31 December 2025	Current	More than 30 days past due	More than 60 past due	More than 120 days past due	Total
Expected loss rate	0%	0%	0%	0%	0%
Gross carrying amount – trade receivables	67	–	–	–	67
Loss allowance	–	–	–	–	–

31 December 2024	Current	More than 30 days past due	More than 60 past due	More than 120 days past due	Total
Expected loss rate	0%	0%	0%	0%	0%
Gross carrying amount – trade receivables	32	–	–	–	32
Loss allowance	–	–	–	–	–

31 December 2023	Current	More than 30 days past due	More than 60 past due	More than 120 days past due	Total
Expected loss rate	0%	0%	0%	0%	0%
Gross carrying amount – trade receivables	107	–	–	–	107
Loss allowance	–	–	–	–	–

There is no loss allowance for trade receivables as at each Track Record Period end.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 50 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating result. Subsequent recoveries of amounts previously written off are credited against the same line item.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in working capital management by maintaining committed credit lines.

The Group monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents (note 7) on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end each Track Record Period:

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*
Floating rate				
– Expiring within one year (syndicated bank working capital facility)	100	100	100	100

The undrawn bank loan facilities may be drawn at any time in US dollars and are subject to a six-monthly clean down mechanism whereby drawn amounts must be cleared to nil for a period of no less than four consecutive business days every year.

(ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

Contractual maturities of financial liabilities	Less than 6 months *$'M*	6-12 months *$'M*	Between 1 and 2 years *$'M*	Between 2 and 5 years *$'M*	Over 5 years *$'M*	Total contractual cash flows *$'M*	Carry amount of liabilities *$'M*
at 30 June 2026							
Non-derivatives							
Trade and other payables	63	–	–	–	–	63	63
Bank loans – senior facility	16	16	439	–	–	471	424
Lease liabilities	1	1	2	7	1	12	10
Total non-derivatives	80	17	441	7	1	546	497
Derivatives							
Warrant liabilities	–	–	–	–	–	–	–
	–	–	–	–	–	–	–
at 31 December 2025							
Non-derivatives							
Trade and other payables	82	–	–	–	–	82	82
Bank loans – senior facility	20	198	40	514	–	772	451
Lease liabilities	2	1	2	6	4	15	13
Total non-derivatives	104	199	42	520	4	869	546
Derivatives							
Warrant liabilities	9	–	–	–	–	9	9
	9	–	–	–	–	9	9

Contractual maturities of financial liabilities	Less than 6 months	6-12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carry amount of liabilities
	$'M	*$'M*	*$'M*	*$'M*	*$'M*	*$'M*	*$'M*
at 31 December 2024							
Non-derivatives							
Trade and other payables	56	–	–	–	–	56	57
Bank loans – senior facility	20	20	40	514	–	594	476
Lease liabilities	2	1	2	6	4	15	14
Total non-derivatives	78	21	42	520	4	665	547
Derivatives							
Warrant liabilities	–	–	33	–	–	33	33
	–	–	33	–	–	33	33
at 31 December 2023							
Non-derivatives							
Trade and other payables	88	–	–	–	–	88	88
Bank loans – senior facility	32	32	64	685	–	813	599
Lease liabilities	2	2	3	6	5	18	15
Total non-derivatives	122	34	67	691	5	919	702
Derivatives							
Warrant liabilities	–	–	–	51	–	51	51
	–	–	–	51	–	51	51

4. Revenue from contract with customers

	31 December 2023	31 December 2024	31 December 2025	30 June 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*	*$'M*
				(unaudited)	
Sale of coal – at a point of time	991	710	621	225	409
Management fees – over time	2	1	2	1	1
	993	711	623	226	410

5. Other income and expenses

(a) Other income

	31 December 2023	31 December 2024	31 December 2025	30 June 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*	*$'M*
				(unaudited)	
Interest income	10	11	8	4	3
Sale of coal – price adjustments	2	(13)	4	(1)	3
Other income	7	4	2	1	1
	19	2	14	4	7

(b) Other gains – net

	31 December 2023	31 December 2024	31 December 2025	30 June 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*	*$'M*
				(unaudited)	
Net gain on disposal of property, plant and equipment	–	–	1	–	–
Net foreign exchange (losses)/gains	(4)	4	(2)	(2)	3
Net fair value gains on warrants	–	18	24	10	11
	(4)	22	23	8	14

(c) Finance expenses

	31 December 2023	31 December 2024	31 December 2025	30 June 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*	*$'M*
				(unaudited)	
Interest and finance charges paid/payable	(68)	(53)	(48)	(22)	(19)
Provisions: unwinding of discount	(2)	(2)	(2)	(1)	(1)
Amortisation of debt issue costs	(7)	(5)	(4)	(4)	(2)
	(77)	(60)	(54)	(27)	(22)

6. Income tax expense

(a) income tax expense

	31 December 2023	31 December 2024	31 December 2025	30 June 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*	*$'M*
				(unaudited)	
Current tax					
Current tax on profits for the year/period	11	–	–	(16)	–
Adjustments for current tax of prior periods/period	–	–	–	–	–
Total current tax expense	11	–	–	(16)	–
Deferred income tax					
Increase in deferred tax assets *(note 13)*	7	(22)	(7)	–	7
Increase in deferred tax liabilities *(note 19)*	28	28	8	–	–
Total deferred tax expense	35	6	1	–	7
Income tax expense	46	6	1	(16)	7

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	31 December 2023 *$'M*	31 December 2024 *$'M*	31 December 2025 *$'M*	30 June 2025 *$'M* *(unaudited)*	30 June 2026 *$'M*
Profit from continuing operations before income tax expense	152	37	26	(44)	34
Tax at the Australian tax rate of 30.0%	46	11	8	(13)	10
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:					
Non-deductible expenses	1	–	–	–	–
Warrants valuation	–	(5)	(8)	(3)	(3)
Sundry items	(1)	–	–	–	–
Subtotal	46	6	–	(16)	7
Adjustments for current tax of prior periods	–	–	–	–	–
Adjustments for deferred tax of prior periods	–	–	1	–	–
Income tax expense	46	6	1	(16)	7

7. Cash and cash equivalents

	31 December 2023 *$'M*	31 December 2024 *$'M*	31 December 2025 *$'M*	30 June 2026 *$'M*
Cash at bank and in hand	163	129	144	181

(a) Restricted cash

The cash and cash equivalents disclosed above and in the consolidated statement of cash flows include US$9.6 million (30 June 2026); US$10.4 million (31 Dec 2025); US$12.9 million (31 Dec 2024) and US$16.7 million (31 Dec 2023).

8. Trade receivables

Current	31 December 2023 $'M	31 December 2024 $'M	31 December 2025 $'M	30 June 2026 $'M
Trade receivables	107	32	67	67
Management fee receivables	2	3	1	1
Goods and services tax receivable	7	7	3	4
Prepayments	11	9	10	5
Other receivables	7	7	10	12
	134	58	91	89
Non-current				
Other receivables	7	6	6	6
	7	6	6	6

9. Inventory

	31 December 2023 $'M	31 December 2024 $'M	31 December 2025 $'M	30 June 2026 $'M
Current assets				
Stores	22	23	28	30
Coal stocks – at cost	28	11	63	29
Other inventories				
(Carbon credit units)	7	7	5	–
	57	41	96	59

10. Property, plant and equipment

	Land	Mine properties	Buildings	Plant and equipment	Assets under construction	Total
	$'M	*$'M*	*$'M*	*$'M*	*$'M*	*$'M*
At 1 January 2023						
Cost	12	1,495	40	697	93	2,337
Accumulated depreciation	–	(174)	(6)	(137)	–	(317)
Net book amount	12	1,321	34	560	93	2,020
Year ended 31 December 2023						
Opening net book amount	12	1,321	34	560	93	2,020
Additions	–	–	–	–	119	119
Disposals	–	–	–	–	–	–
Transfers	(3)	27	(5)	92	(111)	–
Depreciation charge	–	(69)	(1)	(76)	–	(146)
Closing net book amount	9	1,279	28	576	101	1,993
At 1 January 2024						
Cost	9	1,538	33	718	101	2,399
Accumulated depreciation	–	(259)	(5)	(142)	–	(406)
Net book amount	9	1,279	28	576	101	1,993
Year ended 31 December 2024						
Opening net book amount	9	1,279	28	576	101	1,993
Additions	–	11	1	36	57	105
Reclassifications at net book value	–	(20)	5	15	–	–
Transfers	–	23	–	59	(82)	(108)
Depreciation charge	–	(49)	(1)	(58)	–	–
Closing net book amount	9	1,244	33	628	76	1,990

	Land	Mine properties	Buildings	Plant and equipment	Assets under construction	Total
	$'M	*$'M*	*$'M*	*$'M*	*$'M*	*$'M*
At 1 January 2025						
Cost	9	1,540	42	775	76	2,442
Accumulated depreciation	–	(296)	(9)	(147)	–	(452)
Net book amount	9	1,244	33	628	76	1,990
Year ended 31 December 2025						
Opening net book amount	9	1,244	33	628	76	1,990
Additions	–	9	–	10	54	73
Disposals	(1)	(7)	–	–	–	(8)
Transfers	–	11	–	31	(43)	(1)
Depreciation charge	–	(67)	–	(74)	–	(141)
Closing net book amount	8	1,190	33	595	87	1,913
At 1 January 2026						
Cost	8	1,553	43	815	87	2,506
Accumulated depreciation	–	(363)	(10)	(220)	–	(593)
Net book amount	8	1,190	33	595	87	1,913
Period ended 30 June 2026						
Opening net book amount	8	1,190	33	595	87	1,913
Additions	–	1	–	5	37	43
Disposals	–	–	–	–	–	–
Transfers	–	2	–	25	(27)	–
Depreciation charge	–	(27)	(1)	(34)	–	(62)
Change to closure asset	–	(2)	–	–	–	(2)
Closing net book amount	8	1,164	32	591	97	1,892
At 30 June 2026						
Cost	8	1,554	43	846	98	2,549
Accumulated depreciation	–	(391)	(11)	(255)	–	(657)
Net book amount	8	1,163	32	591	98	1,892

(a) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is an indication of impairment of the Group's assets. Where an indicator of impairment is identified, impairment testing is performed. There were no impairment indicators in the current financial year.

11. Lease

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	31 December 2023	**31 December 2024**	**31 December 2025**	**30 June 2026**
	$'M	*$'M*	*$'M*	*$'M*
Properties	–	–	1	1
Rail and port	8	7	6	5
Equipment	3	3	2	2
Total Right-of-use assets	11	10	9	8
Current	4	3	2	3
Non-current	11	12	11	9
Total lease liabilities	15	15	13	12

Additions to the right-of-use assets during each financial period were US$2.8 million (31 Dec 2023); US$2.3 million (31 Dec 2024); US$1.1 million (31 Dec 2025) and nil (30 June 2026).

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	31 December 2023	31 December 2024	31 December 2025	30 June 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*	*$'M*
				(unaudited)	
Depreciation charge of right-of-use assets					
Properties	–	–	–	–	–
Rail and port	1	1	1	1	1
Equipment	3	2	1	1	–
	4	3	2	2	1
Interest expense (included in finance cost)	3	1	2	1	1

12. Intangible assets

Software

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'000	*$'000*	*$'000*	*$'000*
Cost	714	778	1,331	3,552
Accumulated amortization	(485)	(548)	(732)	(3,026)
Net book amount	229	230	599	526

13. Deferred tax assets

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*
The balance comprises temporary differences attributable to:				
Tax losses	–	22	31	29
Lease liabilities	8	3	3	14
Site rehabilitation and closure provision	10	14	14	9
Employee benefit obligations	9	9	9	3
Other	6	7	5	3
Total deferred tax assets	33	55	62	58
Set-off of deferred tax assets pursuant to set-off provisions	(33)	(55)	(62)	(58)
Net deferred tax assets	–	–	–	–

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*
Movements:				
Opening balance	40	33	55	62
Credited/charged) to profit or loss	(7)	22	7	(4)
	33	**55**	**62**	**58**

14. Trade and other payables

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*
Trade payables	28	21	19	18
Related party payables	–	–	2	1
Royalties payable	23	7	21	18
Accrued expenses	35	27	30	25
Other payables	2	2	10	1
	88	**57**	**82**	**63**

15. Borrowing

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*
Secured				
Bank loans – senior facility	599	476	451	424
Deferred debt issue costs	(16)	(11)	(7)	(5)
Total secured non-current borrowings	**583**	**465**	**444**	**419**

(a) Secured liabilities and assets pledged as security

The total secured liabilities (current and non-current) are secured over all the assets and undertakings of the Group.

(b) Syndicated Facility Agreement ("SFA")

The SFA has an interest rate at the Secured Overnight Financing Rate (SOFR) administered by the Federal Reserve Bank of New York plus 4.00% per annum. A Working Capital Facility of $100,000,000 is available to the Group under the SFA.

The SFA has a final maturity date of 14 November 2027, with principal and interest payable in instalments on a quarterly basis. Prepayments may also be made.

In accordance with the SFA, the Group is required to maintain certain financial ratios. The Group is also required to comply with certain terms and conditions with regard to cash management, periodic reporting, financial activities, and other matters.

As part of entering into the SFA, the Group paid $24,678,000 in upfront and related borrowing costs which were capitalised on the date the facility was first utilised. The capitalised costs will be amortised over the life of the loan.

(c) Loan covenants

Under the Syndicated Facility Agreement, the Group was required to comply with the following financial covenants:

- cash flow available for debt service plus cash to senior debt ratio of greater than 1.2 times, and
- the ratio of net senior debt to EBITDA must be not more than 3.5 times, and
- net present value of projected cash flow available for debt service to senior debt ratio of greater than 1.5 times.

During the period, covenant compliance was actively monitored, and in some periods, amendments or waivers were agreed with lenders prior to covenant testing dates. Management continues to monitor covenant compliance.

(d) Fair value

For borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

16. Derivative financial instruments

The Group has the following derivative financial instruments in the following line items in the consolidated statement of financial position.

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*
Current assets				
Foreign exchange collar derivatives	–	–	–	2
Total current derivative financial instrument assets	–	–	–	2
Current liabilities				
Warrant liability	51	33	9	–
Total current derivative financial instrument liabilities	51	33	9	–

(a) Foreign exchange collar derivatives

At the reporting date, the Kestrel Group held four foreign exchange collar option contracts that economically hedged forecast AUD dollar-denominated cash flows. The contracts provided hedge coverage of US$40 million per month through to September 2026. The contracts had a fair value asset of US$2.2 million at 30 June 2026. In accordance with the Group's accounting policy for derivative financial instruments, the contracts were measured at fair value. As hedge accounting was not applied, all fair value movements were recognised in profit or loss. Valuations are sourced from participating financials institutions.

(b) Warrant liability

Kestrel Coal Group Pty Ltd issued 134,030,872 warrants on 24 July 2018. Upon the achievement of certain vesting terms and conditions, each vested warrant entitles the holder to receive the cash equivalent of the market value of a newly issued share in Kestrel Coal Group Pty Ltd, less US$1, or to purchase one newly issued share in Kestrel Coal Group Pty Ltd for US$1.

The warrants do not vest and become exercisable unless the fair market value of the Kestrel Coal Group Pty Ltd equal to 1.5 times the total paid up capital of Kestrel Coal Group Pty Ltd as at the vesting date prior to the exercise of the warrants.

Each warrant is automatically exercised on the earlier of the date the warrant holder (or its related entity) ceases to hold any shares in Kestrel Coal Group Pty Ltd, an exit event occurs (such as a listing or sale of the underlying business or assets) or the 5th anniversary of the acquisition date. Additional warrants, based on 11% of the number shares and warrants held by the holder, will be issued to the holder, should the fair market value of Kestrel Coal Group Pty Ltd equal 1.5 times the total paid up capital of Kestrel Coal Group Pty Ltd as of 1 August 2018. A subsequent vesting hurdle exists for if the fair market value of the Group is equal to 1.7 times the total paid up capital, at which point an additional 3% shareholding is added to the original 11%.

Management has calculated the fair market value of the Kestrel Coal Group Pty Ltd and noted that at 30 June 2026, the values do not meet the threshold for the warrants to be exercised and hence, the warrants have been valued at $Nil.

During the current period, the Group has determine that the purchase consideration negotiated under an ongoing sale transaction, which has not yet been finalized, provides a better estimate of the fair market value of shares at the vesting date than a modelled valuation, and has adopted this as the basis of estimation, adjusted for a minority discount and estimated net debt.

The warrants continued to be classified as a financial liability as at 30 June 2026, as they are to be cash settled (at the option of the holder). Key assumptions that went into the calculation of the value of the warrants at 30 June 2026, compared to 31 December 2025 are outlined below:

Assumptions – 30 June 2026

Assumptions	**Approach**
Fair value of shares	Estimated with reference to the purchase consideration negotiated under an ongoing sale transaction that has not yet been finalized as at the date of this report (refer to Note 26 – Events occurring after the reporting period), which management considers to be a better estimate of fair market value than a modelled valuation.
Estimated net debt	The Group's estimated net debt position as at the valuation date, deducted from the sale consideration in arriving at the fair market value of equity.
Minority discount	A discount of 25% has been applied to the fair market value of equity attributable to the warrant holders, on a stand-alone basis with no attribution of value for a control premium, consistent with the basis applied in the prior period.
Production and capital costs	Production and capital costs are based on the Group's estimate of forecast geological conditions, stage of existing plant and equipment and future production levels.

In the current period, management considers the purchase consideration negotiated under the ongoing sale transaction referred to above to provide a better estimate of the fair market value of shares than the discounted cash flow/option pricing based approach applied at 31 December 2025, and has adopted this updated basis of estimation accordingly.

Assumptions – 31 December 2025

Assumptions	Approach used to determine values
Weighted Average Cost of Capital (WACC)	The Group has applied a nominal post tax WACC of 10.1%. This is applied to the value of future post tax cash flow forecasts.
Compounded risk free interest rate	This is sourced from readily available market data of 4.55%.
Annualised Price Volatility	An annualised price volatility of 44.19% is based off a median of observable published market data from identified companies that are similar to the Group.
Coal Price	Coal prices applied to the Group's cash flow forecasts are based on consideration of third-party forecasts over the life of the mine. The benchmark hard coking coal price utilised fell between the range of US$190/t – US$225/t.
Production and capital costs	Production and capital costs are based on the Group's estimate of forecast geological conditions, stage of existing plant and equipment and future production levels.

17. Employee benefit obligations

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*
Leave obligations	22	19	22	24
Other employee benefits	7	10	7	4
Total employee benefit obligations	29	29	29	28

(a) Leave obligations

The leave obligations cover the Group's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in note 1(w).

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees who are entitled to pro-rata payments in certain circumstances. The entire amount of each provision US$22.2 million (31 Dec 2023); US$19.4 million (31 Dec 2024); US$21.8 million (31 Dec 2025) and US$24 million (30 June 2026) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*
Current leave obligations expected to be settled after 12 months	17	14	16	18

18. Provisions

Current	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*
Other provisions	–	3	11	13
	–	**3**	**11**	**13**
Non-current				
Site rehabilitation and closure provision	44	46	46	46
Other provisions	4	5	4	–
	48	**51**	**50**	**46**

Other provisions relate to the Safeguard Mechanism (Crediting) Amendment Act 2023 which took effect from 1 July 2023. A provision has been recognised for the expected obligation arising from emissions exceeding the safeguard baseline. All movement in other provisions is charged to the profit or loss.

(a) Movements in provisions

Movements in the site rehabilitation and closure provision during the financial period is set out below:

	31 December 2023 *$'M*	31 December 2024 *$'M*	31 December 2025 *$'M*	30 June 2026 *$'M*
Carrying amount at the start of the period	42	44	46	46
Addition/(provision reversed) to plant and equipment	–	5	(6)	(2)
Foreign exchange movement	–	(4)	4	1
Unwinding of the discount	2	1	2	1
Carrying amount at the end of the period	44	46	46	46

19. Deferred tax liabilities

	31 December 2023 *$'M*	31 December 2024 *$'M*	31 December 2025 *$'M*	30 June 2026 *$'M*
The balance comprises temporary differences attributable to:				
Property, plant and equipment	128	159	168	172
Inventories	5	6	7	2
Right-of-use assets	8	4	3	7
	141	**169**	**178**	**181**
Set-off of deferred tax liabilities pursuant to set-off provisions	(33)	(55)	(62)	(58)
Net deferred tax liabilities	108	114	116	123
Movement				
Opening balance	114	141	169	178
Charged/(credited) to profit or loss	27	28	9	3
	141	**169**	**178**	**181**

20. Contributed equity

(a) Share capital

	2023	2024	2025	30 June 2026	2023	2024	2025	30 June 2026
	Shares	*Shares*	*Shares*	*Shares*	*$'M*	*$'M*	*$'M*	*$'M*
Ordinary shares	1,501,098,267	1,501,098,267	1,501,098,267	1,501,098,267	1,184,432	1,184,432	1,184,432	1,184,432

(b) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(c) Warrants

As described in note 16(a), the Group executed a Warrant Instrument and issued 134,030,872 warrants. As the warrants were issued for nil consideration and that the warrants and the ordinary shares have been issued in contemplation of each other, the warrants were considered to be a cost of issuing the ordinary shares. As a result, the initial fair value of the warrants of $25,000,000 was deducted from the share capital amount of $1,084,431,600.

(d) Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and

- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

21. Dividends

(a) Ordinary shares

No dividends have been paid by KESTREL to target groups during the relevant Track Record Period.

(b) Franking dividends

The Company has a franking account balance of $16,540,800 since 31 Dec 2025.

22. Remuneration of auditors

During each Track Record Period the following fees were paid or payable for services provided by the auditor of the entity and its related practices:

PricewaterhouseCoopers

	31-Dec 2023	31-Dec 2024	31-Dec 2025	30-Jun 2025	30-Jun 2026
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
				(unaudited)	
Audit of financial statements	201	186	184	184	246
Other assurance services	–	–	85	85	47
Other services	20	32	34	34	–
Total remuneration for audit and other services	**221**	**218**	**303**	**303**	**293**

23. Contingent liabilities

The Group had contingent liabilities in respect of:

(i) Bank guarantees

The Group held bank guarantees in favour of various infrastructure service providers. The total of these guarantees was $11 million for all Track Record Period with various financial institutions.

(ii) Joint ventures

For contingent liabilities relating to joint ventures refer to note 27(b)(i).

24. Commitments

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting year but not recognised as liabilities is as follows:

	31 December 2023	31 December 2024	31 December 2025	30 June 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*	*$'M*
				(unaudited)	
Property, plant and equipment	58	24	37	37	41

25. Related party transactions

(a) Parent entities

Name	Place of incorporation	Ownership interest 2023	2024	2025	June 2026
Adaro Capital Ltd	Malaysia	47.99%	47.99%	47.99%	47.99%
Kestrel Coal (EMR) Ltd*	Cayman Islands	4.51%	4.51%	4.51%	4.51%
Kestrel Coal (EMR) Pty Ltd*	Australia	47.50%	47.50%	47.50%	47.50%

* There is no common ultimate parent entity for these companies.

(b) Subsidiaries

Interests in subsidiaries are set out in note 27(a).

(c) Key management personnel compensation

	31 December 2023	31 December 2024	31 December 2025	30 June 2025	30 June 2026
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
				(unaudited)	
Short term benefits	2,986	2,901	4,380	2,837	996
Post-employment benefits	823	86	100	52	42
Long-term benefits	–	2,192	–	–	–
Termination benefits	–	–	254	–	110
Total key management personnel compensation	3,809	5,179	4,734	2,889	1,148

(d) Transactions with other related parties

The following transactions occurred with related parties:

	31 December 2023	31 December 2024	31 December 2025	30 June 2025	30 June 2026
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
				(unaudited)	
Sponsor service fee expenses from related parties	–	–	(6,712)	–	(1,205)

(e) Outstanding balances to related parties

The balances outstanding at the end of the reporting year in relation to transactions with related parties are referred to in note 14 for payables.

26. Events occurring after the reporting period

Subsequent to the reporting date, the following events occurred:

Proposed sale to Yancoal Australia Limited

The Group entered into arrangements in relation to the proposed sale to Yancoal Australia Limited. The transaction remains subject to the satisfaction of customary conditions precedent and is expected to complete following satisfaction of those conditions. The financial effects of the proposed transaction have not been recognised in these financial statements as at the reporting date.

Dividend payment

On 10 July 2026, the Board declared and paid a fully franked dividend of $8,750,000. As the dividend was declared after the end of the reporting period, no liability has been recognised in the financial statements as at 30 June 2026.

Enterprise Agreement Approved

On 21 August 2026, employees voted to approve the new Kestrel Coal Workforce Enterprise Agreement 2026, which provides for revised remuneration, allowances and employee benefits. The agreement is expected to be lodged with the Fair Work Commission by 4 September 2026 and will become effective seven days after approval by the Fair Work Commission. At the date of authorisation of these financial statements, the financial impact of the agreement cannot be reliably estimated.

Other than the matters disclosed above, no events have occurred after the reporting period that require adjustment to or disclosure in these financial statements.

27. Interests in other entities

(a) Subsidiaries

The Group's subsidiaries at each Track Record Period are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group				Principal activities
		31 Dec 2023	31 Dec 2024	31 Dec 2025	30 Jun 2026	
		%	%	%	%	
Kestrel Coal Holdings Pty Ltd	Australia	100	100	100	100	Holding entity
Kestrel Coal Midco Pty Ltd	Australia	100	100	100	100	Holding/financing entity
Kestrel Coal Subsidiary Pty Ltd	Australia	100	100	100	100	Holding entity
Kestrel Coal Resources Pty Ltd	Australia	100	100	100	100	JV participant
Kestrel Coal Sales Pty Ltd	Australia	100	100	100	100	JV sales agent
Kestrel Coal Pty Limited	Australia	100	100	100	100	JV management entity

(b) Joint operations

Kestrel Coal Resources Pty Ltd has an 80% interest in a joint operation called the Kestrel Coal Joint Venture which mines coal in central Queensland.

(i) Contingent liabilities in respect of joint ventures

As part of a compensation agreement for surface rights, the Kestrel Coal Joint Venture gave an undertaking to the relevant tribunal to pay compensation to the landowner if the land was sold during the term of the mining lease. The value to be equivalent to the difference between fair market value and the price realised. The amount is therefore unspecified.

The Kestrel Joint Venture has entered into agreements with surrounding landowners obliging the Kestrel Joint Venture to 'make good' any adverse impact that mining operations at Kestrel has on the landowner's water entitlements. The amount is therefore unspecified.

As part of a compensation agreement for the renewal of a mining lease, the Kestrel Coal Joint Venture has given an indemnity to landholders to make good any loss or damage caused by the Kestrel Coal Joint Venture's use of the land. The amount is therefore unspecified.

28. Cash flow information

(a) Reconciliation of profit/(loss) after income tax to net cash inflow from operating activities

	31 December 2023 *$'M*	31 December 2024 *$'M*	31 December 2025 *$'M*	30 June 2025 *$'M* *(unaudited)*	30 June 2026 *$'M*
Profit for the year	107	32	24	(28)	27
Adjustments for					
Depreciation and amortisation	150	112	143	55	63
Net gain on sale of non-current assets	–	–	(1)	–	–
Fair value gains on warrants	–	(18)	(24)	(10)	(11)
Capitalised interest	2	–	–	–	–
Interest and finance charges paid/payable	66	54	48	25	19
Amortisation of debt issue costs	7	5	4	2	2
Unwinding of provisions	2	2	2	3	–
Net exchange differences	1	4	(3)	(3)	–
Change in operating assets and liabilities:					
(Increase)/decrease in trade and other receivables	(3)	77	(35)	8	2
(Increase)/decrease in inventories	8	16	(54)	(20)	36
Decrease/(increase) in income tax receivable	(5)	(8)	14	12	–
Increase/(decrease) in trade and other payables	(35)	(33)	17	4	(20)
Increase in other operating liabilities	4	–	20	(5)	–
Increase in net deferred tax liabilities	35	6	2	(16)	7
Net cash inflow from operating activities	339	249	157	27	125

(b) Debt reconciliation

Debt	31 December 2023 *$'M*	31 December 2024 *$'M*	31 December 2025 *$'M*	30 June 2026 *$'M*
Borrowings – repayable within one year	(7)	–	–	–
Borrowings – repayable after one year	(576)	(465)	(444)	(419)
	(583)	(465)	(444)	(419)

	Lease liabilities *$'M*	Debt issue cost *$'M*	Bank loans *$'M*	Loan from related parties *$'M*	Total *$'M*
Debt as at 1 January 2023	(14)	24	(741)	(3)	(734)
Cash flows	–	–	144	3	147
Accrued interest	–	–	(2)	–	(2)
Amortisation of debt issue costs	–	(7)	–	–	(7)
Debt as at 31 December 2023	(14)	17	(599)	–	(596)
Debt as at 1 January 2024	(14)	17	(599)	–	(596)
Cash flows	–	–	122	–	122
Amortisation of debt issue costs	–	(5)	–	–	(5)
Debt as at 31 December 2024	(14)	12	(477)	–	(479)
Debt as at 1 January 2025	(14)	11	(476)	–	(479)
Cash flows	–	–	25	–	25
Amortisation of debt issue costs	2	(4)	–	–	(2)
Debt as at 31 December 2025	(12)	8	(452)	–	(456)
Debt as at 1 January 2026	(12)	8	(452)	–	(456)
New lease/de-recognition of leases	2	–	–	–	2
Cash flows	1	–	25	–	26
Revaluation	–	–	1	–	1
Amortisation of debt issue costs	–	(2)	–	–	(2)
Debt as at 30 June 2026	(9)	6	(426)	–	(429)

(c) Non-cash investing and financing activities

Non-cash investing and financing activities relating to the acquisition of right-of-use assets are disclosed in note 11.

29. Deed of cross guarantee

Kestrel Coal Group Pty Ltd, Kestrel Coal Midco Pty Ltd and Kestrel Coal Holdings Pty Ltd have entered into a deed of cross guarantee under which each company guarantees the debts of the others. The wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

(a) Consolidated statement of profit and loss, statement of comprehensive income and summary of movements in consolidated retained earnings

The above companies represent a 'closed group' for the purposes of the instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Kestrel Coal Group Pty Ltd, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and a summary of movements in consolidated retained earnings for the year ended 31 December 2025 of the closed group consisting of Kestrel Coal Group Pty Ltd, Kestrel Coal Midco Pty Ltd and Kestrel Coal Holdings Pty Ltd.

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
				(unaudited)	
Consolidated statement of profit or loss and other comprehensive income					
Interest income	56	38	42	20	19
Foreign exchange losses	(40)	346	(133)	(198)	(81)
Fair value gain on warrants	–	18,000	24,000	9,600	9,000
Other expenses	(9)	–	(38)	(38)	–
Income tax expense	–	–	(963)	16,208	(963)
Profit for the year	**7**	**18,384**	**22,908**	**25,592**	**7,976**

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	$'000	*$'000*	*$'000*	*$'000*	*$'000*
				(unaudited)	
Summary of movements in consolidated retained earnings					
Retained earnings at the beginning of the financial period	166,287	166,295	184,678	184,678	207,586
Profit for the year	7	18,384	22,908	25,592	7,976
Retained earnings at the end of the financial period	**166,294**	**184,679**	**207,586**	**210,270**	**215,562**

(b) Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at each Track Record Period of the closed group consisting of Kestrel Coal Group Pty Ltd, Kestrel Coal Midco Pty Ltd and Kestrel Coal Holdings Pty Ltd.

USD	**31 December 2023**	**31 December 2024**	**31 December 2025**	**30 June 2026**
	$'M	*$'M*	*$'M*	*$'M*
Current assets				
Cash and cash equivalents	–	1	2	2
Related party tax receivables	64	59	50	41
Total current assets	64	60	52	43
Non-current assets				
Related party receivables	6	4	7	7
Investments in subsidiaries	1,347	1,347	1,347	1,353
Deferred tax assets	11	14	22	29
Total non-current assets	**1,364**	**1,365**	**1,375**	**1,389**
Total assets	**1,428**	**1,425**	**1,427**	**1,432**

USD	31 December 2023 *$'M*	31 December 2024 *$'M*	31 December 2025 *$'M*	30 June 2026 *$'M*
Current liabilities				
Trade and other payables	2	–	1	1
Related party loans	25	23	25	32
Derivative financial instruments	51	33	9	–
Total current liabilities	**78**	**56**	**35**	**33**
Net assets	**1,350**	**1,369**	**1,392**	**1,399**
EQUITY				
Contributed equity	1,184	1,184	1,184	1,184
Retained earnings	166	185	208	215
Total equity	**1,350**	**1,369**	**1,392**	**1,399**

30. Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity, Kestrel Coal Group Pty Ltd, show the following aggregate amounts:

USD	31 December 2023 *$'M*	31 December 2024 *$'M*	31 December 2025 *$'M*	30 June 2026 *$'M*
Statement of financial position				
Current assets	–	–	1	1
Non-current assets	1,151	1,151	1,154	1,154
Total assets	1,151	1,151	1,155	1,155
Current liabilities	51	33	13	4
Total liabilities	1,151	1,151	1,155	1,155
Net assets	1,100	1,118	1,142	1,151

USD	31 December 2023	31 December 2024	31 December 2025	30 June 2026
	$'M	*$'M*	*$'M*	*$'M*
Shareholders' equity				
Issued capital	1,184	1,184	1,184	1,184
Accumulated losses	(84)	(66)	(42)	(33)
	1,100	**1,118**	**1,142**	**1,151**
Profit for the year	–	18	24	9
Total comprehensive income	–	18	24	9

31. Financial instruments

(a) Accounting classifications

	Notes	31 December 2023	31 December 2024	31 December 2025	30 June 2026
		$'M	*$'M*	*$'M*	*$'M*
Financial assets measured at amortised cost					
Cash and cash equivalent	*7*	163	129	144	181
Trade and other receivables*	*8*	121	44	84	86
		284	173	228	267
Financial assets measured at amortised cost					
Derivative financial instruments (foreign exchange collars)	*16*	–	–	–	2
		–	–	–	2

	Notes	31 December 2023 $'M	31 December 2024 $'M	31 December 2025 $'M	30 June 2026 $'M
Financial liabilities measured at amortised cost					
Trade and other payables*	*14*	88	57	82	63
Lease liabilities	*11*	11	12	13	12
Borrowings	*15*	576	465	444	419
		675	534	539	492
Financial liabilities measured at fair value					
Derivative financial instruments (warrant liability)	*16*	51	33	9	–
		51	33	9	–

* Other receivable and payables that are not financial instruments (Goods and service tax receivable, prepayments and deferred income) are not included.

(b) Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values.

	31 December 2023 $'M	31 December 2024 $'M	31 December 2025 $'M	30 June 2026 $'M
Opening balance	51	51	33	9
Net change in fair value	–	(18)	(24)	(9)
Closing balance	51	33	9	–

The following management discussion and analysis is based on the financial information included in the accountants' report on the Target Group as set out in Appendix II to this circular for the three years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 (the "**Track Record Period**").

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is the management discussion and analysis of the Target Group for the three financial years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 (the "**Reporting Period**"). The following financial information is based on the financial information of the Target Group as set out in Appendix III to this circular.

OVERVIEW

The Target Group owns an 80% interest in the Kestrel Coal Mine (the "**Mine**"), a large-scale, long-life coal asset located in Queensland's Bowen Basin, Australia. The Mine primarily produces a premium metallurgical product (high fluidity and plasticity, low ash, and low deleterious elements), which is in high demand from steelmakers. It is the largest producing underground coal mine in Australia.

SIGNIFICANT FACTORS AFFECTING THE RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Target Group is engaged in coal production and export sales, which is substantially the same as the Company's coal operations. Accordingly, the results of operations and financial condition of the Target Group have been, and are expected to continue to be, primarily affected by the same significant factors as those which affect the Company, including those set forth below:

Demand for Coal Products

The Target Group's financial results are largely dependent on the demand for metallurgical coal, which in turn depends on macroeconomic trends, including regional and global economic activity.

Metallurgical coal is primarily used to produce coke for blast furnace steel production. End users of metallurgical coal are typically steel plants. In 2025, 88% of the Target Group's sales revenue came from sales to India, Japan, South Korea and Taiwan.

Sales Price

Regional and global trends in the demand for coal, taken together with coal supplies, are key drivers of prevailing market prices for coal. Metallurgical coal is typically priced against either a market index or a fixed price such that the sales price achieved is dependent on market trends.

The Target Group's average realised US$ price per tonne achieved over the Reporting Period is summarised below.

US$/t	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
Average sale price	223	195	145	142	171
Hard-coking benchmark price (Platts low vol)	256	204	153	145	190

The average sales price realised by the Target Group increased from US$142/t in the six months ended 30 June 2025 to US$171/t in the six months ended 30 June 2026 primarily due to a general increase in the global seaborne hard-coking benchmark coal price over the same period driven by tightness in supply from adverse Australian weather conditions together with the impact of the Middle East conflict on diesel supply disrupting sea freight.

The average sales price realised by the Target Group decreased from US$223/t in the year ended 31 December 2023 to US$145/t in the year ended 31 December 2025 primarily due to a general decline in the hard-coking benchmark coal price over the same period. Cyclical global hard-coking coal prices peaked above US$400/t in 2022 primarily due to supply issues caused by prolonged severe wet weather in Australia. Hard-coking prices then declined over the ensuing period as drier weather conditions saw a rebound in supply whilst at the same time steel demand from China declined.

Production and Sales Volume

The Mine is a single longwall operation such that the Run of Mine ("**ROM**") production of coal throughout any given year is influenced by the effective operation of the longwall and the number of longwall moves. On completion of mining a longwall panel, the longwall equipment is disassembled and relocated to the start of the next longwall panel, before being reassembled. This process typically takes approximately one month and during this time no longwall coal is produced. In addition, any unplanned downtime of the longwall results in a decrease in production volumes and ultimately sales volumes.

The Target Group's ex-mine ROM and Product coal production and sales volumes (excluding purchased coal)[10] achieved over the Reporting Period are summarised below.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
ROM volume (Mt)	6.6	4.7	6.5	2.4	2.7
Product volume (Mt)	4.5	3.5	4.7	1.7	2.2
Sales volume (Mt)	4.5	3.6	4.3	1.6	2.4

ROM volumes decreased by 28% from 6.6Mt in the year ended 31 December 2023 to 4.7Mt in the year ended 31 December 2024 primarily due to a frictional ignition event early in the year that saw production cease before seeing a gradual ramp up in production volumes.

ROM volumes increased by 39% from 4.7Mt in the year ended 31 December 2024 to 6.5Mt in the year ended 31 December 2025 benefiting from no longwall moves during the year compared to one in 2024, but again being impacted by a frictional ignition event.

ROM volumes increased by 13% from 2.4Mt in the six months ended 30 June 2025 to 2.7Mt in six months ended 30 June 2026 primarily due to the impact of the frictional ignition event in the prior period.

Product volumes are primarily driven by ROM volumes together with variations in the yield through the wash plant that can be influenced by changes in coal quality, and the timing of processing ROM coal inventories.

Sales volumes are primarily influenced by product coal volumes with differences resulting in changes in coal inventories. Sales volumes were lower during the year ended 31 December 2025 as coal inventories were being built up prior to a longwall move in early 2026.

Operating Costs

As a single longwall operation, the Target Group's site-based cash operating costs, comprising external services expenses, materials and consumables used, employee benefit expenses, fuel and energy expenses and insurance are predominantly fixed in nature in the short-term. As such, they remain relatively consistent across the Reporting Period despite significant variations in production volumes, with the delivery of consistent ROM volumes the key value driver for longwall mine operations.

[10] Balances represent the Target Group's 80% interest in the Kestrel Coal Mine

Freight expenses relating to rail and port transportation costs are subject to long term take or pay arrangements that are also generally fixed in nature with some ability to trade surplus capacity.

Coal royalties are payable to the Queensland Government based on a coal price-linked tiered system whereby higher Australian dollar coal prices attract a higher incremental royalty rate with sales volume being the other key driver.

RESULTS OF OPERATIONS

The following table sets forth the Target Group's consolidated statements of profit or loss and other comprehensive income for the periods indicated, which have been extracted from the accountant's report in Appendix III. The operating results in any period are not necessarily indicative of the results that may be expected for any future period.

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*	*US$M*
				(unaudited)	
Revenue	**993**	**711**	**623**	**226**	**410**
Other income	19	2	14	4	7
Other gains/(losses) – net	(4)	22	23	8	14
Changes in coal inventories	(19)	(19)	52	23	(34)
External services expenses	(112)	(114)	(119)	(55)	(59)
Depreciation and amortisation expense	(150)	(112)	(143)	(55)	(64)
Freight expenses	(89)	(80)	(90)	(43)	(49)
Materials and consumables used	(94)	(80)	(77)	(35)	(39)
Employee benefit expense	(71)	(71)	(68)	(31)	(36)
Royalties	(174)	(102)	(67)	(25)	(52)
Fuel and energy expenses	(35)	(25)	(26)	(13)	(14)
Insurance	(10)	(10)	(9)	(4)	(5)
Other expenses	(24)	(24)	(34)	(17)	(23)
Finance expenses	(77)	(60)	(54)	(27)	(22)
Profit/(loss) before income tax	**153**	**38**	**25**	**(44)**	**34**
Income tax benefit/(expense)	(46)	(6)	(1)	16	(7)
Profit/(loss) for the period	**107**	**32**	**24**	**(28)**	**27**

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	US$M	*US$M*	*US$M*	*US$M*	*US$M*
				(unaudited)	
Other comprehensive income	–	–	–	–	–
Total comprehensive income/(expense) for the period, net of tax	**107**	**32**	**24**	**(28)**	**27**
Total comprehensive income/(expense) for the period					
Total comprehensive income/(expense) for the period is attributable to:					
Owners of Kestrel Coal Group Pty Ltd	**107**	**32**	**24**	**(28)**	**27**

COMPARISON OF RESULTS OF OPERATIONS

SIX MONTHS ENDED 30 JUNE 2026 COMPARED TO SIX MONTHS ENDED 30 JUNE 2025

Revenue

Revenue primarily represents the sales value of coal sold to external customers. Revenue increased by 81% mainly due to a 20% increase in coal prices (average US$171/t v US$142/t) and a 50% increase in sales volume (2.4Mt v 1.6Mt).

Other gains/(losses) – net

Other gains/(losses) increased from a net gain of US$8 million to a net gain of US$14 million over the period. In the half-year ended 30 June 2026, other gains included a US$9 million (half-year ended 30 June 2025: US$10 million) fair value gain on warrants issued to shareholders. The favourable revaluation is consistent with the reduction in the derivative financial instruments liability, which decreased from US$9 million as at 31 December 2025 to nil as at 30 June 2026.

Changes in coal inventory

Changes in coal inventories went from an increase of US$23 million in the half-year ended 30 June 2025 to a decrease of US$34 million in the half-year ended 30 June 2026. Coal inventories at 30 June 2026 had decreased to US$29 million as inventory was sold down compared to 31 December 2025 where coal inventories had increased to $63 million on the back of stronger production and in preparation for a longwall move in early 2026.

External services expenses, materials and consumables used, employee benefit expenses, fuel and energy expenses and insurance

The combined site-based cash operating costs increased by 11% from US$138 million to US$153 million over the period while ROM volumes increased by 13% over the same period. This reflects the predominantly fixed nature of these costs in the short term partially offsetting the volume increases and sector wide inflationary cost pressures.

Depreciation and amortisation expense

Depreciation and amortisation expense includes the depreciation of the Target Group's property, plant and equipment and operational mining properties. Depreciation and amortisation expense increased by 16% from US$55 million to US$64 million over the period primarily due to the 13% increase in ROM coal production, with depreciation of mining properties (making up more than 60% of total fixed assets) depreciated based on units of production.

Freight expenses

Freight expenses increased by 14% from US$43 million to US$49 million over the period despite the 50% increase in sales volumes with the Target Group's take or pay arrangements effectively moderating the increase.

Royalties

Royalty expense increased by 108% from US$25 million to US$52 million over the period primarily due to the 81% increase in revenue, compounded by higher prices attracting a higher tiered royalty rate.

Other expenses

Other expenses increased by 35% from US$17 million to US$23 million over the period primarily due to an increase in rental equipment and Safeguard Mechanism expense.

Finance expenses

Finance expenses decreased by 19% from US$27 million to US$22 million over the period primarily reflecting the reduction in the Target Group's borrowings, with secured bank loans decreasing from US$444 million as at 31 December 2025 to US$419 million as at 30 June 2026.

Profit before income tax

Profit before tax increased by 177% from a loss before tax of US$44 million in the half-year ended 30 June 2025 to a profit before tax of US$34 million in the half-year ended 30 June 2026. The increase resulted from (i) a US$183 million increase in revenue, net of royalties, and other income; (ii) a US$6 million increase on other gains; iii) a US$57 million change in coal inventory; (iv) a US$32 million increase in costs driven by higher production volumes; and (v) a US$5 million decrease in finance costs.

FINANCIAL YEAR ENDED 31 DECEMBER 2025 COMPARED TO FINANCIAL YEAR ENDED 31 DECEMBER 2024

Revenue

Revenue decreased by 12% mainly due to a 26% decrease in coal prices (average US$145/t v US$195/t), partially offset by a 21% increase in sales volume (4.3Mt v 3.6Mt).

Other gains/(losses) – net

Other gains/(losses) - net remained broadly stable going from a net gain of US$22 million to a net gain of US$23 million over the period. In 2025, other gains included a US$24 million (2024: US$18 million) fair value gain on warrants issued to shareholders. The favourable revaluation is consistent with the reduction in the derivative financial instruments liability, which decreased from US$33 million as at 31 December 2024 to US$9 million as at 31 December 2025.

Changes in coal inventory

Changes in coal inventories went from a decrease of US$19 million in the year ended 31 December 2024 to an increase of US$52 million in the year ended 31 December 2025. Coal inventories at 31 December 2024 had decreased to US$11 million as inventory was sold down to partially compensate for the decrease in production that year. Coal inventories at 31 December 2025 had increased to US$63 million on the back of stronger production and in preparation for a longwall move in early 2026.

External services expenses, materials and consumables used, employee benefit expenses, fuel and energy expenses and insurance

The combined site-based cash operating costs decreased marginally from US$300 million to US$299 million over the period despite ROM volumes increasing by 39% and sector wide inflationary cost pressures. This reflects the predominantly fixed nature of these costs in the short term but did include the benefit of no longwall moves during the year ended 31 December 2025 providing no longwall downtime or associated longwall relocation costs.

Depreciation and amortisation expense

Depreciation and amortisation expense increased by 28% from US$112 million to US$143 million over the period primarily due to the 38% increase in ROM coal production, with depreciation of mining properties (making up more than 60% of total fixed assets) depreciated based on units of production.

Freight expenses

Freight expenses increased by 14% from US$80 million to US$90 million over the period primarily due to increases in sea freight, demurrage and port costs.

Royalties

Royalty expense decreased by 35% from US$102 million to US$67 million over the period primarily due to the 26% decrease in revenue and the lower coal price attracting a lower tiered royalty rate.

Other expenses

Other expenses increased by 33% from US$24 million to US$34 million over the period primarily due to an increase in rental equipment and Safeguard Mechanism expense.

Finance expenses

Finance expenses decreased by 10% from US$60 million to US$54 million over the period primarily reflecting the reduction in the Target Group's borrowings, with secured bank loans decreasing from US$465 million as at 31 December 2024 to US$444 million as at 31 December 2025.

Profit before income tax

Profit before tax decreased by 34% from US$38 million in the year ended 31 December 2024 to US$25 million in the year ended 31 December 2025. The decrease resulted from (i) a US$41 million decrease in revenue, net of royalties, and other income; (ii) a US$1 million increase on other gains; (iii) a US$71 million change in coal inventory; (iv) a US$50 million increase in costs driven by higher production volumes; and (v) a US$6 million decrease in finance costs.

FINANCIAL YEAR ENDED 31 DECEMBER 2024 COMPARED TO FINANCIAL YEAR ENDED 31 DECEMBER 2023

Revenue

Revenue decreased by 28% mainly due to a 13% decrease in coal prices (average US$195/t v US$223/t) and a 20% decrease in sales volume (3.6Mt v 4.5Mt).

Other gains/(losses) – net

Other gains/(losses) - net moved from a net loss of US$4 million to a net gain of US$23 million over the period. In 2024, other gains included a US$18 million (2023: nil) fair value gain on warrants issued to shareholders. The favourable revaluation is consistent with the reduction in the derivative financial instruments liability, which decreased from US$51 million as at 31 December 2023 to US$33 million as at 31 December 2024.

Changes in coal inventory

Changes in coal inventories remained stable from a decrease of US$19 million to a decrease of US$19 million over the period.

External services expenses, materials and consumables used, employee benefit expenses, fuel and energy expenses and insurance

The combined site-based cash operating costs decreased by 7% from US$322 million to US$300 million over the period despite the more significant 28% decrease in ROM volumes being partially offset by sector wide inflationary cost pressures. While longwall operating costs are relatively fixed in the short term, the move into the 500 series of longwall panels incurred additional gas drainage costs, ventilation support costs and power costs related to additional cooling requirements together with higher development costs.

Depreciation

Depreciation and amortisation expense decreased by 25% from US$150 million to US$112 million over the period primarily due to the 29% decrease in ROM coal production, with depreciation of mining properties (making up more than 60% of total fixed assets) depreciated based on units of production.

Freight expenses

Freight expenses decreased by 11% from US$89 million to US$80 million over the period primarily due to a US$12 million (20%) decrease in rail charges. Despite take or pay arrangements, rail charges decreased in line with the 20% decrease in sales volumes due to take or pay network capacity usage true ups.

Royalties

Royalty expense decreased by 41% from US$174 million to US$102 million primarily due to the 28% decrease in revenue with the lower coal price also attracting a lower tiered royalty rate.

Other expenses

Other expenses remained flat at US$24 million in both periods.

Finance expenses

Finance expenses decreased by 22% from US$77 million to US$60 million over the period primarily reflecting the reduction in the Target Group's borrowings, with secured bank loans decreasing from US$583 million as at 31 December 2023 to US$465 million as at 31 December 2024 following scheduled repayments during the year.

Profit before income tax

Profit before tax decreased by 75% from US$153 million in the year ended 31 December 2023 to US$38 million in the year ended 31 December 2024. The decrease resulted from (i) a US$226 million decrease in revenue, net of royalties, and other income; (ii) a US$26 million increase on other gains; (iii) a US$68 million decrease in costs driven by lower production volumes; and (iv) a US$17 million decrease in finance costs.

STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from the Target Group's consolidated statements of financial position as at the dates indicated, which have been extracted from the accountant's report in Appendix II.

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
Current assets				
Cash and cash equivalents	163	129	144	181
Trade and other receivables	134	58	91	89
Derivative financial instruments	–	–	–	2
Inventories	57	41	96	59
Current tax receivable	5	13	–	–
Total current assets	**359**	**241**	**331**	**331**
Non-current assets				
Trade and other receivables	7	6	6	6
Property, plant and equipment	1,993	1,990	1,913	1,892
Right of use asset	11	10	9	8
Intangible assets	–	–	1	1
Total non-current assets	**2,011**	**2,006**	**1,929**	**1,907**
Total assets	**2,370**	**2,247**	**2,260**	**2,238**
Current liabilities				
Trade and other liabilities	88	57	82	63
Borrowings	7	–	–	
Lease liabilities	4	3	2	3
Derivative financial instruments	51	33	9	–
Current tax liabilities	–	–	1	2
Employee benefit obligations	28	28	29	28
Provisions	–	3	11	13

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
Total current liabilities	**178**	**124**	**134**	**109**
Non-current liabilities				
Borrowings	576	465	444	419
Interest-bearing liabilities	11	12	11	9
Deferred tax liabilities	108	114	116	123
Provisions	48	51	50	46
Total non-current liabilities	**743**	**642**	**621**	**597**
Total liabilities	**921**	**766**	**755**	**706**
Net assets	**1,449**	**1,481**	**1,505**	**1,532**
Equity				
Contributed equity	1,184	1,184	1,184	1,184
Retained earnings	265	297	321	348
Total equity	**1,449**	**1,481**	**1,505**	**1,532**

ANALYSIS OF SELECTED ITEMS IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Trade and other receivables

The Target Group's trade and other receivables mainly represent receivables from sales of coal. Trade receivables are generally due for settlement within agreed customer terms and are all classified as current. The following table sets out the components of the Target Group's trade and other receivables as at the date indicated:

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
Current				
Trade receivables	107	32	67	67
Management fee receivables	2	3	1	1
Goods and service tax	7	7	3	4
Prepayments	11	9	10	5
Other receivables	7	7	10	12
Current trade and other receivables	**134**	**58**	**91**	**89**
Non-current				
Other receivables	7	6	6	**6**
Non-current trade and other receivables	**7**	**6**	**6**	**6**

The Target Group's period end trade receivables generally reflect the combined impacts of coal price and period end sales volumes across the Reporting Period.

Trade receivables were unchanged at US$67 million at 31 December 2025 and 30 June 2026 with the increase in sale price in the half-year ended 30 June 2026 effectively offset by the timing of sales and receipts relative to 31 December 2025.

Trade receivables increased by 110% from 31 December 2024 to 31 December 2025 mainly due to the relative volume and timing of year-end sales and receipts. At the end of 2025 production volumes continued to ramp up ahead of a longwall move in early 2026, whereas production volumes at the end of 2024 was impacted by a longwall move. This volume increase was partially offset by a lower coal price.

Trade receivables decreased by 70% from 31 December 2023 to 31 December 2024 due to the same factors. As noted, at the end of 2024 production volumes decreased due to a longwall move, whereas production at the end of 2023 had ramped up prior to a longwall move; this was compounded by a lower coal price.

Prepayments were primarily related to rates, levy, mining tenements and insurance.

Other receivables were primarily related to fuel tax rebates, and other receivables.

Inventories

The following table sets out the components of the Target Group's inventories as at the date indicated:

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$'000	*US$'000*	*US$'000*	*US$'000*
Current assets – Inventories				
Stores	22	23	28	30
Coal stocks – at cost	28	11	63	29
Other inventories	7	7	5	–
Total inventory	**57**	**41**	**96**	**59**

The Target Group's coal stocks comprise stockpiles of Run of Mine coal and Product coal, held either at site or at port.

Coal stocks decreased by 54% from 31 December 2025 to 30 June 2026 primarily due to coal stocks increasing towards the end of 2025 prior to a longwall move while coal inventories have returned to more normal levels at 30 June 2026.

Coal stocks increased by 465% from 31 December 2024 to 31 December 2025 primarily due to selling down stocks towards the end of 2024 to optimise sales to compensate for lower production volumes compared to increasing stocks toward the end of 2025 in readiness for a longwall move in early 2026.

Coal stocks decreased by 60% from 31 December 2023 to 31 December 2024 primarily due to selling down stocks toward the end of 2024 as noted above.

Stores inventories are primarily comprised of production supplies and critical spare parts for use in the operations of the mine. The increasing trend across the periods was primarily due to the inflationary impacts of OEM parts.

Other inventories comprise Australian Carbon Credit Units ("**ACCU**") purchased to settle the Target Group's carbon offset liability under the Australian Federal Government's Safeguard Mechanism that requires the surrender of ACCUs for unabated emissions above a baseline.

Trade and other payables

The Target Group's trade and other payables mainly represent purchases of operating supplies and services used in production processes. The Target Group's trade and other payables are normally settled on approximately 45 days settlement terms and therefore are all classified as current. The following table sets out the components of the Target Group's trade and other payables as at the date indicated:

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
Current liabilities – Trade and other payables				
Trade payables	28	21	19	18
Related party payables	–	–	2	1
Royalties payable	23	7	21	18
Accrued expenses	35	27	30	25
Other payables	2	2	10	1
Total current liabilities	**88**	**57**	**82**	**63**

Trade payables and accrued expenses were materially consistent across the Reporting Period with minor variances attributable to changes in period end production volumes and the timing of invoicing and payments.

Royalties payable consists of state government coal royalties payable to the Queensland government and largely reflect the combination of coal prices and period end sales volumes noted above.

SEGMENTAL INFORMATION

During the Reporting Period, the Target Group had only one reportable segment. As such, no segmental information is presented in the Target Group's financial statements.

LIQUIDITY AND FINANCIAL RESOURCES

During the Reporting Period, the Target Group has historically met its liquidity requirements from cash generated from operations. The table below sets forth a selected summary of the Target Group's statement of cash flows for the periods indicated, which have been extracted from the accountant's report in Appendix III.

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*	*US$M*
				(unaudited)	
Net cash inflow from operating activities	339	249	158	27	125
Net cash outflow from investing activities	(119)	(101)	(71)	(18)	(43)
Net cash outflow from financing activities	(217)	(178)	(75)	14	(46)
Net increase/(decrease) in cash and cash equivalents	**3**	**(30)**	**12**	**23**	**36**
Cash and cash equivalents at the beginning of the year/ period	160	163	129	129	144
Effects of exchange rate changes on cash and cash equivalents	–	(4)	3	2	1
Cash and cash equivalents at end of year/period	**163**	**129**	**144**	**154**	**181**

Cash flow from operating activities

The Target Group derives its cash inflows from operating activities primarily from the sale of coal to overseas markets denominated in US$. The Target Group's cash outflow for operating activities is primarily the payment to suppliers and employees. Cash flows from operating activities can be significantly affected by factors such as changes in US$ coal prices, the A$/US$ exchange rate and sales and production volumes.

For the six months ended 30 June 2026, the net operating cash inflow of US$125 million was primarily attributable to receipts from customers of US$412 million for sales of coal impacted by the higher coal price and sales volume achieved during the period offset by payments to suppliers and employees of US$290 million for the supply and services used in the coal mining production, transport and sales processes.

For the year ended 31 December 2025, the net operating cash inflow of US$158 million was primarily attributable to receipts from customers of US$601 million for sales of coal impacted by the lower coal sales revenue in the period offset by payments to suppliers and employees of US$465 million for the supply and services used in the coal mining production, transport and sales processes including the benefit of lower royalties in the period.

For the year ended 31 December 2024, the net operating cash inflow of US$249 million was primarily attributable to receipts from customers of US$781 million for sales of coal and offset by payments to suppliers and employees of US$535 million for the supply and services used in the coal mining production, transport and sales processes.

For the year ended 31 December 2023, the net operating cash inflow of US$339 million was primarily attributable to receipts from customers of US$999 million for sales of coal benefiting from the higher sales volumes and coal prices in the period and offset by payments to suppliers and employees of US$654 million for the supply and services used in the coal mining production, transport and sales processes including higher royalties in the period.

Cash flow from investing activities

The Target Group's cash outflow from investing activities primarily consists of purchases of property, plant and equipment.

For the six months ended 30 June 2026, the net cash used in investing activities was US$43 million and included purchases of property, plant and equipment of US$43 million.

For the year ended 31 December 2025, the net cash used in investing activities was US$71 million and included purchases of property, plant and equipment of US$73 million.

For the year ended 31 December 2024, the net cash used in investing activities was US$101 million and included purchases of property, plant and equipment of US$101 million.

For the year ended 31 December 2023, the Target Group's net cash used in investing activities was US$119 million and included purchases of property, plant and equipment of US$119 million.

Cash flows from financing activities

The Target Group's cash outflows from financing activities primarily consist of the proceeds and repayments of borrowings, interest and fee payments and lease payments.

For the six months ended 30 June 2026, the net cash used in financing activities was US$46 million and included US$26 million repayment of borrowings and US$19 million payment of interest and fees.

For the year ended 31 December 2025, the net cash used in financing activities was US$75 million and included (i) US$100 million proceeds from borrowings; (ii) US$125 million repayment of borrowings; and (iii) US$48 million payment of interest and fees.

For the year ended 31 December 2024, the net cash used in financing activities was US$178 million and included US$122 million repayment of borrowings and US$54 million payments of interest and fees.

For the year ended 31 December 2023, the net cash used in financing activities was US$217 million and included (i) US$3 million repayment of related party loan; (ii) US$144 million repayment of borrowings; and (iii) US$66 million payment of interest and fees.

CAPITAL EXPENDITURES AND COMMITMENTS

The Target Group's capital expenditure principally consists of purchases of property, plant and equipment.

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*	*US$M*
				(unaudited)	
Capital expenditure	119	101	73	18	43

Capital expenditure during the half-year ended 30 June 2026 was US$43 million and was broadly consistent with the annual spend during the previous three years where capital expenditure had decreased from US$119 million in 2023 to US$101 million in 2024 and further to US$73 million in 2025. Capital expenditure was higher in the year ended 31 December 2023 and into the year ended 31 December 2024 in preparation for the commencement of mining the 500 series of longwall panels from 2024. Capital included replacement of a significant amount of the longwall equipment together with degassing initiatives.

Capital expenditure was funded primarily from cash flow generated from operating activities and over the period was primarily sustaining in nature.

Significant investments

No significant investments are planned in the near future other than business as usual expenditure.

Contractual Commitments

The Target Group's contractual commitments are principally comprised of operating leases, capital commitments and unconditional purchase obligations.

Commitments

Operating leases

The Target Group leases properties, rail and port, and equipment. The leases typically run for a period of 6 to 12 years and may include an option to renew after that date. The following table sets out the current and non-current split of the Target Group's lease liabilities.

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
Current	4	3	2	3
Non-current	11	12	11	9
Total lease liabilities	**15**	**15**	**13**	**12**

Capital commitments

Significant capital expenditure contracted for in the normal course of business at the end of the periods indicated, but not recognised as liabilities, is as follows:

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
Capital commitments	58	24	37	41

INDEBTEDNESS

Borrowings

The Target Group has a US dollar denominated Syndicated Facility Agreement ("**SFA**") with a maturity date of 14 November 2027, with principal and interest payable in instalments on a quarterly basis. In entering the SFA, the Target Group paid US$25 million in upfront and related borrowing costs which were capitalised on the date of first use. The capitalised costs are being amortised over the life of the loan. The period end balances are set out in the table below.

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
Current				
Bank loan (SFA)	11	–	–	–
Deferred debt issue costs	(4)	–	–	–
Total current	**7**	**–**	**–**	**–**
Non-current				
Bank loan (SFA)	588	476	451	424
Deferred debt issue costs	(12)	(11)	(7)	(5)
Total non-current	**576**	**465**	**444**	**419**
Total secured borrowings	**583**	**465**	**444**	**419**

The total borrowings are secured over all the assets and undertakings of the Target Group.

It is the Company's intention that immediately on Completion of the Acquisition, or soon thereafter, that the Target Group's SFA as detailed above, will be repaid in full.

Maturity profile of debt and currency exposure

The maturity date of the SFA is 14 November 2027 and is drawn in US dollars, being the functional currency of the Target Group such that there is no currency exposure on borrowings.

Derivative financial instruments

On 24 July 2018, Kestrel Coal Group Pty Ltd issued 134,030,872 warrants to shareholders. Upon the achievement of certain vesting conditions, each vested warrant entitles the holder to receive the cash equivalent of the market value of a newly issued share in Kestrel Coal Group Pty Ltd, less US$1, or to purchase one newly issued share in Kestrel Coal Group Pty Ltd for US$1.

The warrants only vest and become exercisable if the fair market value of the Target Group exceeds certain trigger points relative to the total paid up capital of Target Group.

The warrants have been classified as a current financial liability and measured at fair value as they are to be cash settled (at the option of the holder).

The Target Group uses foreign exchange collar option contracts to hedge its currency risk at the direction of the Board of Directors. Entered contracts generally mature within 12 months and are designated as cash flow hedges.

The period end assessed fair values are set out in the table below.

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
Foreign exchange collar derivatives	–	–	–	2
Warrant liability	(51)	(33)	(9)	–
Current derivative financial instruments	**(51)**	**(33)**	**(9)**	**2**

The assessed fair value of the warrants has decreased from US$51 million at 31 December 2023 to nil at 30 June 2026 primarily reflecting the impact of the substantial decrease in the coal price over the period to 31 December 2025 reducing the fair value of the warrants. At 30 June 2026, the Target Group's management has determined that the Acquisition value is below the threshold to trigger vesting of the warrants and as such have been valued at nil.

The warrants form part of the Acquisition and title transferred to the Company on Completion. As the holder of 100% of the issued share capital of Kestrel Coal Group Pty Ltd, the warrants have nil economic value, and it is the Company's intention to cancel or terminate the warrants soon thereafter.

The assessed fair value of the collar derivatives at 30 June 2026 was US$2 million based on valuations sourced from participating financial institutions. The contracts provided hedge coverage of US$40 million per month to September 2026. No collar derivatives have been entered into with an exposure beyond Completion.

Contingencies

The Target Group enters into bank guarantee arrangements as required by various port and rail service providers as set out in the table below.

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
Bank guarantees in favour of various infrastructure (port and rail) service providers.	11	11	11	11

Gearing ratio

The capital structure of the Target Group consists of borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, including issued capital and retained earnings.

The Target Group does not have a target debt to equity ratio, but considers various financial metrics including liquidity levels, total capital, cash flow and EBITDA to ensure a strong balance sheet is maintained. The Target Group's gearing ratios are set out in the table below:

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
Borrowings	583	465	444	419
Lease liabilities	15	15	13	12
Total Interest-bearing liabilities	598	480	457	431
Less cash and cash equivalents	(163)	(129)	(144)	(181)
Net debt	435	351	313	250
Total equity	1,449	1,481	1,505	1,532
Net debt plus total equity	1,884	1,832	1,818	1,782
Gearing ratio (%) [1]	23%	19%	17%	14%

[1] Gearing ratio = Net Debt/(Net Debt + Equity)

Charges on the Target Group's assets

As at 30 June 2026, the US$424 million SFA bank loan is secured against all of the assets of the Target Group.

Off-Balance Sheet Transactions

As at 30 June 2026, the Target Group had not entered into any off-balance sheet transactions.

FINANCIAL RISK MANAGEMENT

The Target Group's risk management is predominantly controlled by the board of directors. The board identifies, evaluates and hedges financial risks in close co-operation with the Target Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative financial instruments and non-derivative financial instruments.

The Target Group's principal activity is coal mining and not trading. Accordingly, the Target Group only contracts to sell coal that it plans to produce, however purchasing coal for resale may be required in circumstances where actual production falls short of contractual sales volumes. The Target Group operates entirely in Australia and is exposed primarily to Australian dollar denominated costs. Sales are primarily denominated in US dollars. Cash deposits are denominated in both Australian and US dollars.

Market Risk

(a) Foreign exchange risk

Foreign exchange risk arises from future commercial transactions and recognised asset and liabilities denominated in a currency that is not the functional currency of the Target Group, that being the US dollar. The Target Group sells its product internationally primarily in US dollars and it is exposed to foreign exchange risk, primarily the Australian dollar, from its other revenue and operating expenses. This risk is measured through a forecast of highly probable Australian dollar expenditures.

The Target Group's exposure to Australian dollar foreign currency risk during the Reporting Period, expressed in US dollars, was as follows:

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
Trade and other receivables	19	17	30	19
Trade and other payables	(115)	(108)	(140)	(112)

The aggregate net foreign exchange gains/losses recognised in profit or loss were:

	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*	*US$M*
				(unaudited)	
Net foreign exchange gains/ (losses) included in other gains	(4)	4	(2)	2	3

Instruments used by the Target Group

The Group sells product internationally which is primarily in US$. The Group is exposed to foreign exchange risk, primarily the Australian dollar from other revenue and operating expenses. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The risk is measured through a forecast of highly probable Australian dollar expenditures.

The Target Group uses foreign exchange collar option contracts to hedge its currency risk at the direction of its Board of Directors. Entered contracts generally mature within 12 months and are designated as cash flow hedges.

Sensitivity

As shown in the exposure table above, the Target Group is primarily exposed to changes in US$/A$ exchange rates. The sensitivity of profit or loss to changes in exchange rates arises mainly from A$-denominated financial instruments.

The table below summarises the impact on the Target Group's post-tax profit for a 5% increase in exchange rates with all other variables held constant. Other components of equity would have been unaffected.

	Impact on post-tax profit				
				Six months ended	
	Year ended 31 December			**30 June**	
	2023	**2024**	**2025**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*	*US$M*
				(unaudited)	
US$/A$ exchange rate – increase 5%	2	5	6	5	3
US$/A$ exchange rate – decrease 5%	(2)	(5)	(6)	(5)	(3)

(b) Interest rate risk

The Target Group's main interest rate risk arises from long-term borrowings with variable rates, which exposes it to cash flow interest rate risk. During the Reporting Period, the Target Group's borrowings at variable rates were denominated in US dollars. The applicable variable rate on these borrowings is the Secured Overnight Financing Rate ("**SOFR**") administered by the Federal Bank of New York. No existing debt was impacted by the LIBOR reforms.

The Target Group's borrowings and receivables are carried at amortised cost. The borrowings are periodically contractually repriced (see below) and to that extent are also exposed to the risk of future changes in market rates.

The exposure of the Target Group's borrowings to interest rate changes and the contractual re-pricing dates of the borrowings during the Reporting Period are as follows:

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
			(unaudited)	
Variable rate borrowings –				
SOFR/LIBOR	599	476	451	424
% of total external loans	100%	100%	100%	100%

Instruments used by the Target Group

During the Reporting Period, there were no interest rate swaps in place to cover the balance of the variable loan principal outstanding. The variable rates are based on SOFR plus 4.00%. The rate set on variable interest at the end of each period was 9.35596% (31 December 2023); 8.32878% (31 December 2024); 7.67194% (31 December 2025) and 7.64392% (30 June 2026).

As noted above, it is the Company's intention that immediately on Completion of the Acquisition, or soon thereafter, that the Target Group's SFA bank loan, will be repaid in full.

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates. Other components of equity change as a result of an increase/ decrease in the fair value of the cash flows hedges of borrowings.

The table below summarises the impact on the Target Group's post-tax profit for a 50bp increase in interest rates with all other variables held constant. Other components of equity would have been unaffected.

	Impact on post-tax profit				
	Year ended 31 December			Six months ended 30 June	
	2023	**2024**	**2025**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*	*US$M*
				(unaudited)	
Interest rate – increase 50bp	(2)	(1)	(1)	(1)	(1)
Interest rate – decrease 50bp	2	1	1	1	1

(c) Commodity price risk

The Target Group's main commodity price risk arises from hard-coking sales contracts that are linked to the floating market price of coal, which exposes the Target Group to a cash flow commodity price risk. The Target Group's policy is to perform commodity price hedging only when approved by the Board.

Instruments used by the Target Group

No such commodity price risk hedging has been undertaken during the Reporting Period.

The marking to market of provisionally priced sales contracts is recorded as an adjustment to sales revenue and is included in Other Gains.

Sensitivity

The table below summarises the impact on the Target Group's post-tax profit for a 10% increase in coal price with all other variables held constant. Other components of equity would have been unaffected.

	Impact on post-tax profit			
	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$'000*
Provisionally priced trade receivables – increase 10%	1	–	2	1

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk arises on cash and cash equivalents, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

The management of the Target Group believes the Target Group has minimal exposure to credit risk related to trade receivables or by virtue of the possible non-performance of the counterparties to the Target Group's other financial instruments. The Target Group has a limited number of counterparties who purchase coal, all of which are well known, reputable counterparties with sound financial positions.

Trade receivables

If customers are independently rated, these ratings are used. Otherwise, management assesses the credit quality of the customer taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with the credit limits by customer is regularly monitored.

Sales to customers are required to be settled using a variety of trading terms. There are no significant concentrations of credit risk, whether through exposure to individual customers and/or regions.

For some trade receivables, the Target Group may obtain security in the forms of bills of exchange or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

During the Reporting Period, there have been no loss allowance recognised for expected credit losses against trade receivables.

Cash and cash equivalents

Cash transactions are limited to high credit quality financial institutions. The Target Group operates in full compliance with the terms of the SFA.

During the Reporting Period, there were no identified impairment losses against cash and cash equivalents.

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying business, the Target Group maintains flexibility in working capital management by maintaining committed credit lines.

The Target Group monitors rolling forecasts of its liquidity reserve (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. In addition, the Target Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Target Group's borrowing requirements are not subject to material seasonal fluctuations.

Financing arrangements

The Target Group had access to the following undrawn borrowing facilities during the Reporting Period.

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
Floating rate – expiring within one year (syndicated bank working capital facility)	100	100	100	100

The undrawn bank loan facilities may be drawn at any time in US dollars and are subject to six-monthly clean down mechanisms whereby drawn amounts must be cleared to nil for a period of no less than four consecutive business days every year.

The Target Group's financial liabilities comprised trade and other payables, the SFA bank loan, lease liabilities and the warrant liability.

As noted above, it is the Company's intention that immediately on Completion of the Acquisition, or soon thereafter, that the Target Group's SFA, will be repaid in full including cancellation of the undrawn borrowing facility.

Similarly, the warrants form part of the Acquisition and title transferred to the Company on Completion. As the holder of 100% of the issued share capital of Kestrel Coal Group Pty Ltd, the warrants have nil economic value, and it is the Company's intention to cancel or terminate the warrants soon thereafter.

Trade and other payables are unsecured and are typically paid within supplier payment terms previously outlined.

EMPLOYEES

As of 30 June 2026, the Target Group (including 100% of Kestrel Coal Mine) had approximately 417 employees and approximately 639 contractors including the Brisbane office. For the year ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026, the total remuneration including wages and salaries and other employee benefits amounted to approximately US$71 million, US$71 million, US$68 million and US$36 million, respectively. Remuneration packages and benefits were determined in accordance with market terms, industry practice as well as the nature of duties, performance, qualifications and experience of employees.

MATERIAL ACQUISITIONS AND DISPOSALS

There was no material acquisition or disposal of subsidiaries and associated companies of the Target Group during the Reporting Period.

CONTINGENT LIABILITIES

The Target Group had contingent liabilities with respect to:

(i) Bank guarantees

The Target Group had bank guarantees in favour of various infrastructure providers. The total of these guarantees is set out in the table below.

	At 31 December			At 30 June
	2023	**2024**	**2025**	**2026**
	US$M	*US$M*	*US$M*	*US$M*
Guarantees in favour of various infrastructure providers	11	11	11	11

(ii) Joint ventures

As part of a compensation agreement for surface rights, the Kestrel Coal Joint Venture gave an undertaking to the relevant tribunal to pay compensation to the landowner if the land was sold during the term of the mining lease. The value to be equivalent to the difference between fair market value and the price realised. The amount is therefore unspecified.

The Kestrel Joint Venture has entered into agreements with surrounding landowners obliging the Kestrel Joint Venture to 'make good' any adverse impact that mining operations at Kestrel has on the landowner's water entitlements. The amount is therefore unspecified.

As part of a compensation agreement for the renewal of a mining lease, the Kestrel Coal Joint Venture has given an indemnity to landholders to make good any loss or damage caused by the Kestrel Coal Joint Venture's use of the land. The amount is therefore unspecified.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

Introduction

The unaudited pro forma financial information of the Enlarged Group (the "**Unaudited Pro Forma Financial Information**") presented below has been prepared to illustrate the unaudited pro forma consolidated statement of financial position of the Enlarged Group as if the acquisition of the Target Group ("**Acquisition**") had been completed on 30 June 2026.

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared by the directors of the Company in accordance with paragraph 4.29 of Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, for illustrative purposes only and because of its nature, it may not give a true picture of the financial position of the Enlarged Group following completion of the Acquisition.

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared based on the use of accounting policies of the Enlarged Group consistent with that of the Group, and the unaudited consolidated statement of financial position of the Group as at 30 June 2026 included in the published interim report of the Company for the six months ended 30 June 2026, and the audited consolidated statement of financial position of the Target Group as at 30 June 2026, which has been extracted from the accountant's report of the Target Group as set out in Appendix II to this circular, respectively, after giving effect to the unaudited pro forma adjustment as described in the accompanying notes.

The Unaudited Pro Forma Financial Information was also prepared by the Directors based on certain assumptions, estimates and uncertainties for illustrative purposes only. Due to its hypothetical nature, the Unaudited Pro Forma Financial Information may not purport to predict what the assets and liabilities of the Enlarged Group would be.

The Unaudited Pro Forma Financial Information should be read in conjunction with amongst others, the financial information of the Group as set out in the published interim report of the Company for the six months ended 30 June 2026 and other financial information included elsewhere in this circular.

PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

Pro Forma Consolidated Statement of Financial Position of the Enlarged Group as at 30 June 2026

	The Group	The Target Group		Pro Forma Adjustments			Unaudited Pro Forma Enlarged Group
	A$'m	*US$'m*	*A$'m*	*A$'m*	*A$'m*	*A$'m*	*A$'m*
	(Note 1)	*(Note 2)*	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*	
Current assets							
Cash and cash equivalents	2,094	181	263	(1,155)	–	(220)	982
Trade and other receivables	650	89	130	–	–	–	780
Inventories	419	59	86	–	–	–	505
Royalty receivable	19	–	–	–	–	–	19
Other current assets	36	2	3	–	–	–	39
Total current assets	**3,218**	**331**	**482**	**(1,155)**	**–**	**(220)**	**2,325**
Non-current assets							
Trade and other receivables	97	6	9	–	–	–	106
Property, plant and equipment	4,236	736	1,071	–	–	–	5,307
Mining tenements	3,467	1,164	1,695	–	246	–	5,408
Exploration and evaluation assets	241	–	–	–	–	–	241
Intangible assets	130	1	1	–	–	–	131
Royalty receivable	155	–	–	–	–	–	155
Interest in other entities	380	–	–	–	–	–	380
Kestrel investment	56	–	–	2,420	(2,476)	–	–
Other non-current assets	10	–	–	–	–	–	10
Total non-current assets	**8,772**	**1,907**	**2,776**	**2,420**	**(2,230)**	**–**	**11,738**
Total assets	**11,990**	**2,238**	**3,258**	**1,265**	**(2,230)**	**(220)**	**14,063**

	The Group	The Target Group		Pro Forma Adjustments			Unaudited Pro Forma Enlarged Group
	A$'m	*US$'m*	*A$'m*	*A$'m*	*A$'m*	*A$'m*	*A$'m*
	(Note 1)	*(Note 2)*	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*	
Current liabilities							
Trade and other liabilities	963	63	92	–	–	–	1,055
Interest-bearing liabilities	37	3	4	–	–	–	41
Current tax liabilities	35	2	3	–	–	–	38
Provisions	137	41	60	–	–	–	197
Total current liabilities	**1,172**	**109**	**159**	**–**	**–**	**–**	**1,331**
Non-current liabilities							
Trade and other payables	56	–	–	–	–	–	56
Contingent consideration	–	–	–	149	–	–	149
Interest-bearing liabilities	23	428	623	1,116	–	–	1,762
Deferred tax liabilities	273	123	179	–	–	–	452
Provisions	1,445	46	67	–	–	–	1,512
Total non-current liabilities	**1,797**	**597**	**869**	**1,265**	**–**	**–**	**3,931**
Total liabilities	**2,969**	**706**	**1,028**	**1,265**	**–**	**–**	**5,262**
Net assets	**9,021**	**1,532**	**2,230**	**–**	**(2,230)**	**(220)**	**8,801**
Equity							
Contributed equity	6,698	1,184	1,724	–	(1,724)	–	6,698
Reserves	7	–	–	–	–	–	7
Retained earnings	2,314	348	506	–	(506)	(220)	2,094
Capital and reserves attributable to owners	**9,019**	**1,532**	**2,230**	**–**	**(2,230)**	**(220)**	**8,799**
Non-controlling interests	2	–	–	–	–	–	2
Total equity	**9,021**	**1,532**	**2,230**	**–**	**(2,230)**	**(220)**	**8,801**

A. NOTES TO THE PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. The financial information of the Group as at 30 June 2026 is extracted from the unaudited financial statements of the Group.

2. The financial information of the Target Group as at 30 June 2026 is extracted from the Accountants' Report as set out in Appendix II to this circular and translated to A$ at US$1 to A$1.4558, which is based on the Reserve Bank of Australia published closing rate on 30 June 2026.

   No representation is made that any amounts in US$ can be or could have been converted to A$ at the relevant date and period at the above rates or any other rates or at all.

3. This pro forma adjustment recognises the Investment Cost at Completion of A$2,412 million and the funding sources of the Acquisition.

   Investment Cost

   According to the Sale and Purchase Agreement (the "**SPA**"), the Company would acquire the entire equity interests in Kestrel Coal Group Pty Ltd, the head entity of the Target Group.

   The consideration for the Acquisition (the "**Total Consideration**") consists of:

   (i) US$1.85 billion (the "**Upfront Consideration**") payable upon Completion, inclusive of a US$40 million deposit paid on signing of the SPA on 14 April 2026.

   (ii) Up to US$550 million in contingent cash consideration (the "**Contingent Consideration**"), payable annually over a five-year period from Completion, if in any year the average (mean) published daily prices for the Platts Premium Low Vol. Hard Coking Coal FOB Australia (PLVHA00) Index exceeds a specified threshold.

   The Directors considered that the discounted present value of the Contingent Consideration to be US$102 million, based on a probabilistic NPV analysis.

   The Total Consideration is subject to:

   (i) a net debt (borrowings less cash) adjustment determined with reference to the actual net debt at the date of Completion.

   (ii) a working capital adjustment determined by the difference between the actual working capital at the date of Completion and the target working capital.

The net debt and working capital adjustments are defined in the SPA and are subject to agreement between the transacting parties.

For illustrative purposes interest-bearing liabilities have been assumed to be a reasonable proxy for debt as defined in the SPA and the Directors have assumed that no adjustment to the net working capital is required for the purpose of the Unaudited Pro Forma Financial Information.

The following is a reconciliation of the Total Consideration including a translation to A$ at US$1 to A$1.4558, which is based on the Reserve Bank of Australia published closing rate on 30 June 2026:

	US$'m	**A$'m**
Upfront Consideration (US$1.85 billion less US$40 million deposit)	1,810	2,635
Add:		
Cash and cash equivalents at 30 June 2026	181	263
Less:		
Interest-bearing liabilities at 30 June 2026	(431)	(627)
Adjusted Upfront Consideration	**1,560**	**2,271**
Contingent Consideration (US$102 million)	102	149
Investment Cost at Completion	**1,662**	**2,420**
Add: Deposit paid (US$40 million)[11]	40	56
Total Investment Cost (Total Consideration)	**1,702**	**2,476**

[11] US$40 million translated at US$1 to A$1.4118, which is based on the Reserve Bank of Australia published closing rate on 14 April 2026.

Funding

The Adjusted Upfront Consideration for the Acquisition of US$1,560 million will be settled by a combination of available cash and cash equivalents and a US$1.2 billion five-year syndicated acquisition loan facility.

The following is a reconciliation of the funding sources to settle the Adjusted Upfront Consideration including a translation to A$ at US$1 to A$1.4558, which is based on the Reserve Bank of Australia published closing rate on 30 June 2026:

	US$'m	**A$'m**
Cash and cash equivalents	624	908
Debt facility (up to US$1.2 billion)	936	1,363
Adjusted Upfront Consideration	**1,560**	**2,271**

It is the Company's intention that immediately on completion of the Acquisition, or soon thereafter, that the Target Group's syndicated bank loan, will be repaid in full. The loan balance recognised on the Target Group's balance sheet at 30 June 2026 was US$424 million before unamortised borrowing costs of US$5 million (noting the total interest-bearing liabilities of US$431 million also includes lease liabilities of US$12 million). For the purposes of the Unaudited Pro Forma Financial Information it is assumed that the US$424 million is repaid at Completion from available cash and cash equivalents and by drawing from the US$1.2 billion five-year syndicated acquisition loan facility as set out in the table below.

	US$'m	**A$'m**
Cash and cash equivalents	170	247
Debt facility (up to US$1.2 billion)	254	370
Target Group debt	**424**	**617**

4. This adjustment eliminates the Total Investment Cost of A$2,476 million in the Target Group.

The Group has applied the acquisition method in accordance with International Financial Reporting Standard ("**IFRS**") 3 "Business Combinations" to account for the Acquisition as if the Acquisition had been completed on 30 June 2026 and a summary of the acquisition accounting is set out below.

	Note	**US$'m**	**A$'m**
Total Consideration (note 3)		**1,702**	**2,476**
Fair value of identifiable assets and liabilities			
– Carrying amount of identifiable net assets (note 2)		1,532	2,230
– Pro forma fair value adjustments			
– Mining tenements	(i)	170	246
		1,702	**2,476**
Pro forma Goodwill		**–**	**–**

For the purpose of preparation of the Unaudited Pro Forma Financial Information, it is assumed that the fair values of the identifiable assets and liabilities of the Target Group, except for those items set out below, approximates to their respective carrying amounts as at 30 June 2026.

Note:

(i) The Directors note that the Acquisition was the result of a competitive multi-company bid process that culminated in the Company being nominated as the preferred bidder prior to final agreement of the Total Consideration. As such the directors of the Company believe the Total Consideration represents the fair value of the identifiable assets and liabilities acquired between a willing buyer and seller. As a result, the directors of the Company believe that in accordance with IFRS 3 there is no goodwill or gain on bargain purchase attributable to the Acquisition.

The Directors note the outcome of the Valuation Report that included a mid-point valuation of US$2,334 million included in Appendix VII to this circular, and that this is in excess of the Total Consideration of US$1,952 million (on a no cash no debt basis).

This surplus valuation has been used to support a fair value uplift of US$170 million to the value of mining tenements.

5. This adjustment includes the estimated transaction costs.

   The Acquisition is subject to Queensland State Government Stamp Duty based on the assessed dutiable value of the Acquisition. This amount is still subject to finalisation, but the estimated amount is up to US$138 million (A$200 million) and is expected to be settled no earlier than December 2026. The final amount of stamp duty payable may be higher or lower than the estimated amount due to various factors including the finalisation of independent valuations.

   Transaction costs of approximately A$20 million, relating to financial advisors, legal, accounting and tax and other professional services, are estimated to be incurred from 30 June 2026 to the date of lodgement of this Circular, including Completion.

   Stamp duty and transaction costs incurred are expensed to the consolidated statement of profit or loss when incurred but for the purposes of the Unaudited Pro Forma Financial Information the cash flow is assumed to occur on Completion.

   The transaction cost adjustment is not expected to have a continuing effect on the Enlarged Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows.

The fair values of the identifiable assets and liabilities of the Target Group determined on the Completion date may be materially different from their respective values used in the preparation of the Unaudited Pro Forma Financial Information. Accordingly, the final amounts of assets or liabilities and goodwill, if any, to be recognised in the consolidated financial statements of the Enlarged Group upon Completion may be materially different from the amounts adopted in the preparation of this Unaudited Pro Forma Financial Information.

Deferred taxation is calculated on the temporary differences arising from the difference in fair values and tax bases of the acquired assets on 30 June 2026 and is calculated using the Australian corporate tax rate of 30%.

The amounts of fair value adjustments and deferred tax impact are subject to change when the purchase price allocation is finalised based on the date of actual completion of the Acquisition and the taxable amounts of the relevant acquired assets are reviewed and confirmed by the local tax authority in Australia upon the actual completion of the Acquisition.

Set out below is the text of a report received from the independent reporting accountants of the Company, SW Audit, which has been prepared for the purpose of incorporated in this circular.

SW Accountants & Advisors

Take the lead

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Yancoal Australia Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Yancoal Australia Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the pro forma statement of assets and liabilities as at 30 June 2026 and related notes as set out on pages IV-1 to IV-8 of the circular issued by the Company dated 23 November 2026 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages IV-1 to IV-8 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the acquisition of the entire issued share capital of Kestrel Coal Group Pty Limited (the "Transaction") on the Group's financial position as at 30 June 2026 as if the transaction had taken place at 30 June 2026. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's half-year consolidated financial statements for the half-year ended 30 June 2026, on which an auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the International Ethics Standards Board for Accountants ("IESBA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management ("ISQM") 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" issued by the International Auditing and Assurance Standards Board ("IAASB"), which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

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Take the lead

We conducted our engagement in accordance with International Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the IAASB. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2026 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

a) the unaudited pro forma financial information has been properly compiled on the basis stated;

b) such basis is consistent with the accounting policies of the Group; and

c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules

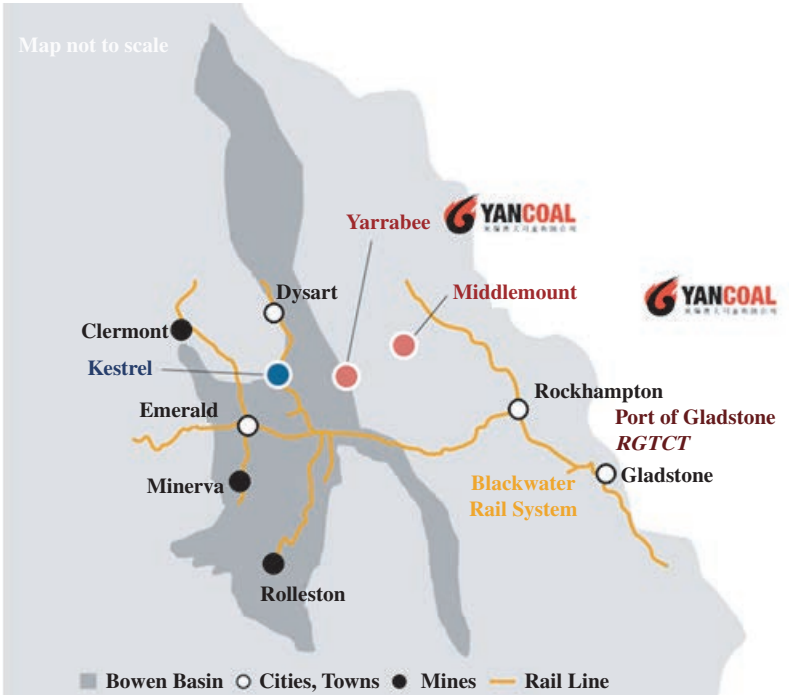
Yours sincerely



SW Audit
Chartered Accountants
Rami Eltchelebi

Sydney, 23 November 2026

(1) OVERVIEW



The Kestrel Coal Mine is a large, long-life underground metallurgical coal mine located in Queensland's Bowen Basin and is one of the largest producing underground metallurgical coal operations in Australia. The mine produces predominantly high-quality hard coking coal, with secondary semi-soft coking and thermal products, and benefits from established infrastructure including a 10.5 Mtpa CHPP and dedicated rail access to the RG Tanna Coal Terminal at Gladstone. The Kestrel Coal Mine recorded 2025 ROM production of approximately 8.2 Mt (100% Kestrel basis), translating to 5.9 Mt of saleable production, demonstrating its scale and operating capability.

The Kestrel Coal Mine's marketable Coal Reserves are estimated at 156 Mt, based on substantial Coal Resources of 397 Mt (100% Kestrel basis). The marketable Coal Reserves underpin the 25-year life-of-mine plan, with potential for further extension.[12] Since 2018, approximately ~A$1.4 billion of capital investment has been deployed into the mine and associated infrastructure, positioning the operation for ongoing productivity improvements and potential production expansion. The Kestrel Coal Mine is placed in the top 35% of global seaborne metallurgical supply on the margin curve, reflecting its scale, established logistics and efficient operating model. These characteristics support resilient margins and strong free cash flow generation across commodity cycles.

[12] Coal Resources and Coal Reserves have been rounded (significant figure) in line with the JORC Code to reflect the relative uncertainty of the estimates where applicable. Estimated remaining mine life reflects the Company's life-of-mine forecast, informed by technical due diligence.

The operation is strategically well located within the Bowen Basin, in proximity to other producing assets and critical infrastructure, providing opportunities for regional synergies and future consolidation. The Kestrel Coal Mine's sales are predominantly into Asian steelmaking markets, including Japan, Korea, India and Southeast Asia, aligning the asset with long-term growth in blast furnace steel production. The mine's premium product quality, long-life and infrastructure-backed logistics solution position it as a tier-one metallurgical coal asset capable of delivering sustainable value over the long term.

Customers for Kestrel Coal Mine's metallurgical coal typically sign contacts for between one and three years of offtake, with pricing terms reset periodically through the duration of the contract. The renewal of offtake agreements is a rolling and ongoing process. In 2025, the end customers were located throughout the Asia-Pacific region and the geographic spread of the end customers was India (32%), Japan (26%), Korea (20%), Taiwan (10%) with the balance from Southeast Asia, China and other countries.

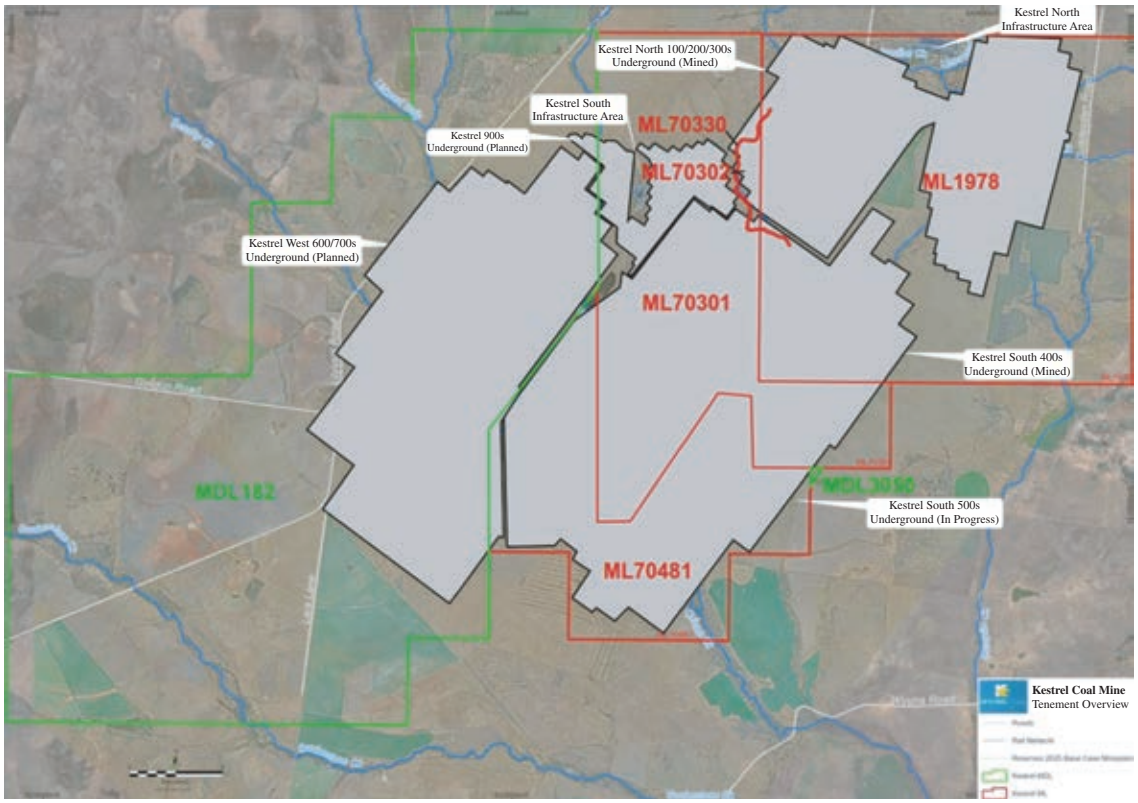
(2) RIGHTS

Set out below are the licenses and leases relating to the Kestrel Coal Mine:

Licence/Leases	Area (Ha)	Minerals covered	Authorised holder name	Issue date	Expiry date
Mining Leases					
ML 1978	5,839	Coal Mining	KCR (80%) Mitsui (20%)	12 April 1990	30 April 2041
ML 70301	3,579	Coal Mining	KCR (80%) Mitsui (20%)	25 September 2003	30 September 2033
ML 70302	79.77	Coal Mining	KCR (80%) Mitsui (20%)	22 November 2004	30 November 2034
ML 70330	9.35	Coal Mining	KCR (80%) Mitsui (20%)	11 June 2009	30 June 2039
ML 70481	2,467	Coal Mining	KCR (80%) Mitsui (20%)	21 March 2016	31 March 2041
Mineral Development Licence					
MDL 182[13]	11,619	Coal Exploration	KCR (80%) Mitsui (20%)	25 November 1996	30 November 2026
MDL 3050	5.00	Coal Exploration	KCR (80%) Mitsui (20%)	24 June 2022	30 June 2027

[13] MDL 182 expires on 30 November 2026. The MDL 182 renewal application has been lodged and is being assessed by the Department of Resources.

The Target Group has obtained all the necessary licenses, permits and approvals for its current mining exploitation and exploration activities.



(3) LEGAL CLAIMS AND PROCEEDINGS

After making reasonable enquiries, as at the Latest Practicable Date, the Directors are not aware of any legal claims or proceedings, whether present, ongoing, pending or threatened by any third party against the Target Group, that may have a material impact on the Kestrel Coal Mine or the mining and exploration rights relating to the Kestrel Coal Mine.

In addition, as at the Latest Practicable Date, the Directors are not aware of any land claims of material importance subsisting over the land on which the Kestrel Coal Mine is located.

(4) RISK FACTORS

The operation of the Kestrel Coal Mine is subject to a range of risks, including those set out below. The risks set out below are not exhaustive and do not purport to be a complete list of all risks that may affect the Kestrel Coal Mine, and there is no assurance that other risks will not emerge, or that the importance of the risks identified below will not change, over time.

Operating and geotechnical risks

The operating and financial performance of the Kestrel Coal Mine is dependent on its ability to sustain, optimise or increase coal production and coal quality while managing operating costs on a per tonne basis. Coal production may be affected by adverse weather conditions (including, but not limited to, prolonged wet weather, flooding and cyclones), unforeseen geological or geotechnical issues, sub-optimal mine design or planning, and variations in coal quality, any of which may occur at different points in the life of the mine. As an underground longwall operation, the Kestrel Coal Mine is also exposed to risks such as roof falls, discontinuities in mining conditions, fires and explosions from methane gas or coal dust, critical equipment unavailability or failure, and damage to mine infrastructure. The occurrence of any such risks could result in personal injury, environmental damage, delays in or reduced coal production, increased costs, reduced revenue, reputational damage and possible legal liability, any of which may have a material adverse effect on the financial performance of the Kestrel Coal Mine. The Kestrel Coal Mine's success or failure in improving operating productivity is important to its financial performance, especially at times of low coal prices.

Capital expenditure requirements and project expansion risks

Ongoing sustaining and growth capital expenditure at the Kestrel Coal Mine is required to maintain and improve production. The ability to fund such expenditure, including in connection with the mine plan and any future expansion, depends on the generation of adequate operating cash flow, which in turn is affected by factors such as coal prices, production volumes, operating costs and foreign exchange rates. There is no assurance that any future expansion or development of the Kestrel Coal Mine will be approved, completed on time or on budget, or will generate the returns anticipated. In addition, rehabilitation and mine closure costs will affect the Kestrel Coal Mine's cash flow in future periods and must be appropriately funded and managed.

Coal prices and demand

The Kestrel Coal Mine generates revenue from the sale of coal, and its financial performance depends on coal prices and demand. Coal prices achieved by the Kestrel Coal Mine are determined predominantly by world markets and are affected by numerous factors outside the control of the Kestrel Coal Mine, including general economic activity, industrial production levels, changes in foreign exchange rates (especially movements in the A$:US$ exchange rate), changes in steel demand and energy, changes in the supply of seaborne coal, technological change, international freight rates and transportation costs, and government regulation restricting the use of coal. Coal prices, and in particular metallurgical coal prices, are highly dependent on the outlook for steel and coal consumption in Asian economies such as China, Japan, Korea and India. Significant and sustained adverse movements in coal prices may have a material adverse effect on the financial performance and financial position associated with the Kestrel Coal Mine.

Geopolitical Environment

The Kestrel Coal Mine is subject to geopolitical exposures that have the potential to impact its cost, operations, realised price achieved and growth, including as related to conflicts or government approvals required under any applicable jurisdiction.

Uncertainty of Coal Resources and Coal Reserves

The volume and quality of coal recovered from the Kestrel Coal Mine may be less than the Coal Resource and Coal Reserve estimates set out in the Competent Person's Report. Although Coal Resource and Coal Reserve estimates are expressions of judgement based on available geological information, sampling and industry practice, extensive work is undertaken to make them as robust as possible. Actual coal mined may differ in quality, grade, tonnage or strip ratio from estimates, and estimates may be revised over time based on actual production experience or new information, or if different geological conditions or formations are encountered. If actual Coal Resources or Coal Reserves are less than current estimates, or if mining of elements of the reserves are determined to be uneconomic, the value, prospects, business and financial condition associated with the Kestrel Coal Mine may be adversely affected.

Joint venture risks

KCR holds an 80% participating interest in the Kestrel Joint Venture, with the remaining 20% participating interest held by Mitsui. Decision-making, management, marketing and other key aspects of the Kestrel Joint Venture are regulated by the Mitsui Joint Venture Agreement between KCR and Mitsui, and certain decisions require the consent or endorsement of Mitsui. There is a risk that the veto rights of, or consents required from, Mitsui may prevent the Kestrel Coal Mine from being developed, operated or managed in accordance with the Company's preferred direction or strategy, and the Company cannot guarantee that the Kestrel Joint Venture will otherwise be operated or managed in a manner consistent with its interests.

Approvals, permits and licences and mining tenure

The Kestrel Coal Mine operates under a number of mining leases, a mineral development licence and other authorisations issued by the Queensland Government, certain of which are held jointly with Mitsui. The ability to maintain existing operations, and to obtain approvals for any future development, expansion or variation to mine plans, depends on KCR being able to obtain and maintain, on a timely basis, all necessary approvals, including under applicable mining and environmental legislation, and complying with the terms and conditions of those approvals, licences and leases. There is no assurance that such approvals will be obtained, renewed or maintained on

acceptable terms, or at all, and any failure to do so, or any successful legal challenge to an approval already granted, may adversely affect the economic viability of the Kestrel Coal Mine. Certain of the tenements relating to the Kestrel Coal Mine adjoin, or may overlap with, other exploration or petroleum tenements held by third parties, which could delay or increase the cost of future development.

Changes in government policy, legislation or regulation

Kestrel Coal Mine's activities are subject to extensive legislation, regulations and supervision by a number of federal and state regulatory bodies. Any further legislation or regulatory changes may affect the resources industry and may adversely affect Kestrel Coal Mine's financial performance and position, such as future laws which may limit emissions of greenhouse gases or introduce new environmental obligations.

Reliance on third party contractors

The operation of the Kestrel Coal Mine relies on a number of third-party contractors and service providers, including for underground mining and labour services, drilling, and rail haulage and port and coal handling services (including in respect of the CHPP, rail access and dedicated port capacity at the RG Tanna Coal Terminal at Gladstone). Any failure by such counterparties to perform their contractual obligations, including as a result of insolvency, industrial action or other disruption, may have a material adverse effect on production, deliveries and the financial performance associated with the Kestrel Coal Mine, and there can be no assurance that any attempt to enforce contractual rights against a defaulting counterparty would be successful.

Insurance

The Kestrel Coal Mine has external insurance coverage for certain risks. However, it may become subject to liability or suffer loss for which it is not or not sufficiently externally insured, or where it cannot insure such exposures. In addition, insurance may not be available or continue to be available on economically acceptable terms and premiums. In the absence of external insurance coverage, and therefore risk transfer, major losses could adversely affect the Kestrel Coal Mine's financial performance.

Health, safety and hazardous materials

Mining operations at the Kestrel Coal Mine are inherently hazardous, and accidents could occur that result in personal injury or loss of life. Risks include, but are not limited to, ground or strata instability, exposure to plant and equipment malfunction or breakdown, fires and explosions (including from methane gas or coal dust), inrush and inundation, manual handling and slip, trip and fall events and psychosocial hazards. Such incidents could give rise to legal claims, amendments

to or suspension of approvals, production delays or stoppages and regulatory enforcement action, any of which may have a material adverse effect on the financial performance of the Kestrel Coal Mine. In addition, the operations may involve exposure to airborne contaminants and hazardous materials and generate hazardous waste, and there is a risk that actions could be brought against the Company, alleging adverse health effects from exposure to such materials.

Environmental damage, changes to environmental laws and rehabilitation liabilities

The operations of the Kestrel Coal Mine are subject to stringent environmental laws and regulations, and there is a risk that past, present or future operations have not met, or will not meet, applicable environmental or regulatory requirements. Any failure to comply with environmental requirements, or any breach of applicable approvals, may result in fines, penalties, a requirement to curtail or cease operations, or increased compliance, rehabilitation or rectification costs. Changes to environmental legislation, including in respect of mine rehabilitation and closure security requirements applicable in Queensland, may increase the standard and cost of compliance and adversely affect the ability to generate the expected economic returns over the life of the mine. There may also be unforeseen environmental liabilities, including in respect of soil, surface water or groundwater contamination, which may be costly to remedy, and closure and rehabilitation costs may ultimately exceed current estimates.

Native title and cultural heritage matters

Matters of Aboriginal cultural heritage, including native title, must be considered in connection with the ongoing operation of, and any future development at, the Kestrel Coal Mine. Various State and Federal legislations protect places, objects and areas of Aboriginal cultural significance, and claims for the protection of such areas may be brought by Aboriginal parties, which if successful could require mine plans to be altered or could adversely affect forecast production. It is possible that areas over which the Kestrel Coal Mine's tenements are held may be subject to existing or future native title determinations or claims, compliance with which may be prolonged or delayed, and substantial compensation or benefits may be payable. Any such matters may affect the ability to develop or continue operating the Kestrel Coal Mine and could adversely affect its operational and financial performance.

Workforce and labour shortage risks

The retention and attraction of a skilled workforce remains a risk in the Australian coal industry generally, and for the Kestrel Coal Mine in particular given its underground longwall operations require specialised skills. Competition for labour, wage and cost pressures, and reliance on third party labour hire arrangements may affect the ability to attract and retain the personnel needed to operate the Kestrel Coal Mine efficiently. Any shortage of skilled labour, or industrial action affecting the workforce, may lead to increased costs, reduced productivity or disruption to production.

Technology and Cyber

The Kestrel Coal Mine relies on the performance, reliability and availability of its technology systems. Information and Operating Technology may be subject to International Cyber Security Threats. Breaches could result in, but are not limited to, safety exposures, the loss of sensitive data/information, unplanned outage of business-critical systems, environmental damage and the misappropriation of funds.

Factors Relevant and material to the operations of the Kestrel Coal Mine

(a) project risks arising from environmental, social, and health and safety issues;

The Kestrel Coal Mine is subject to a range of sustainability risks, including climate-related, environmental and social risks. These include, but are not limited to:

- climate-related physical risks, such as risks from adverse weather conditions (including for example, but not limited to, prolonged wet weather, flooding and cyclones affecting the Kestrel Coal Mine's operations, supply chains, transport needs, and employee safety;

- climate-related transitional risks such as, but not limited to, carbon pricing and off-set constraints, increases in diesel fuel cost and regulatory, legal and policy uncertainty affecting Kestrel Coal Mine's financial performance.

- operational risks including in respect of health & safety, mine closure, Aboriginal and cultural heritage, Native Title/tenements;

- social and reputational risks such as, but not limited to, fraud or misconduct; and

- environment and litigation risks linked to challenges to new or varied/modified projects and regulatory responses to those challenges. These are further outlined below.

Operational and coal production risks

Coal production may be impacted by adverse weather conditions, including, but not limited to, prolonged wet weather, flooding and cyclones, supply chain and power interruptions and damage to assets caused by these events.

Coal production can also be impacted by other factors, including (but not limited to) unforeseen geological or geotechnical issues, sub-optimal mine design/plans and changes or variations in coal quality. All operations at different points in their lifecycle can experience issues related to coal production for a variety of reasons.

Other mining risk exposures relate to underground mine roof falls, cave-ins or other failures relating to mine infrastructure, including tailings dams, hydrologic or other conditions, critical equipment unavailability or failure, fires and explosions from methane gas or coal dust, discontinuity caused by poor mining conditions in underground development, uncontrolled tailings discharge, uncontrolled/non-compliant discharge of mine water, damage to third party infrastructure (including rail and port), supply chain disruptions and industrial action and labour shortages. Regulatory factors and the occurrence of other operating risks can also limit production.

Such risks could result in personal injury, damage to applicable mines, environmental damage, delays in coal production, delays in deliveries, decreased coal production, increased cost/monetary losses, reduced revenue, reputational damage, and possible legal liability.

Health and safety

Accidents could occur at a mine site or corporate office that result in personal injuries. These could relate to factors such as (but not limited to) vehicle interaction/motor vehicle accidents, exposures to energised plant or equipment, exposures to airborne contaminants, handling of tyres, ground or strata instability, high voltage, fires and explosions, explosives, inrush and inundation, loss of control of stockpile material, loss of structural integrity, spontaneous combustion, lifting and working with suspended loads, working at heights or in confined spaces, working around fluid storage facilities, trespass and willful damage to the mine sites, manual handling and slip, trip and fall events and psychosocial hazards. These could also have adverse financial implications including legal claims for personal injury, death, amendments to approvals, potential production delays or stoppages, and regulatory enforcement measures any of which may have a material adverse effect on the financial performance and/or financial position of Kestrel Coal Mine.

If management is unsuccessful in its efforts to eliminate or minimise work health and safety risks so far as reasonably practicable, or otherwise breaches these health and safety requirements, it may incur fines or penalties, be required to curtail or cease operations and/or be subject to increased compliance costs, which have not been previously planned at the Kestrel Coal Mine.

The operation of the Project may cause exposure to hazardous materials. There is also a risk that actions could be brought against the Kestrel Coal Mine, alleging adverse effects of such substances on personal health.

(b) any non-governmental organisation impact on sustainability of mineral and/or exploration projects;

It is possible that operations could be disrupted by protest activity by anti-mining activists, particularly associated with the proposed Kestrel West Expansion Project. This may be in the form of demonstrations, protests, or blockades of the rail infrastructure and/or port, such as has occurred at the Port of Newcastle.

(c) compliance with host country laws, regulations and permits, and payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis;

The Kestrel Coal Group is based in Australia and is required to comply with the Australian taxation and regulatory framework. The Australian corporate income tax rate is 30%, which also incorporates the following key regimes:

- Tax consolidation
- Capital Gains Tax
- Capital Allowances
- Thin Capitalisation
- Transfer Pricing
- International Taxes

The Group is also subject to the following key regimes as part of its operations:

- State minerals royalties
- Stamp duties
- Indirect Taxes – Goods & Services Tax, Customs and Excise
- Employment Taxes – Pay-As-You-Go Withholding, Fringe Benefits Tax and Payroll Tax
- Land Tax
- Local rates, fees and levies

As a result of the comprehensive and closely regulated framework, tax-related risks arise internally from business systems, operations and development, and externally from regulatory assurance activities and changes in tax and industry legislation and regulations. Australian regulatory authorities expect a level of transparency from taxpayers and conduct periodic assurance reviews of tax governance, tax risk management and compliance.

(d) sufficient funding plans for remediation, rehabilitation and, closure and removal of facilities in a sustainable manner;

The Kestrel Coal Mine is subject to extensive rehabilitation, remediation, decommissioning, mine closure and post-closure monitoring obligations imposed by applicable mining, environmental, workplace health and safety and land-use legislation, governmental approvals, licences and permit conditions. The operator is required to restore disturbed land and infrastructure to agreed post-mining land use objectives and environmental standards, which may involve substantial expenditure throughout mining operations and following the cessation of mining operations. Such obligations may include, but are not limited to:

- progressive rehabilitation of disturbed land and mining areas;
- decommissioning, demolition and removal of plant, equipment, processing facilities, infrastructure, tailings storage facilities, waste emplacement areas, rail and other associated facilities;
- treatment, management and remediation of contaminated land, groundwater, surface water and other environmental impacts;
- long-term environmental monitoring, maintenance and management activities;
- compliance with closure performance criteria, rehabilitation completion criteria and relinquishment requirements imposed by regulators; and
- the provision and maintenance of rehabilitation bonds, financial assurances, closure funds or other security arrangements required by governmental authorities.

The estimated costs of rehabilitation, closure, remediation and decommissioning activities are inherently uncertain and are based on a range of assumptions, estimates and forecasts. These assumptions may subsequently prove to be inaccurate due to factors including, but not limited to, changes in regulatory requirements, environmental standards, closure methodologies, labour and contractor costs, inflation, technology, site conditions, stakeholder expectations, post-mining land use requirements, climate-related impacts and the results of ongoing environmental assessments and monitoring programs. As a result, actual closure and rehabilitation costs may differ materially from current estimates.

Furthermore, mine closure and rehabilitation requirements have become subject to increasing regulatory scrutiny in Australia and internationally. Governments and regulators may introduce more stringent environmental, rehabilitation, water management, biodiversity, cultural heritage, emissions management or post-closure obligations. Any such changes could require the Kestrel Coal Mine to undertake additional works, increase financial assurance requirements or contribute additional funding to satisfy regulatory obligations.

There can be no assurance that the existing rehabilitation provisions, closure cost estimates, financial assurances, insurance arrangements or funding plans established for the Kestrel Coal Mine will be sufficient to satisfy all future rehabilitation, remediation, closure and decommissioning obligations. If actual costs exceed current estimates, or if regulators require additional rehabilitation measures or financial security, the Kestrel Coal Mine may be required to make significant additional expenditures, increase provisions, provide additional financial assurances or otherwise commit additional capital.

In addition, failure to effectively implement rehabilitation, closure or remediation activities or to maintain adequate funding arrangements could result in regulatory action, fines, penalties, enforcement notices, suspension of approvals, delays in relinquishment, legal proceedings, reputational damage, community opposition or the inability to achieve planned post-mining land use outcomes.

Any material increase in rehabilitation, closure, remediation or decommissioning liabilities, or any inability to fund such obligations in a timely and sustainable manner, could have a material adverse effect on the Kestrel Coal Mine's operations, financial performance, cash flows, financial position and future prospects.

(e) environmental liabilities of its projects or properties;

Due to the nature of coal mining processes, and the associated by-products, residues and tailings generated from these processes, all operations of the Company are subject to stringent environmental laws and regulations.

There is a risk that past, present or future operations have not met or will not meet environmental or related regulatory requirements and/or that the approvals currently being sought, or future approvals, will not be granted. If the operation is unsuccessful in these efforts or otherwise breaches any environmental requirements, it may incur fines or penalties, be required to cease operations and/or be subject to increased compliance costs or costs for rehabilitation or rectification works, which have not been previously planned at the Kestrel Coal Mine.

Changes to environmental regulations may increase the standard and cost of compliance and may adversely affect the mine's ability to generate the expected economic returns from its mining assets over their operational life. The mine may not always be able to comply with future laws and regulations in relation to environmental protection economically or at all. There can be no assurance that the Kestrel Coal Mine will be able to fully and economically utilise the entire coal resources of the mines it operates currently or in the future or that some of its mining assets will not become "stranded assets" that are not able to generate the expected economic returns over their useful lives.

Environmental legislation may change in a manner that may require compliance with additional standards, or a heightened degree of responsibility for companies and their Directors and employees. There may also be unforeseen environmental liabilities resulting from coal related activities, which may be costly to remedy. In particular, the acceptable level of pollution and the potential closure costs and obligations for which the Kestrel Coal Mine may become liable as a result of its activities may be impossible to assess under the current legal framework.

The operation uses hazardous materials and will generate hazardous waste, and may be subject to common law claims, the investigation and clean-up of soil, surface water, groundwater, and other media. Such claims may arise, for example, out of current or former activities at site that it owns or operates.

Litigation

Like all companies in the resources sector, the Kestrel Coal Mine is exposed to the risks of litigation (either as the complainant or as the defendant), which may have a material adverse effect on the financial position of the mine site.

(f) its historical experience of dealing with host country laws and practices, including management of differences between national and local practice;

The Company already has two assets in Queensland, Australia; the 100% owned and operated Yarrabee coal mine and the Middlemount coal mine operated as an equity accounted joint venture. In addition to these two assets, the Company owns, operates, or manages several other coal mines elsewhere in Australia. These additional assets include the Mount Thorley and Warkworth coal mines which are operated under a similar joint venture framework that will be utilised for the Kestrel Coal Mine. This broad range of directly applicable ownership and operating experience provides the Company historical experience directly relevant to owning a majority stake in, and operating, the Kestrel Coal Mine

(g) its historical experience of dealing with concerns of local governments and communities on the sites of its mines, exploration properties, and relevant management arrangements; and

The Company has well-established and proven procedures and systems to support its stakeholder engagement initiatives, and has a strong track record evidencing both its commitment and its performance.

In support of this commitment, the Company has developed and implemented a company-wide Environmental Management System (EMS). The EMS includes a "Stakeholder Engagement Strategy Standard", which sets out minimum requirements and expectations for the development, implementation, review and maintenance of an operations-focused Stakeholder Engagement Strategy.

The objectives of stakeholder engagement are:

- To provide for clear, transparent and meaningful communication between operations and their stakeholders;
- To provide the business with an understanding of key stakeholder risks and opportunities;
- To register the concerns and expectations of all stakeholders;
- To consider and respond to stakeholders as required, in a clear, transparent and meaningful manner; and
- To enhance coordination, planning and promotion of stakeholder engagement activities.

The Stakeholder Engagement Strategy Standard requires each site to maintain a stakeholder engagement register and to keep comprehensive and accurate records of every stakeholder engagement.

The Company has also developed and implemented a 5-module stakeholder engagement training system, comprising:

- Community Investment & Partnerships
- Conflict Management
- Effective Engagement
- Measuring & Monitoring Social Impacts; and
- The Social Business Case and the Value of Effective Social Impact Assessment.

These support the Company's efforts to deliver a comprehensive and consistent stakeholder engagement standard across the business and at each site, including the Kestrel Coal Mine.

(h) any claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims.

The Kestrel Coal Mine is a long-standing established mine and conducts its operations on mining tenements validly granted by the state. Thus, the underlying land is either land upon which native title has been extinguished by a prior act, or is subject to an agreement with any/all registered native title parties to suspend any claims whilst the tenements are on foot. On that basis, there are no current claims existing on the land on which exploration or mining activity is being carried out.

The following is the text of a report received from SLR Consulting Australia Pty Ltd, the Competent Person engaged by the Company in respect of the Kestrel Coal Mine, for the purpose of incorporation in this circular.

Hong Kong Competent Persons Report
Kestrel Coal Operation
Yancoal Australia Ltd
Level 18, Tower 2, 201 Sussex Street
Sydney NSW 2000

Prepared by:
SLR Consulting Australia Pty Ltd

SLR Project No.: 610.033521.00001
23 November, 2026
Revision: Final

This report has been prepared for Yancoal Australia Ltd and must be read in its entirety and subject to the third-party disclaimer clauses contained in Appendix A of the report. © SLR Consulting Australia Pty Ltd 2026

BASIS OF REPORT

This report has been prepared by SLR Consulting Australia Pty Ltd (SLR) with all reasonable skill, care and diligence, and taking account of the timescale and resources allocated to it by agreement with Yancoal Australia Ltd (the Client). Information reported herein is based on the interpretation of data collected, which has been accepted in good faith as being accurate and valid.

This report is for the exclusive use of the Client. No warranties or guarantees are expressed or should be inferred by any third parties. This report may not be relied upon by other parties without written consent from SLR.

SLR may have used AI in the preparation of this report. All technical conclusions, estimates and professional opinions remain the responsibility of the relevant Competent Persons.

SLR disclaims any responsibility to the Client and others in respect of any matters outside the agreed scope of the work.

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EXECUTIVE SUMMARY

Yancoal Australia Ltd
Level 18, Tower 2, 201 Sussex Street
Sydney NSW 2000
Phone: +61 2 8583 5300
23 November, 2026

RE: Competent Person Report

To Whom it May Concern,

SLR Consulting Australia Pty Ltd (SLR) has been engaged by Yancoal Australia Ltd (Yancoal or the Client) to complete an Independent Technical Review (ITR) and compile a Hong Kong Competent Persons Report (hereafter referred to as the CPR or the Report) as defined by Chapter 18 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the Listing Rules) on the Kestrel Coal Operation (Kestrel or the Operation or the Asset).

The Asset is located in the Bowen Basin of Queensland, Australia (**Figure 2-1**) and is currently owned by Kestrel Coal Resources Pty Ltd (80%) (KCR or the Company) and Mitsui Kestrel Coal Investments Pty Ltd (20%) (Mitsui Coal). KCR operates the Asset through the Kestrel Coal Mine Joint Venture.

The statements of Coal Resources and Coal Reserves have been reported to be in accordance with the recommendations of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code), prepared by the Joint Ore Reserves Committee (JORC) and the Australian Guidelines for the Estimation and Classification of Coal Resources (2014).

The terms 'Mineral Resource(s)' and 'Ore Reserve(s)' and the subdivisions of these as defined above, apply also to coal reporting, however if preferred by the reporting company, the terms 'Coal Resource(s)' and 'Coal Reserve(s)' and the appropriate subdivisions may be substituted. (JORC Code – Clause 43). As such, the terms "Coal Resources" and "Coal Reserves" are used in this Report in place of "Mineral Resources" and "Ore Reserves" respectively.

SLR's technical team (the Team) consisted of Competent Person's, Senior Consultants, Executive Mining Engineers and Consultant Geologists, as well as Environmental/Social specialists with significant coal mining experience. SLR's Hong Kong Competent Person was responsible for compiling or supervising the compilation of the Report and the JORC reported Statements of Coal Resources and Coal Reserves, stated within.

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Members of the team conducted a site visit on 10 June 2026 to familiarise themselves with the characteristics of the Asset. During the site visit, the Team inspected the mining operations, the coal processing plant, the tailings storage facility, the water supply system, the power distribution system and conducted general inspections of the area. The visit was also used to gain a better understanding of the current operational status of the Asset. The Team had open discussions with the Company's personnel on a range of technical aspects relating to the Asset. The Company's personnel were cooperative and open in facilitating SLR's work.

Unless otherwise stated, all costs within this Report are presented in Australian Dollars (A$ or $). Operating and capital costs are presented on a 100% Asset basis and in real terms (June 2026), with no adjustment for inflation. KCR holds an 80% interest in the Asset.

Report Scope

The purpose of this CPR is to provide a summary of the Asset and to report in accordance with the Listing Rules as at the Effective Date of 30 June 2026. This CPR is provided in relation to Yancoal's planned acquisition of KCR as announced on 14 April 2026.

SLR is aware the process and conclusions of the ITR are presented in this Report and will be included in the HKEx Circular for this Transaction.

In addition to work undertaken to generate independent JORC Coal Resources and Reserves estimates, the CPR relies largely on information provided by the Company or Client, either directly from the sites and other offices, or from reports by other organisations whose work is the property of the Company, Client or its subsidiaries. The data relied upon for the JORC Coal Resources and Reserves estimates independently completed by SLR and John T. Boyd Company (Australia) Pty Ltd (JT Boyd or BOYD) have been compiled primarily by the Client and the Company and subsequently reviewed and verified to the extent reasonably practicable. The CPR is based on information made available to SLR as at 23 November. The Company has not advised SLR of any material change, or event likely to cause material change, to the underlying data, designs or forecasts since the date of the Operation inspections.

Asset Summary

The Asset is located 220 km west of the major regional city of Rockhampton and 40 km northeast of Emerald. The site can be accessed via Lilyvale Road, with travel time from Emerald approximately 30 minutes.

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The Asset has a long operating history with construction commencing in 1990 and the first longwall in 1993. Coal production is undertaken using a conventional single longwall mining system that is supported by three continuous miner development units. The underground mining system produces run-of-mine (ROM) coal, which is conveyed 8 km from the mine portal to the onsite coal handling and processing plant (CHPP). The saleable coal product, which currently consists predominantly of hard coking coal, is loaded onto trains at a dedicated train loading point and transported 367 km by rail to export terminals at the Port of Gladstone.

Current operations focus on mining the German Creek seam, which is separated into two mining areas: the current mining area at Kestrel South and the future Kestrel West area. Development at Kestrel West is planned to commence in 2031 ahead of longwall production in 2035. The Asset is forecast to produce 8.2 Mt ROM coal and 6.2 Mt of saleable coal in 2026. The Life of Mine (LOM) plan presented in this Report forecasts the Asset to produce an average 8.0 Million Tonnes per Annum (Mtpa) ROM Coal and 6.0 Mtpa of saleable coal product at an average yield of 75%, through to 2052.

In addition to the underground mining infrastructure, surface processing facilities and office infrastructure, significant regional and local infrastructure provides support to the Asset and its forecast production requirements. SLR's review of the regional and local infrastructure indicates that the area has suitable logistics infrastructure connecting the Asset to local and international markets for both the supply of consumables and the transport of product to market. The Asset is located close to regional sealed roads, highways and water sources, with power provided under a long-term agreement with an electricity utility provider servicing the region.

Statements of Coal Resources and Coal Reserves

The statements contained within this Report declare all Coal Resources and Coal Reserves on a 100% basis unless otherwise stated. SLR highlights that the Coal Resources and Coal Reserves are based on the 30 June 2026 longwall face positions.

The Statement of Coal Resources as at 30 June 2026 is summarised in **Table E-1**, and is reported on an in situ basis, with in situ moisture estimated at 6%. Coal Resources are inclusive of Coal Reserves and not additional to.

SLR and the Competent Person consider the geological model to be based on adequate structural and coal quality data that has been reviewed and verified by geologists, over a long period of time, as well as by SLR. Deposit modelling has been carried out using industry-standard geological modelling software and procedures, with the estimation and classification of the Coal Resource reflecting the SLR and the Competent Persons' opinion of in-situ material with reasonable prospects for eventual economic extraction.

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Table E-1 Statement of Coal Resources as at 30 June 2026

Underground Resources	Quantity (Mt)	Raw Ash (% ad)	Raw CSN	Raw VM (%daf)
Measured	97	15.6	6.8	39.4
Indicated	280	17.1	5.3	39.2
Inferred	20	17.9	4.4	39.6
TOTAL	397	16.6	5.7	39.4

Notes:

1 *The Statement of JORC Coal Resources has been compiled by or under the supervision of Mrs Danique Gerber who is a full-time employee of SLR and a Registered Member of the Australasian Institute of Mining and Metallurgy. Mrs Gerber has sufficient experience that is relevant to the style of Coal and type of deposit under consideration and to the activity that she has undertaken to qualify as a Competent Person as defined in the JORC Code.*

2 *All Coal Resources figures reported in the table above represent estimates at 30 June 2026. Coal Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.*

3 *Coal Resources are quoted on an in situ basis, which represents tonnage at a 6% in situ moisture assumption.*

4 *Coal Resources are reported in accordance with JORC Code (2012).*

5 *The Coal Resources have been reported at a 100% basis and not factored for ownership proportions. Upon completion of the acquisition, Yancoal will own 80% of Kestrel (with Mitsui Coal owning the remaining 20%).*

6 *The Coal Resources are reported inclusive of the Coal Reserves.*

The Statements of Coal Reserves were estimated as at 30 June 2026 by JT Boyd as part of the Competent Persons Report compilation. Suitable Modifying Factors were applied in the Coal Reserve estimation process following review of site data and technical information contained in studies of at least a pre-feasibility level of confidence. Further information taken into consideration included the proposed LOM plan, mining method, forecast processing plant yields, environmental management and license to operate, in addition to the historical performance. Further details are provided in **Sections 8, 9 and 10**.

The Proved and Probable Coal Reserve estimate is summarised in **Table E-2**. The Coal Reserves estimates reported below are included in the Measured and Indicated Coal Resources quantities reported in **Table E-1** and are not in addition to.

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Table E-2 Statement of Coal Reserves as at 30 June 2026

	Coal Reserves			Marketable Reserves		
Kestrel	**Proved**	**Probable**	**Total**	**Proved**	**Probable**	**Total**
	(Mt)	*(Mt)*	*(Mt)*	*(Mt)*	*(Mt)*	*(Mt)*
Kestrel (100% basis)	67	142	209	52	104	156

Notes:

1 *Coal Reserves were prepared by Mr Jack Steenekamp. Coal Reserves have been estimated under the 2012 Edition of the JORC Code.*

2 *The Statements of JORC Coal Reserves have been compiled by or under the supervision of Mr Jack Steenekamp, who is a Registered Fellow of the Australasian Institute of Mining and Metallurgy and a full-time employee of JT Boyd. Mr Steenekamp has sufficient experience that is relevant to the style of Coal and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.*

3 *Coal Reserves are reported in metric tonnes on a ROM basis at an average moisture content of 8.3%, and on a saleable product basis at average moisture contents of 8.1% for 'Primary A Product', 7.7% for 'Primary B Product', and 6.5% for 'Secondary Product'.*

4 *Figures reported are rounded in accordance with the JORC Code, which may result in small tabulation errors.*

5 *The Coal Reserves have been reported on a 100% basis. Yancoal will own 80% on completion of the acquisition (with Mitsui Coal owning the remaining 20%).*

To determine the economic viability of the Coal Reserves, a variety of analyses, including a review of the underground mine design, production and cost forecasts, have been completed. Following confirmation of the design, the quantities and Life of Mine schedules were reviewed and/or updated, and a discounted cash flow model was constructed to confirm economic viability. SLR highlights that the Asset was considered a separate, standalone operation for the cash flow analysis, with no blending or cross-cost sharing assumed with other Yancoal operations.

SLR is not aware of any risk factors associated with, or changes to, any aspects of the modifying factors, such as mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Coal Reserve estimate. SLR notes the requirement for a Mining Lease approval over the Kestrel West Area.

Mining and Production

Mining operations are undertaken using underground Longwall mining methods, with the majority of ROM coal washed at the CHPP to produce hard coking coal and thermal coal products on roughly an 85:15 split through the initial phase of mine life (to 2035). Product coal is loaded onto trains at dedicated loading points and transported by rail to the deep-water port of Gladstone.

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The Operation is currently in steady-state production with no major expansion required to achieve the production rates set out in the LOM plan. Mining is planned to progress to the Kestrel West area, with surface infrastructure access and associated works scheduled to commence in 2030, ahead of initial underground development in 2031. The LOM schedule was developed by JT Boyd based on the Company's LOM plan, targeting ROM coal production rates aligned with current production. Annual ROM coal production is relatively stable over the mine life, ranging from 6.8 Mtpa up to 8.9 Mtpa, with an average of 8.0 Mtpa. This is expected to result in an average saleable coal production of 6.0 Mtpa.

Over the 27-year mine life, over 89% of the product is either hard or semi-soft coking coal, as shown in the annualised production summary in **Table E-3**.

Table E-3 Life of Mine Production Plan

	Parameter	Units	2026 H2	2027	2028	2029	2030	2031	2032	2033	2034	2035	Avg 2036-40	Avg 2041-45	Avg 2046-52	Total LOM
Kestrel South	Mining															
	UG Development	km	7.3	21.6	21.0	20.0	21.5	17.7	12.3	0.5	–	–	–	–	–	**122**
	Total ROM Coal	Mt	4.6	8.5	8.3	8.5	8.2	6.8	7.5	6.6	6.4	2.2	–	–	–	**68**
Kestrel West	Mining															
	UG Development	km	–	–	–	–	–	0.8	7.8	12.4	16.2	15.0	15.3	14.9	6.6	**249**
	Total ROM Coal	Mt	–	–	–	–	–	0.0	0.2	0.3	0.4	6.7	8.6	7.9	7.3	**142**
Combined	**Mining**															
	UG Development	km	7.3	21.6	21.0	20.0	21.5	18.5	20.1	12.9	16.2	15.0	15.3	14.9	6.6	**371**
	Total ROM Coal	Mt	4.6	8.5	8.3	8.5	8.2	6.9	7.7	6.9	6.8	8.9	8.6	7.9	7.3	**209**
	CHPP															
	ROM Feed	Mt	4.7	8.3	8.3	8.5	8.2	6.9	7.7	6.9	6.8	8.9	8.6	7.9	7.3	**209**
	Saleable Production	Mt	3.4	6.3	6.5	6.7	6.5	5.3	6.0	5.6	5.5	6.9	6.4	5.8	5.3	**156**
	Plant Yield	%	74%	76%	78%	78%	79%	78%	78%	80%	80%	78%	74%	73%	72%	**75%**
	Coal Sales															
	Hard Coking Coal	Mt	2.8	5.9	5.5	5.6	5.5	4.4	5.0	4.7	4.6	5.7	5.2	1.3	–	**82**
	Semi Soft Coking	Mt	–	–	–	–	–	–	–	–	–	–	–	4.2	5.3	**58**
	Thermal	Mt	0.3	0.4	1.0	1.1	1.0	0.9	1.0	0.9	0.9	1.2	1.2	0.3	0.0	**17**

Source: JT Boyd

The on-site CHPP facility is well-established and, following an upgrade completed in 2023, is capable of processing the forecast ROM coal production. The CHPP is located 8 km north of the mine portal and is connected via an overland conveyor.

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The forecast LOM coal yields vary over the mine life in response to changes in coal quality, ranging from 72% to 80% with a LOM average of 75%. SLR notes the lower forecast yields occur in the latter years of the mine life. Additional test work is planned to assess opportunities to improve product yield, as described in the Opportunities summary below.

Tailings are currently co-mingled with coarse rejects at the storage facility on-site. The existing facility has storage capacity until 2031, after which a new waste storage area will be required. The new facility will require various approvals, which SLR understands are planned to be incorporated into the Kestrel West approval process. SLR also understands that the Company has and is planning to undertake various dewatering studies and related testwork to provide optionality for future tailings storage.

Cost Estimation

The LOM plan includes total growth and sustaining capital expenditure (CAPEX) of $3.0 billion (B), equivalent to an annual average expenditure of $115 million (M). Annual growth and sustaining CAPEX is forecast to range from $186 M in 2027 to $82 M in 2035. In addition, the LOM plan includes approximately $468 M for mine development and $216 M in rehabilitation and closure costs.

The Operation requires regular replacement and sustained maintenance for both mobile and fixed plant to maintain the required production and CHPP performance. New and replacement production fleet capital represents the majority of the sustaining capital for the Operation. The remaining capital is related primarily to replacement and maintenance of the CHPP and site infrastructure. SLR considers the forecast reasonable to support the LOM schedule.

Forecast operating costs for the LOM, as outlined in **Table E-4**, include a Free on Rail (FOR) cost of $78.8/t product and a Free on Board (FOB) $112.0/t product. Further breakdowns, inclusive of annualised costs, are provided in **Section 14**.

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Table E-4 LOM Average Operating Costs

Cost Centre	Units	LOM Average Cost
Onsite Costs		
Underground Mining	$/t ROM Coal	33.61
Site Admin	$/t ROM Coal	13.93
CHPP	$/t ROM Coal	11.34
Total FOR	$/t ROM Coal	58.88
	$/t Product	78.76
Off-site Costs		
Rail and Port	$/t Product	30.67
Other Costs	$/t Product	2.58
Total FOB	**$/t Product**	**112.0**

Note: Costs exclude Royalties and other taxes.

Environmental, Health, Social and Safety

Being a mature, well-established underground coal mine, the Operation is supported by a comprehensive environmental, health, safety and social (EHSS) management framework, secure tenure, and a strong regulatory compliance record. Current mining leases, environmental authorities, water licences, rehabilitation approvals, and cultural heritage agreements are in place and considered adequate to support existing operations until 2030. Stakeholder engagement with local communities, landholders, and Traditional Owners is well established, and no material native title or cultural heritage risks have been identified.

Specific areas of environmental management include groundwater drawdown, surface water management, subsidence, greenhouse gas (GHG) emissions, biodiversity impacts, and long-term rehabilitation. Groundwater impacts associated with mine dewatering are a critical consideration, particularly around Policeman's Lagoon and regional aquifers, although modelling indicates impacts are expected to remain within predicted limits and can be managed through existing controls. Subsidence remains an inherent risk of longwall mining, with potential impacts on waterways, groundwater systems, and infrastructure, though extensive modelling, monitoring, and management programs indicate these impacts are expected to be localised and manageable.

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The principal risk to the LOM plan is obtaining the approvals required for the Kestrel West Extension, including a new Mining Lease, Environmental Authority amendment, Environment Protection and Biodiversity Conservation (EPBC) Act approval, and associated water and planning approvals. While delays in these approvals could affect future mining schedules, SLR considers there to be a reasonable prospect of obtaining the required approvals based on information provided by the Company regarding the status of current applications and supporting studies. Overall, based on information provided by the Company and SLR's review of the available technical material, SLR considers the environmental risks to be well understood and manageable, and has not identified any material EHSS issues that would prevent the continued operation of the current mine or the planned future development of the Asset.

Key Opportunities

SLR has identified several opportunities that may positively impact the mine life, Asset value, or both. The most material of these include:

- **Product yield – Process philosophy:** Based on coal washing simulation (Limn modelling), it is anticipated that there will be opportunities to further improve Kestrel's CHPP Organic Efficiency with future optimisation work. Operational changes such as standardisation of flotation circuit equipment and mitigating size degradation from rehandle, are likely to generate yield improvements and/or higher recovery of the primary product by improving the coking to thermal washed product splits.

- **CHPP – Upgrades:** Several opportunities also exist to improve operating outcomes through targeted upgrades to coal handling and processing infrastructure. Opportunities to improve raw coal and rejects handling facilities to support the processing of Kestrel West production has the potential to improve materials handling efficiency, reduce operational constraints, reduce product coal moisture and improve primary coking coal product yield. These initiatives are consistent with the broader opportunity set identified in relation to processing optimisation, infrastructure adequacy and future throughput reliability.

- **Product yield – Washability data:** Existing washability data is reported across size fractions that do not align with current CHPP size splits, reducing confidence in yield projections. Additional test work should be completed using size fractions consistent with current and planned CHPP configurations. Existing datasets should also be standardised to enable consistent and practical product yield estimation.

- **Product yield – Estimation methodology:** Following unification of coal quality and washability datasets, there is an opportunity to improve the current methodology for estimating product yields. Product tonnage projections should also consider the estimation of blended product grades. This would provide greater certainty in the planning process, including the formulation of final export products.

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- **Integration and synergies within Yancoal's existing asset portfolio:** The Asset offers the potential to unlock significant value through integration with Yancoal's existing operations, particularly Yarrabee, via blending optimisation and shared rail and port infrastructure. These synergies could enhance product flexibility, improve logistics efficiency, and reduce overall operating costs.

- **Schedule optimisation:** Introducing a walk-off, walk-on approach to longwall relocations presents an opportunity to materially reduce longwall move durations and minimise production downtime. This has the potential to increase annual coal production and improve overall asset productivity.

- **Bord and Pillar mining:** There is potential to develop additional reserves through bord and pillar mining between the 400-series and 600-series areas. This could increase resource recovery, provide greater operational flexibility and access to high quality HCC.

- **Production Rate Uplift due to Improved Mining Conditions:** Recent studies indicate potential for production rates to exceed current Reserve assumptions as mining advances to the north and west. More favourable geological and mining conditions in these areas may support improved equipment utilisation and higher productivity outcomes.

- **Optimisation of ground support:** As mining progresses into shallower, lower-stress areas, there may be opportunities to optimise ground support requirements, particularly by reducing "code green" support density where appropriate. This could deliver meaningful cost savings and improved productivities while maintaining safe operating standards.

- **Fugitive Emissions (FE) reductions by implementing FE Projects:** Implementation of emissions abatement initiatives, including Ventilation Air Methane (VAM) and Coal Mine Waste Gas (CMWG) projects, could significantly reduce fugitive emissions. In addition to improving environmental performance, these projects may create value through emissions reduction incentives and enhanced ESG outcomes.

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Key Risks

While various risks have been identified, SLR considers the risks listed to be those that could materially affect the LOM plan and/or the value of the current Coal Reserve schedule. The risk summary does not include any risks associated with the upside opportunities:

- **Kestrel West:** Approvals are required prior to mining in Kestrel West (e.g. new Mining Lease (ML) over an area of Mineral Development Lease (MDL) 182, EA amendment, EPBC Act approval). Failure or delay in obtaining these approvals could prevent or delay the commencement of operations in Kestrel West and the execution of the LOM plan as presented in the CPR. SLR notes that these approvals are not required until 2030, as such the Company has time to prepare and submit the required documents.

- **Kestrel West – further definition:** The Kestrel West Resource is currently classified as Indicated. Current studies are supported by data from current and historical operations. Further exploration including drilling (geotechnical and coal quality) and 3D seismic studies will improve confidence in the LOM plan.

- **Tailings Storage:** This tailings storage facility has storage capacity until 2031, after which a new storage area will be required. The new facility will require various approvals, SLR understands that these are planned to be incorporated into the Kestrel West approval process.

- **Frictional Ignition:** The Asset has previously experienced frictional ignition events, causing short-term production stoppages; the mine has developed a series of controls to support future operations. These have been implemented through mine planning scheduling, mine design parameters and operational controls. These will remain in focus during mining in thinner seam areas.

Limitations and Exclusions

SLR's review was based on various reports, plans and tabulations provided by the Client or the Company either directly from the mine site and other offices, or from reports by other organisations whose work is the property of the Client or the Company. Neither the Client nor the Company has advised SLR of any material change, or event likely to cause material change, to the operations or forecasts since the date of Asset inspection.

The work undertaken for this Report is that required for a technical review of the information, coupled with such inspections as the Team considered appropriate to prepare this Report.

It specifically excludes all aspects of legal issues, commercial and financing matters, land titles and agreements, except such aspects as may directly influence technical, operational or cost issues and where applicable to the JORC Code guidelines.

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SLR has specifically excluded making any comments on the competitive position of the Relevant Assets compared with other similar and competing producers around the world. SLR strongly advises that any potential investors make their own comprehensive assessment of both the competitive position of the Relevant Assets in the market and the fundamentals of the seaborne export coal at large.

Limited Liability

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Capability and Independence

SLR provides advisory services to the mining and finance sectors. Within its core expertise it provides independent technical reviews, resource evaluation, mining engineering and mine valuation services to the resources and financial services industries.

SLR has independently assessed the Asset by reviewing pertinent data, including resources, reserves, manpower requirements and the life of mine plans relating to productivity, production, operating costs and capital expenditures. All opinions, findings and conclusions expressed in this Report are those of SLR and its specialist advisors.

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Drafts of this Report were provided to Client, however only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in this Report.

SLR has been paid and has agreed to be paid, professional fees based on a fixed fee estimate for its preparation of this Report. Its remuneration is not dependent upon the findings of this Report or on the outcome of the transaction.

None of SLR or its directors, staff or specialists who contributed to this Report have any economic or beneficial interest (present or contingent), in:

- the Assets, securities of the companies associated with the Assets or that of Client; or
- the right or options in the Relevant Assets; or
- the outcome of the proposed transaction.

This CPR was compiled on behalf of SLR by the signatories to this CPR, details of whose qualifications and experience are set out in Section 1.6 of this CPR. The specialists who contributed to the findings within this CPR have each consented to the matters based on their information in the form and context in which it appears.

SLR Qualifications and Experience

SLR's advisory division operates as independent technical consultants providing services across the entire mining life cycle including exploration and Assets feasibility, resource and reserve evaluation, mining engineering and mine valuation services to both the mining and financial services industries.

SLR is the market leader in the innovation of advisory and technology solutions that optimize the economic value of mining Assets and operations. SLR has serviced the industry with a full suite of advisory services for over 50 years and is the largest publicly traded independent group of mining technical experts in the world having completed over 14,000 studies across all major commodities and mining methods and worked in over 118 countries globally.

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- The work undertaken is an ITR of the information provided by or on behalf of the Company, as well as information collected during site inspections completed by SLR as part of the ITR process. It specifically excludes all aspects of legal issues, marketing, commercial and financing matters, insurance, land titles and usage agreements and any other agreements/contracts that the Company may have entered into.

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Generally, the data available was sufficient for SLR to complete the scope of work. The quality and quantity of data available and the cooperative assistance, in SLR's view, clearly demonstrated the Company's assistance in the ITR process. All opinions, findings and conclusions expressed in the report are those of SLR and its specialist advisors.

Yours faithfully,

David McMillan
Operations Director – Mining Advisory APAC (Competent Person – Hong Kong Chapter 18) SLR Consulting

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ACRONYMS AND ABBREVIATIONS

Abbreviation	Description
aa	As Analysed
ACCU	Australian Carbon Credit Unit
ad	Air Dried Basis
AGD84	Australian Geodetic Datum 1984
AMG84	Australian Map Grid 1984
A$	Australian Dollar
ATP	Authority to Prospect
AusIMM	Australasian Institute of Mining and Metallurgy
CAPEX	Capital Expenditure
CDSF	Co-disposal Storage Facility
CHIMA	Cultural Heritage Investigation and Management Agreement
CHMP	Cultural Heritage Management Plan
CHPP	Coal Handling and Preparation Plant
CHRZ	Cultural Heritage Restricted Zone
CMRR	Coal Mine Roof Rating
CMWG	Coal Mine Waste Gas
CPR	Competent Person's Report
CQCN	Central Queensland Coal Network
CSN	Crucible Swelling Number
CSR	Coke Strength after Reaction
daf	Dry Ash Free
DCF	Discounted Cash Flow
ddpm	Dial Divisions per Minute (Gieseler fluidity)
DETSI	Department of Environment, Tourism, Science and Innovation
DHSA	Drill Hole Spacing Analysis
DLGWV	Department of Local Government, Water and Volunteers
dGPS	Differential Global Positioning System
EA	Environmental Authority
EHS	Environment, Health and Safety
EIS	Environmental Impact Statement
EMS	Environmental Management System
EPBC Act	Environment Protection and Biodiversity Conservation Act 1999
ERC	Estimated Rehabilitation Cost
ESG	Environmental, Social and Governance
FAusIMM	Fellow of the Australasian Institute of Mining and Metallurgy
FEM	Finite Element Method
FOB	Free On Board
FOR	Free On Rail
FQC	Fractional Quick Coke

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Abbreviation	Description
FS	Feasibility Study
FSI	Floor Strength Index
GAD	Gross Air Dried
GC Seam	German Creek Seam
GDB	Geological Database
GHG	Greenhouse Gas
GSR	Geophysical Strata Rating
HCC	Hard Coking Coal
HGI	Hardgrove Grindability Index
HKEx	Hong Kong Stock Exchange
HQ	HQ Diamond Core Size
HQ3	Triple-Tube HQ Core
IAS	Initial Advice Statement
ID³	Inverse Distance Cubed
IM	Inherent Moisture
ISO	International Organisation for Standardization
ITR	Independent Technical Review
JORC	Joint Ore Reserves Committee
KCR	Kestrel Coal Resources Pty Ltd
Kestrel West	Kestrel West operation area
Kestrel West Extension	Application and approval for the Kestrel West Mine Extension through the voluntary Environmental Impact Statement process under the *Environmental Protection Act 1994*.
LD	Large Diameter
LiDAR	Light Detection and Ranging
LOM	Life of Mine
MAusIMM	Member of the Australasian Institute of Mining and Metallurgy
MDL	Mineral Development Licence
MHC	Moisture Holding Capacity
ML	Mining Lease
MJ/kg	Megajoules per Kilogram
MNES	Matters of National Environmental Significance
Mt	Million Tonnes
Mtpa	Million Tonnes Per Annum
NATA	National Association of Testing Authorities
NPV	Net Present Value
OPEX	Operating Expenditure
PFS	Pre-Feasibility Study
PLV	Premium Low Volatile (Hard Coking Coal)
PoO	Point of Observation
PQ	PQ Diamond Core Size

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Abbreviation	Description
PRCP	Progressive Rehabilitation and Closure Plan
QA/QC	Quality Assurance and Quality Control
QLD	Queensland
RD	Relative Density
RDad	Air-Dried Relative Density
RDis	In Situ Relative Density
REPEE	Reasonable Prospects for Eventual Economic Extraction
RGTCT	RG Tanna Coal Terminal
RIDA	Regional Interests Development Approval
RO	Reverse Osmosis
ROM	Run of Mine
RTCA	Rio Tinto Coal Australia
Rv Max	Maximum Vitrinite Reflectance
SEP	Stakeholder Engagement Plan
SIS	Surface-to-In-Seam
SLR	SLR Consulting Australia Pty Ltd
SSCC	Semi-Soft Coking Coal
UCS	Uniaxial Compressive Strength
UG	Underground
UIS	Underground In-Seam
VAM	Ventilation Air Methane
VM	Volatile Matter
WHS	Workplace Health and Safety
ww	Wedge Wire
YAL	Yancoal Australia Ltd

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1. INTRODUCTION

SLR Consulting Australia Pty Ltd (SLR) has been engaged by Yancoal Australia Ltd (Yancoal or the Client) to complete an Independent Technical Review (ITR) and compile a Hong Kong Competent Persons Report (hereafter referred to as the CPR or the Report) as defined by Chapter 18 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the Listing Rules) on the Kestrel Coal Operation (Kestrel or the Operation or the Asset).

The Asset is located in the Bowen Basin of Queensland, Australia (**Figure 2-1**) and is currently owned by Kestrel Coal Resources Pty Ltd (80%) (KCR or the Company) and Mitsui Kestrel Coal Investments Pty Ltd (20%) (Mitsui Coal). KCR operates the Asset through the Kestrel Coal Mine Joint Venture.

This CPR is provided in relation to Yancoal's planned acquisition of KCR as announced on 14 April 2026.

1.1. SLR Scope of Work

SLR's scope of work included:

- Gathering of relevant information on the Asset including historic production and costs, relevant licenses and permits, Resources and Reserves information, Life of Mine (LOM) production schedules and operating and capital cost;
- Reviewing of the Company's Resources and Reserves, including quantity and quality of drilling, reliability of data, suitability of life of mine plans and adequacy of estimation methods;
- Estimation of independent Coal Resources and Coal Reserves reported in compliance with the recommended guidelines of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code), prepared by the Joint Ore Reserves Committee (JORC) and the Australian Guidelines for the Estimation and Classification of Coal Resources (2014);
- Reviewing and commenting on the exploration prospect of the Asset;
- Reviewing and commenting on forecast operating and capital expenditures in the relevant technical studies;
- Reviewing the short-term and long-term development plans;
- High-level review of licenses and permits, as well as environmental, health and safety risks and management plans;

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- Competent Person site visit; and
- Compilation of a CPR as defined under Chapter 18 of the Hong Kong Listing Rules.

1.2. Relevant Asset

The Asset is located in the Bowen Basin of Queensland, Australia, and includes an operating underground mine, onsite coal processing and handling plant and associated infrastructure. The Operation produces a range of hard coking (metallurgical) coal products used in the manufacture of steel, as well as secondary thermal coal products. All coal products are currently exported through the Port of Gladstone, which is a deep-water port allowing direct access to international markets via the Pacific Ocean (**Figure 2-1**).

The statements in this Report related to production, costs, Coal Resources and Coal Reserves are on a 100% basis, unless stated otherwise.

1.3. Review Methodology

SLR's Independent Technical Review (ITR) methodology was as follows:

- Review existing reports and data;
- Conduct a Competent Person's site visit;
- Discussions with personnel of the Company prior to and following the site visit;
- Review of the Independent Estimation and Reporting of Coal Resources and Coal Reserves in accordance with the JORC Code (2012) and Australian Coal Guidelines (2014); and
- Preparation of a CPR and provision of drafts of the CPR to Client's personnel to ensure factual accuracy and reasonableness of assumptions.

The information presented in this CPR is based on data provided by the Company and discussions with Company personnel. Forecasts are based on this information as well as the operating context provided by the Client. Where possible, the information was verified against source data or corroborated by multiple sources. Where inconsistencies were identified, SLR applied its professional judgment to form an opinion.

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1.4. Site Visit and Inspections

SLR visited Kestrel on 10 June 2026. SLR's site visit team consisted of:

- David McMillan – Executive Consultant and HK Competent Person;
- Jack Steenekamp – Coal Reserves Competent Person;
- Shaun Ayshford – Principal Geologist on behalf of the Resources Competent Person;
- Anna Beacom – Environmental Social and Governance;
- Brendan Crisp – Infrastructure;
- Charl Peenze – Surface Infrastructure and Services; and
- Brett Shadbolt – Competent Person Valuation (Censere).

1.5. Information Sources

Several geological studies, mining studies, design reports, life-of-mine budgets and schedules were provided for the Asset, as well as recent operational data. This information was primarily supplied via an online data room with additional data transfers as required.

1.6. Competent Person and Responsibilities

The Statements of Coal Resources and Coal Reserves have been reported in accordance with the recommended guidelines of the JORC Code (2012) and are suitable for inclusion in a CPR as defined by Chapter 18 of the Listing Rules.

1.6.1. Team Responsibility

Additional members of the team who have worked to compile this report include the following:

- Mr Doug Sillar – Project Management;
- Mrs Danique Gerber – Principal Geologist and Resources Competent Person;
- Mr Jack Steenekamp – Coal Reserves Competent Person;
- Mr Michael Johnston – Review of the mine plan and Reserves;

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- Mr Andrew Swanson – Review of product coal quality and processing;
- Mr Jeremy Clark – Internal peer review of the Report; and
- Mr Philippe Baudry – Final internal peer review and approval of the Report.

1.6.2. HKEx Competent Person

Mr. David McMillan meets the requirements of a Competent Person, as defined by Chapter 18 of the Listing Rules. These requirements include:

- Greater than five years' experience relevant to the type of deposit;
- Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), which is a Recognised Professional Organisation as per the HKEx and JORC Code;
- Does not have economic or beneficial interest (present or contingent) in any of the reported Relevant Assets;
- Has not received a fee dependent on the findings outlined in the Competent Person's Report;
- Is not an officer, employee or proposed officer for the Client or any group, holding or associated company of the issuer; and
- Assumes overall responsibility for the Competent Person's Report.

David McMillan (Hong Kong Competent Person) (FAusIMM(CP))

1.6.3. JORC Competent Persons

Coal Resources

The information in this report that relates to the Coal Resources listed in **Table E-1** is based on information compiled and reviewed by Mrs Danique Gerber, who is a member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of SLR.

Mrs Gerber has sufficient experience that is relevant to the style of mineralisation and types of coal deposits under consideration and to the activity she is undertaking, to qualify her as a Competent Person (as defined in the 2012 Edition of the JORC Code). She has more than 20 years of experience in the mining industry.

Mrs Gerber has no interest whatsoever in the Operation reviewed and will gain no reward for the provision of this Coal Resource Statement. SLR will receive a professional fee for the preparation of this statement. Mrs Gerber has provided separate consent to Yancoal for the publication of Resources within the Circular.

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Danique Gerber BSc (Geology) (Hons) MAusIMM

Coal Reserves

The information in this report that relates to the Coal Reserves listed in **Table E-2** and **Table 8-1** is based on information compiled by or supervised by Jack Steenekamp, who is a Fellow of the Australasian Institute of Mining and Metallurgy and is a full-time employee of John T. Boyd Company (Australia) Pty Ltd (JT Boyd or BOYD) holding the position of Managing Director. JT Boyd was engaged by Yancoal to undertake an independent Coal Reserve and supporting mining scheduling. Jack Steenekamp has sufficient experience that is relevant to the style of mineralisation and types of coal deposits under consideration and to the activity he is undertaking, to qualify him as a Competent Person (as defined in the 2012 Edition of the JORC Code). He has almost 40 years of experience in the mining industry.

Jack Steenekamp has no interest whatsoever in the Asset reviewed and will gain no reward for the provision of this Coal Reserve Statement. JT Boyd will receive a professional fee for the preparation of this statement. Mr. Steenekamp has provided separate consent to Yancoal for the publication of Reserves within the Circular.

Jack Steenekamp MBA, B E (Mining) (Hons), B E (Mechanical), GradDip (Mine Ventilation) FAusIMM

1.7. Limitations and Exclusions

SLR's review was based on various reports, plans and tabulations provided by the Client or the Company either directly from the mine site and other offices, or from reports by other organisations whose work is the property of the Client or the Company. Neither Client nor the Company has advised SLR of any material change or event likely to cause a material change to the operations or forecasts since the date of the Asset inspections. Unless otherwise stated, statements in this Report concerning tenure, approvals, regulatory processes, land access arrangements and compliance matters are based on information provided by the Company and have not been independently legally verified by SLR.

The work undertaken for this Report is that required for a technical review of the information, coupled with such inspections as the Team considered appropriate to prepare this Report.

It specifically excludes all aspects of legal issues, commercial and financing matters, land titles and agreements, except those that may directly influence technical, operational or cost issues and, where applicable, the JORC Code guidelines.

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SLR has specifically excluded making any comments on the competitive position of the relevant Assets compared with other similar and competing producers around the world. SLR strongly advises that any potential investors make their own comprehensive assessment of both the competitive position of the relevant Assets in the market and the fundamentals of the coal markets at large.

Limited Liability

This Report has been prepared by SLR for the purposes of Client for inclusion in its Transaction Circular in respect of the proposed acquisition of the Asset in accordance with the Listing Rules and is not to be used or relied upon for any other purpose. SLR will not be liable for any loss or damage suffered by a third party relying on this report or any references or extracts therefrom contrary to the purpose (regardless of the cause of action, whether breach of contract, tort (including negligence) or otherwise) unless and to the extent that SLR has consented to such reliance or use. For the avoidance of doubt, any permission to disclose or distribute this Report does not constitute permission to rely on it, and permitted disclosure does not equal permitted reliance.

Responsibility and Context of this Report

The contents of this Report have been based upon and created using data and information provided by or on behalf of Client or the Company. SLR accepts no liability for the accuracy or completeness of data and information provided to it by, or obtained by it from Client, the Company or any third parties, even if that data and information has been incorporated into or relied upon in creating this report. The report has been produced by SLR in good faith using information that was available to SLR as at the date stated on the cover page and is to be read in conjunction with the Circular, which has been prepared and forms part of the referenced transaction.

This report contains forecasts, estimates and findings that may materially change in the event that any of the information supplied to SLR is inaccurate or is materially changed. SLR is under no obligation to update the information contained in the report.

Notwithstanding the above, in SLR's opinion, the data and information provided by or on behalf of Client or the Company was reasonable and nothing discovered during the preparation of this Report suggests that there was a significant error or misrepresentation of such data or information.

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Indemnification

The Client has indemnified and held harmless SLR and its subcontractors, consultants, agents, officers, directors and employees from and against any and all claims, liabilities, damages, losses and expenses (including lawyers' fees and other costs of litigation, arbitration or mediation) arising out of or in any way related to:

- SLR's reliance on any information provided by Client and the Company; or
- SLR's services or materials; or
- Any use of or reliance on these services or material,

save and except in cases of death or personnel injury, property damage, claims by third parties for breach of intellectual property rights, gross negligence, wilful misconduct, fraud, fraudulent misrepresentation or the tort of deceit, or any other matter which be so limited or excluded as a matter of applicable law (including as a Competent Person under the Listing Rules) and regardless of any breach of contract or strict liability by SLR.

Mining Unknown Factors

The findings and opinions presented herein are not warranted in any manner, expressed or implied. The ability of the operator, or any other related business unit, to achieve forward-looking production and economic targets is dependent upon numerous factors that are beyond SLR's control and which cannot be fully anticipated by SLR. These factors include site-specific mining and geological conditions, the capabilities of management and employees, availability of funding to properly operate and capitalise the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, etc. Unforeseen changes in legislation and new industry developments could substantially alter the performance of any mining operation.

Capability and Independence

SLR provides advisory services to the mining and finance sectors. Within its core expertise it provides independent technical reviews, resource evaluation, mining engineering and mine valuation services to the resources and financial services industries.

SLR has independently assessed the Relevant Assets of the Assets by reviewing pertinent data, including resources, reserves, manpower requirements and the life of mine plans relating to productivity, production, operating costs and capital expenditures. All opinions, findings and conclusions expressed in this Report are those of SLR and its specialist advisors.

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Drafts of this Report were provided to Client, however only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in this Report.

SLR has been paid and has agreed to be paid, professional fees based on a fixed fee estimate for its preparation of this Report. Its remuneration is not dependent upon the findings of this Report or on the outcome of the transaction.

None of SLR or its directors, staff or specialists who contributed to this Report have any economic or beneficial interest (present or contingent), in:

- The Asset, securities of the companies associated with the Asset or that of the Client; or
- The right or options in the Relevant Asset; or
- The outcome of the proposed transaction.

This CPR was compiled on behalf of SLR by the signatories to this CPR. The specialists who contributed to the findings within this CPR have each consented to the matters based on their information in the form and context in which it appears.

2. PROJECT OVERVIEW

The Asset is located in the Bowen Basin, Central Queensland and consists of 5 Mining Leases (ML's) and two Mineral Development Leases (MDL's) covering a combined area of 23,598 ha. (**Figure 3-1**). The Bowen Basin contains several large-scale coal deposits, which are geologically well-understood and explored and have been in operation for several decades.

Construction of the Operation commenced in 1990. Coal production is via a conventional single longwall mining system supported by three continuous miner development units. Run-of-mine (ROM) coal is conveyed 8 km from the mine portal to the onsite coal handling and processing plant (CHPP). The saleable coal product, which currently consists predominantly of hard coking coal, is then loaded onto trains at a dedicated train loading point and transported 367 km by rail to export terminals at the Port of Gladstone.

The Operation mines the German Creek seam, which is separated into two mining areas: the current mining area at Kestrel South and the future Kestrel West area. Development at Kestrel West is planned to commence in 2031 ahead of longwall production in 2035. The Operation is forecast to produce 8.2 Mt ROM coal with 6.2 Mt of saleable coal in 2026. Over the LOM period to 2052, the average annual production is forecast to be 8.0 Mtpa ROM coal and 6.0 Mtpa of saleable product coal at an average yield of 75%.

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2.1. Location and Access

The Operation is located 220 km west of the major regional city of Rockhampton (**Figure 2-1**) and 40 km northeast of Emerald, and can be accessed via Lilyvale Road, with travel time from Emerald to the site of approximately 30 minutes.

Emerald, located in the Bowen Basin, is a regional centre with established infrastructure, population (~15,000), and full commercial and industrial services supporting operations. Of note, the Bowen Basin is one of Australia's primary coal-producing regions and serves as a key service hub for surrounding mining and agricultural operations.

Emerald is served by a domestic airport that connects to other major regional centres, the state capital, Brisbane, and high-quality regional highways.

2.2. Regional Environment

2.2.1. Geography and Climate

The Central Highlands region of Queensland is approximately 300 km inland (west) of the coastal town of Gladstone, which is home to a deep-water export port. The region hosts numerous large-scale coal mines which is the main source of employment, alongside farming.

The region has a humid subtropical climate with warm to hot summers and mild, dry winters. Maximum temperatures range from 34°C in January to 22°C in July, while minimums range from 22°C to 7°C, with an average annual rainfall of 641.2 mm. The rainfall observed and moderate temperature ranges result in little to no impact on mining activities and a plentiful water supply. **Figure 2-2** shows the yearly ranges of average high and low temperatures along with monthly rainfall.

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Figure 2-1 General Location Plan

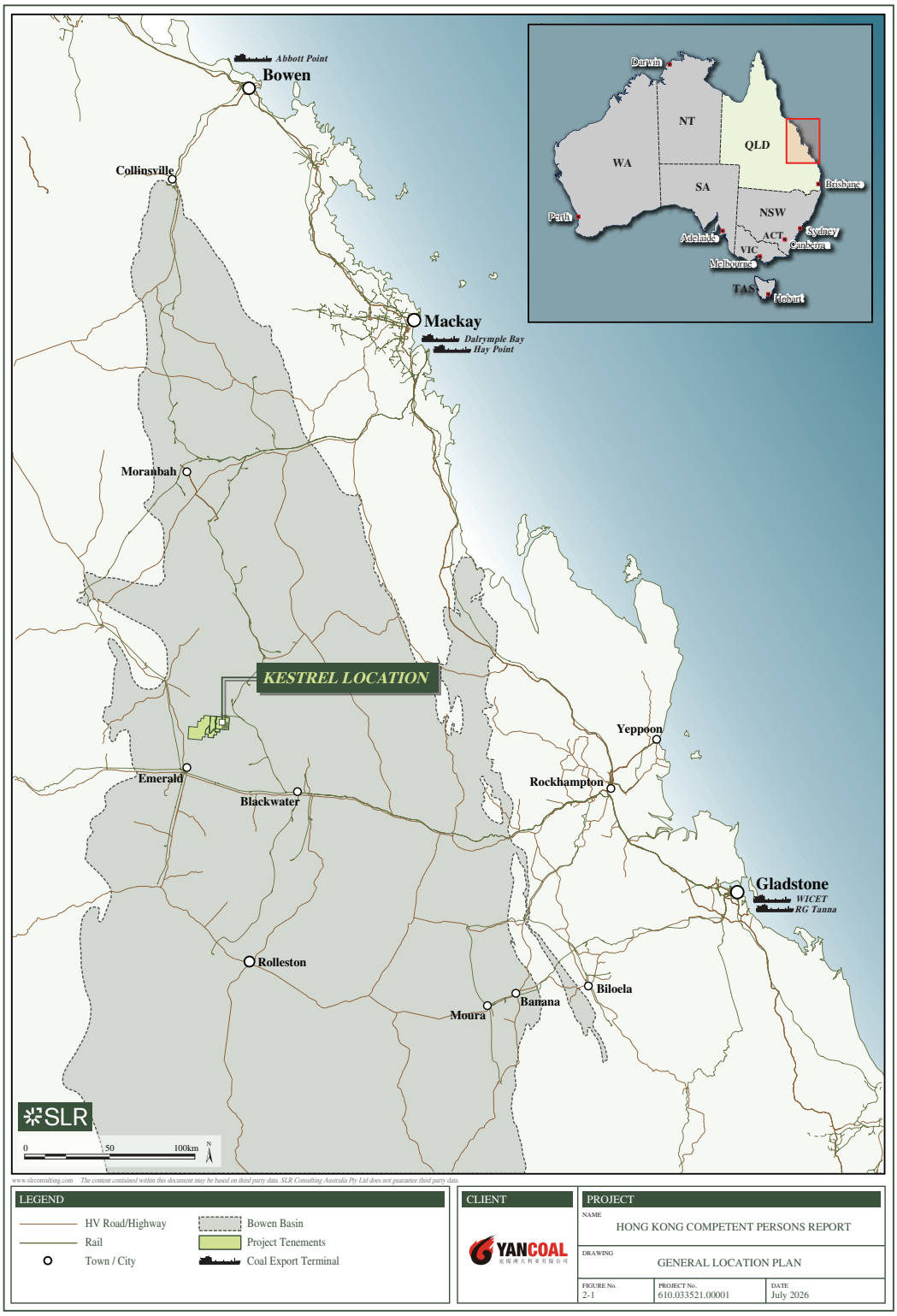

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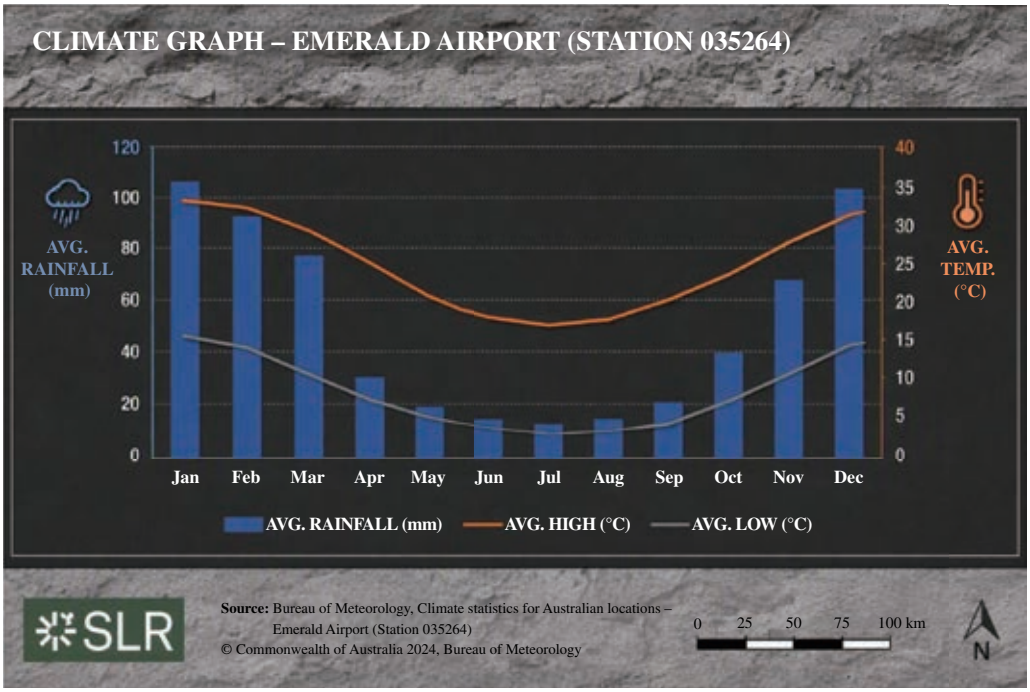
Figure 2-2 Regional Monthly Climate



2.2.2. Industry

Apart from coal mining, the region includes a range of industries, with agriculture a key sector, particularly cattle grazing and grain production. In addition, engineering, equipment maintenance, and contracting businesses support mining operations in the region.

2.2.3. Regional and Local Infrastructure

There is a well-developed network of regional and local infrastructure in place to support operations. The region is serviced by established power supply and water resources, along with integrated transport and logistics networks that connect the Operation to export terminals at the Port of Gladstone. The Operation benefits from proximity to major highways that facilitate the movement of personnel, equipment, and supplies and is near regional centres that provide accommodation, workforce, and essential support services. As such, SLR considers the regional and local infrastructure suitable to support ongoing operations and the forecast LOM plan. Further details of the supporting infrastructure are provided in **Section 12** and **Section 13**.

2.3. Market Overview

Australia remains the world's leading exporter of metallurgical (coking) coal, supplying more than half of the global seaborne market. Queensland's Bowen Basin is the dominant production region, producing a range of hard coking coals used in blast furnace steelmaking.

Australia's high-quality coking coal reserves and established export supply chains position the industry to continue playing a significant role in the global steel value chain. Kestrel is currently and continues to play an important role in supplying global metallurgical coal demand, particularly for customers in India and Southeast Asia, where growing steel production, infrastructure development and urbanisation continue to underpin long-term demand for premium hard coking coal.

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2.4. Product Types

The Operation currently produces premium hard coking coal and thermal coal products and is forecast to produce a semi-soft coking coal in the later years of the mine life. SLR notes that coking coal specification categories can change with demand and over time, with subsequent pricing adjustments.

SLR presents this for information purposes and refers the reader to the business section of the Circular for further information.

2.4.1. Coking Properties

The ROM coal is washed to produce two grades of coal product – a 6.5% ash (air dried (ad)) typical primary coking coal product and a thermal coal, of around 15% ash (ad) typical. Through blending of the coking and thermal coals, a higher ash coking coal can be produced. The qualities of the export coal are provided in **Table 2-1**.

The primary coking product is a low ash, high fluidity, hard coking coal. This product is highly sought after as a blending coal for Asian steel mills, as its low ash and high fluidity provide blend flexibility and reduce coke-making costs. Relative to a benchmark Premium Low Volatility (PLV) Hard Coking Coal (HCC), the high Volatile Matter (VM) content and low Coke Strength after Reaction (CSR) mean that the primary coking product is priced in line with second tier HCC's.

Kestrel's thermal product is of comparable quality to benchmark 6000 Net as received (NAR) Newcastle export coals. Whilst comparable, it is expected that on a 6000 NAR basis the Kestrel thermal is forecast to price at a small discount to the globalCOAL NEWC benchmark.

Table 2-1 Export Coal Specifications

Product	Units	Coking Coal	Blend	Thermal
Total Moisture	% ar	9.0	8.5	8.0
Moisture (ad)	% ad	2.0	2.0	2.0
Ash	% ad	6.5	7.5-12.0	15.0
Volatile Matter	% ad	34.0	32.5-34.0	32.0
Total Sulphur	% ad	0.60	0.65-0.70	0.75
Phosphorus	% ad	0.02	0.02-0.03	–
Calorific Value GAD	kcal/kg	–	–	6,400
CSN		8.5	8-8.5	–
Geiseler Max Fluidity	ddpm	2,000	750-1,900	–
Dilatometer – total expansion	%	105	–	–
RoMax	%	0.90	0.90	–
Vitrinite	vol. %	77	70-74	–
CSR		62	41-58	–

Source: The Company

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3. LICENCES AND PERMITS

The permits for the Operation cover 7 mining tenements, which are all held by the joint venture partners. These include 5 MLs and two MDLs granted by the Queensland Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development (referred to hereafter as Department of Resources).

As an operating asset, the Operation has environmental permits called Environmental Authorities (EAs) issued by the Queensland Department of Environment, Tourism, Science and Innovation (DETSI), which regulate the Company's operations. A summary of the key permits is provided on **Table 3-1** and shown in **Figure 3-1**.

The information about mining and environmental authorisations is provided for reference only.

3.1. Mining Permits and Surface Rights

MLs are authorised for coal mining, and MDLs are authorised for coal exploration and studies to assess the development potential of the coal resource.

Kestrel Coal Resources Pty Ltd (80%) and Mitsui Kestrel Coal Investment Pty Limited (20%) are the authorised holders of all tenements for the Operation (**Table 3-1**).

All mining leases and surface rights have been granted and are in good standing with all permits and approvals in place. The Company has advised that the current mine plan under existing approvals enables production to continue until approximately 2036. Additional approvals and land tenure are required prior to this to continue operations until approximately 2052. In relation to the LOM plan, SLR notes the following:

- Conversion of MDL 182 to a Mining Lease must be approved by 2030 to access the Coal Reserves as forecast in the LOM plan. SLR understands the application for an ML is underway, with the required application documents submitted in Q3 2026. It is expected that the ML assessment process could take up to 3 years. Based on information provided by the Company and subject to normal regulatory risks, SLR considers that there are reasonable grounds to expect these approvals may be granted.

- MDL 182 expires on 30 November 2026, while MDL 3050 is due to expire on 30 June 2027. The MDL 182 renewal application has been lodged and is being assessed by the Department of Resources. SLR has verbally confirmed with the Company that the application is progressing and that no request for information was required. SLR, therefore, does not anticipate any material impediment to the successful granting of the MDL.

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- The Company is understood to hold the majority of land parcels within the existing mining tenements, to support continued operation. The Company has verbally confirmed that compensation agreements are in place for any lots and plans not owned by the Company and for potential subsidence impacts on third-party infrastructure, such as the Lilyvale Road or Ergon Powerline. Although not reviewed and independently verified, compensation agreements are typically required before granting mining tenements; therefore, based on information provided by the Company, it is reasonable to expect that such agreements have been executed.

SLR has not completed a comprehensive review of land acquisition, land compensation, statutory or legal verification of the Mining License status and is not an expert in such matters. SLR has made reasonable enquiries and exercised professional judgement on all information provided and found no reason to doubt the accuracy or reliability of the information or data that was supplied.

Environmental Authorities and other environmental approvals are outlined in **Section 15**.

Table 3-1 Mining Leases & Mine Development Licences

Permit Number	Grant Date	Expiry Date	Authorised Holders	Area (Ha)	Native Title Status
Mining Leases					
ML 1978	12/04/1990	30/04/2041	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	5,839	Granted before 01/01/1994
ML 70301	25/09/2003	30/09/2033	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	3,579	100% exclusive land
ML 70302	22/11/2004	30/11/2034	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	79.77	100% exclusive land
ML 70330	11/06/2009	30/06/2039	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	9.35	Section 31 Agreement
ML 70481	21/03/2016	31/03/2041	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	2,467	Section 31 Agreement
Mineral Development Licences					
MDL 182	25/11/1996	30/11/2026*	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	11,619	100% exclusive land
MDL 3050	24/06/2022	30/06/2027	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	5	100% exclusive land

* *Renewal lodged in May 2026*
Source: GeoResGlobe (20/05/2026)

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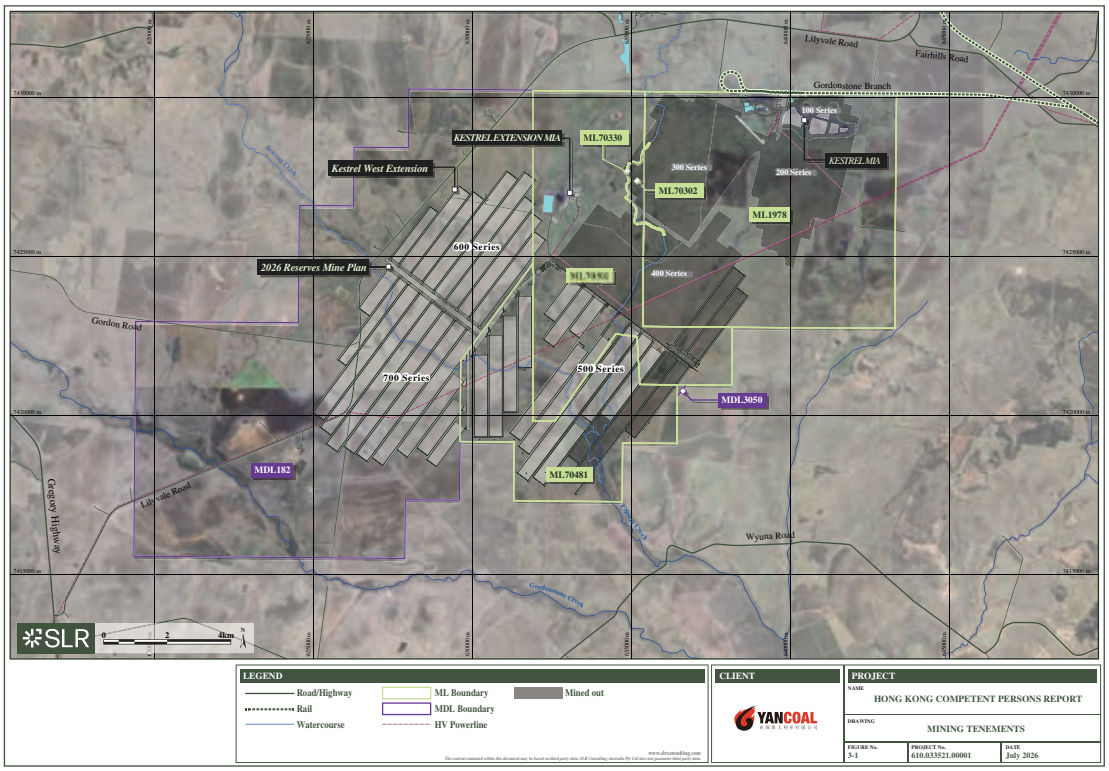
Figure 3-1 Mining Tenements



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4. ASSET HISTORY

4.1. Exploration History

Exploration of the deposit has progressed through multiple generations of increasing geological understanding, transitioning from reconnaissance drilling to detailed resource definition and operational support drilling.

Initial recognition of coal-bearing sequences in the district dates back to 1964, based on water bore records. Systematic exploration commenced in 1966 by the Bellambi Coal Company and continued by Mount Isa Mines Ltd in 1968, with these early programs identifying poor economic viability for open cut mining due to extensive basalt cover.

Between 1971 and 1975, the Queensland Department of Mines conducted a regional drilling program that intersected the German Creek (GC) Seam in most boreholes, leading to the identification of underground mining potential. The Resource was tendered as Gregory South, and the Denham Coal Associates Joint Venture with Kennecott Explorations (a BP subsidiary at the time) was awarded Authority to Prospect (ATP) 389C in 1982.

A significant step change in exploration intensity occurred between 1982 and 1984, when Denham Coal Associates completed approximately 280 drill holes, generating sufficient data to support feasibility studies, which confirmed the technical and economic viability of a single longwall operation, producing a low ash, high fluidity, hard coking coal and a medium ash, high energy thermal coal.

Subsequent exploration under Rio Tinto Coal Australia (RTCA) in the late 1990s through to 2018 materially improved the dataset through extensive infill drilling, coal quality testing, the integration of underground observations and early seismic investigations.

Since 2018, exploration programs have focused on resource expansion and confidence upgrading, particularly in Kestrel West, demonstrating ongoing investment in geological definition to support life-of-mine planning and resource classification upgrades. Activities have included surface and in-seam drilling, coal quality analysis, gas and geotechnical sampling, an aeromagnetic survey (2019), 2D seismic surveys (2019, 2021-22, 2023) and 3D seismic acquisition (2021, 2022, 2023).

A summary of the drilling completed is included in **Table 6-1**.

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4.2. Mining History

A Pre-Feasibility Study for the current Operation area began in 1985. This study included an Environmental Impact Assessment, as well as mining assessments and surface infrastructure evaluations by third parties. Subsequent to this, an exploration drift was started in January 1988 and completed in January 1990.

In February 1985, Denham Coal Associates applied for a Mining Lease over an area of 26,189 hectares (ha) (Application No. 2251 Clermont), which included a surface lease of 1,040 ha for infrastructure and reject disposal. In July 1986, the Mining Warden recommended that the Mining Lease be granted for the entire area sought. However, Special Conditions of the lease negotiated in October 1987 resulted in a reduction of the application area to 5,839 ha.

During this period, several ownership changes occurred in the Joint Venture. Atlantic Richfield Company (ARCO) acquired the management company in 1987, and in 1989, purchased a pro rata share of Kennecott's interest.

Mine construction commenced on 1 August 1990. The initial underground development began in March 1991, with the first longwall (100-series) commencing on 19 April 1993. The second longwall area (200-series) commenced production in April 1996.

Pacific Coal Pty Ltd (PCPL) commenced management of the Gordonstone Mine in February 1999 after purchasing the mine from the original developer ARCO. By the end of 1999, operations had been restarted, and the mine was successfully established under its new operating regime as Kestrel Coal. Mining in the 300-series panels commenced in January 2004.

Following development and early operations under Pacific Coal, ownership transitioned to RTCA through corporate restructuring and asset consolidation within the Rio Tinto Group.

Between 2001 and 2006, RTCA completed Expansion/Development Studies to support continued production from Kestrel North and development planning for mine extensions, including optimisation of underground operations. Between 2010 and 2013, the Kestrel South Feasibility Study was completed, and mining in the 400-series panels commenced soon after.

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Rio Tinto continued to own and operate until 2018, when it divested its coal assets, including the sale of its 80% interest to the EMR Capital/Adaro consortium (Kestrel Coal Resources Pty Ltd) as part of its exit from the coal sector.

Mining is currently in the 500-series longwall panels, which commenced in 2024. A Feasibility Study is in progress at the time of reporting for Kestrel West, for access to the 600- and 700-series panels. A summary of the past three years of production is shown in **Table 4-1**.

Table 4-1 3 Year Production

Underground Production	**2023**	**2024**	**2025**
ROM Coal Mined (kt)	8,193	5,880	8,163
Total Development (m)	18,076	17,529	18,282
Longwall Retreat (m)	3,494	2,986	4,262
Coal Processed (kt)	8,440	6,075	7,897
Coal Product (kt)	5,347	4,341	5,888
Overall Yield (%)	63.4	71.5	74.6

5. GEOLOGY

5.1. Regional Geology

The Operation is located in the central Bowen Basin, Central Queensland. The basin covers an area of approximately 200,000 km² and consists of north-northwest to south-southeast trending tectonic platforms separated by sedimentary troughs formed through extensional and compressional events. Reactivation of basement structures during the Permian influenced the development of the coal measures, including east-west fault sets that cause seam splitting. A major compressional event in the Triassic created north-northwest striking low-angle thrust faults. Later, Cretaceous uplift and extension reactivated older faults without forming new major structures.

Stratigraphically, the area comprises Permo-Triassic sediments overlain by Quaternary and Tertiary deposits. The key coal-bearing sequence is the Permian Blackwater Group, which regionally comprises the Rangal Coal Measures, the Burngrove Formation, the Fairhill Formation, the Macmillan Formation, and the German Creek Coal Measures, overlain by the Triassic Rewan Formation, with the Back Creek Group forming the underlying basement (**Figure 5-1**). The German Creek Formation is a marine sequence that interfingers with and is the equivalent of the terrestrial Moranbah Coal Measures of the northern Bowen Basin.

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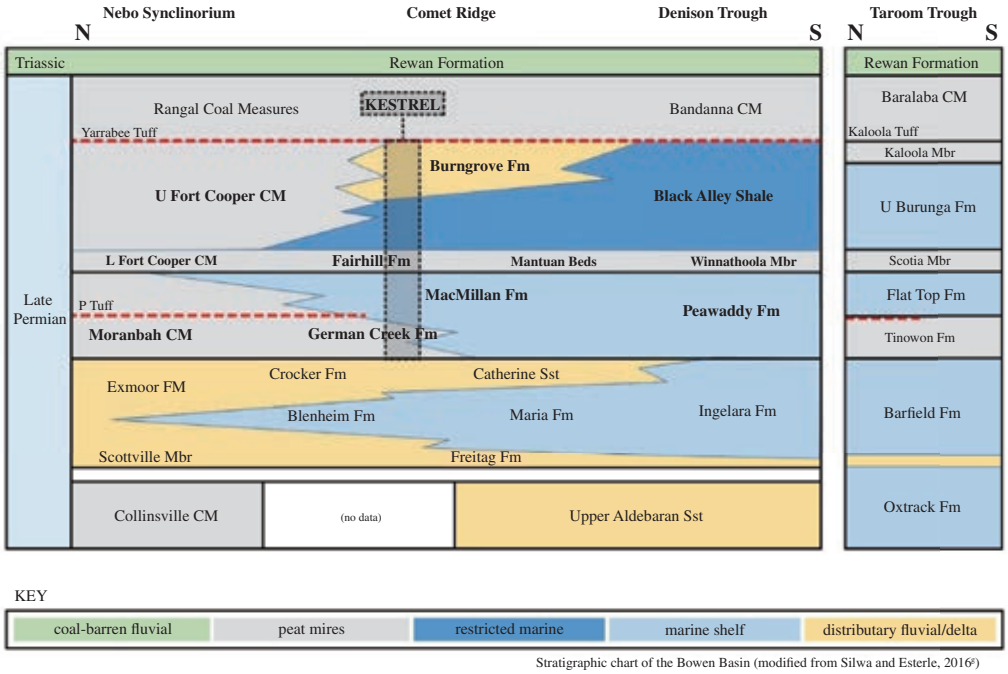
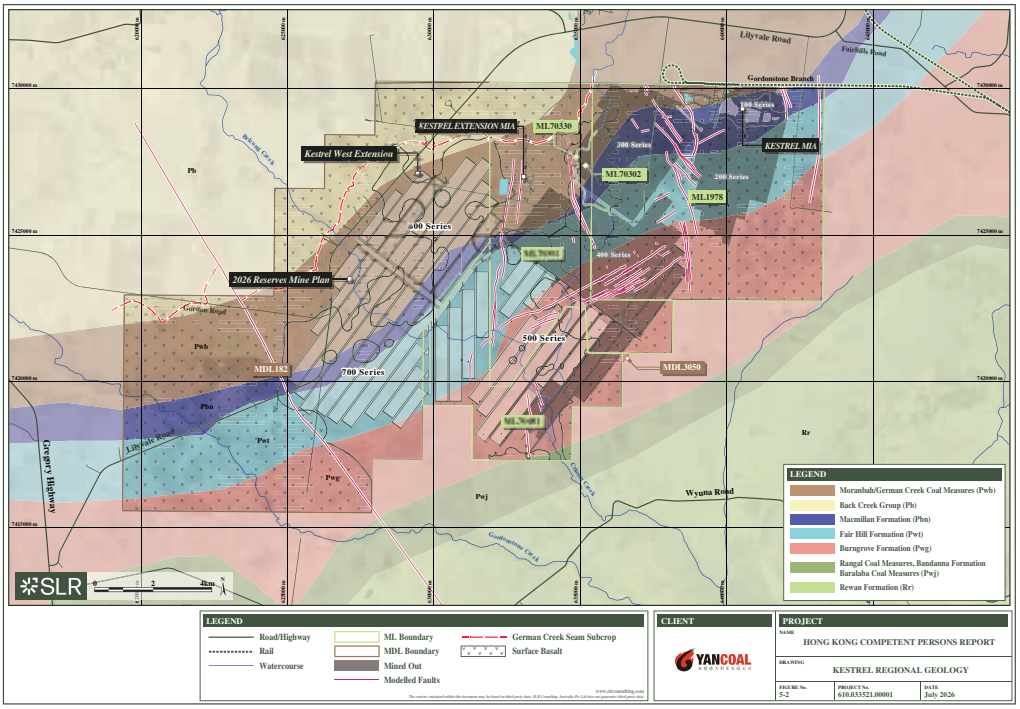
The regional geology is shown in the context of the mining layout in **Figure 5-2**.

Figure 5-1 Stratigraphic Framework of the Bowen Basin



Stratigraphic chart of the Bowen Basin (modified from Silwa and Esterle, 2016[9])

Figure 5-2 Regional Geology



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5.2. Local geology

The deposit is located on the Bowen Basin's Comet Platform, where deformation is limited to broad, low-amplitude basin and dome structures. The deposit lies on the western limb of the gently south-westerly plunging Talagai Syncline, which defines the prevailing south- to south-easterly regional dip in the mine area. There are four dominant structural features in the deposit:

- An anticline (dome structure) centred on the 100- and 200-series panels;
- A syncline centred on the 300- and 400-series panels;
- Anticlinal and synclinal features in and around LW501 – LW503 panels; and
- Synclinal and anticlinal structures centred on the proposed mains of the 600-700 series panels.

The seams subcrop in the west, and the seam dip is approximately 1° to 3°, with localised increases of 5° to 8° associated with faulting. Faults with seam height displacement (> 2-3 m) affect longwall operations, impacting longwall panel economics through reduced productivity. Faults are interpreted as steep-angled, with dips between 70° and 80° in two major orientations consistent with the regional geological setting, as follows:

- Northerly striking fault zones:
    - o On the eastern limb of the Kestrel anticline, the Boundary Fault is a normal fault, trending north-south and is downthrown by more than 25 m to the west;
    - o Between the Kestrel anticline and syncline, the Ti-Tree Fault Zone consists of eleven thrust faults, trending northwest to south with downthrows of 2 m to 15 m predominantly to the east, but with some western dipping faults;
    - o On the western limb of the Kestrel syncline, the Windmill Fault zone consists of seven thrust faults trending northwest to southeast with displacement downthrown 1 m to 3 m to the west; and
    - o The Woolshed fault zone is divided into a northern and southern zone. The northern zone consists of nine thrust faults which trend north-south, with 8 faults downthrown 1 m to 11 m to the east and one to the west. The southern zone consists of two normal faults and six reverse faults with displacement from 0.5 m to 2.0 m.

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- One major east-west striking fault zone:

    - o On the western edge of the syncline identified in the 400- and 500-series panels. The 400-500 fault series navigate more than 80 faults (the majority with displacements less than 0.1 m), dominated by normal faults that dip to the east at 60° to 65° and a strike of 70°. Minor normal faults dipping to the west are also encountered, as well as rarer reverse faults dipping to the west.

The faulting in Kestrel West is not fully understood, as drill hole spacing is generally too large to detect faults with displacements of less than 10 m. 3D seismic acquisition is critical to this understanding and is planned for the future, prior to mining. SLR notes that all coal within this area is classified as Indicated.

Stratigraphically, the deposit comprises the following regional formations, overlain by widespread, but locally intermittent, surficial Tertiary basalt flows:

- The Fairhill Formation, which averages 100 m in thickness and comprises lithic sandstones, including the thick (~20 m), banded, high ash coal seams. These seams are currently of no economic interest because their washed products do not meet market requirements;

- The marine Macmillan Formation, which averages 45 m in thickness and comprises marine siltstone with minor sandstone;

- The Upper German Creek Formation, which is approximately 120 m thick and contains fine to medium-grained quartz-lithic sandstone with siltstone and claystone interbeds and up to seven coal seams; and

- The German Creek Seam is the lowermost seam of the Formation and is the only seam of economic thickness and quality in the deposit. It forms the target for underground coal mining. It is overlain by the Pleiades, Aquila, Tieri and Corvus Seams (stratigraphically).

The GC Seam is geologically consistent, with thickness generally varying from 2.3 m to 3.2 m within the active and proposed longwall panels, and reaching up to 3.6 m in isolated areas.

Figure 5-3 shows a stratigraphic column and the geological setting plan showing the GC Seam subcrop, floor contours and fault locations is shown in **Figure 5-4**. GC seam thickness is shown in **Figure 5-5** and **Figure 5-6** shows representative cross-sections.

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The GC Seam reaches a depth of 490 m below the topographic surface within the leases and is characterised by sharp roof and floor contacts. The GC Seam roof comprises interlaminated to interbedded sandstone and siltstone with high local variability. Coal Mine Roof Rating (CMRR) values indicate a moderate strength roof overall (mean ~44), with occasional moderately weak to weak conditions. Roof competence generally improves with depth, suggesting potentially poorer roof conditions toward the shallower Kestrel West areas. The floor consists of interlaminated carbonaceous mudstone, siltstone and sandstone, and is typically weak. Poor floor conditions, including floor heave, occur where Uniaxial Compressive Strength (UCS) is <10 MPa. While some improvement has been observed in the 500-series, floor conditions are expected to deteriorate westward, potentially requiring ongoing management such as retaining a coal floor and controlling roadway water. Floor strata are also weak where basal splits of the GC Seam are present (in mined-out areas and in the far south-west of MDL 182 beyond the current mine plan).

No igneous intrusions have been encountered in boreholes or during mining operations to date, despite the presence of surficial basalt. However, volcanic plugs may intrude the coal measures in localised areas, consistent with other operations in the Bowen Basin with similar features.

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Figure 5-3 Stratigraphic Column

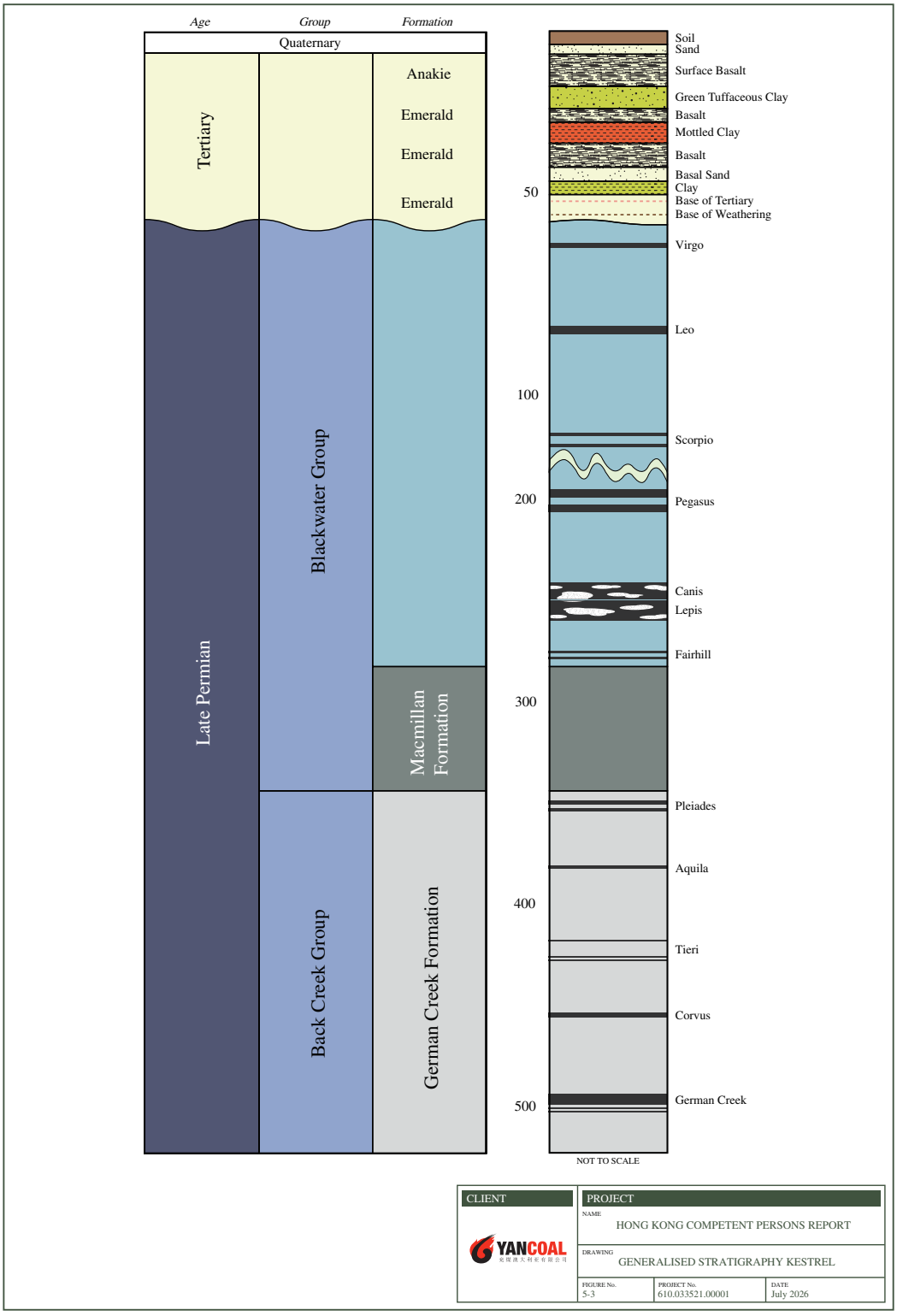

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Figure 5-4 Geological Setting

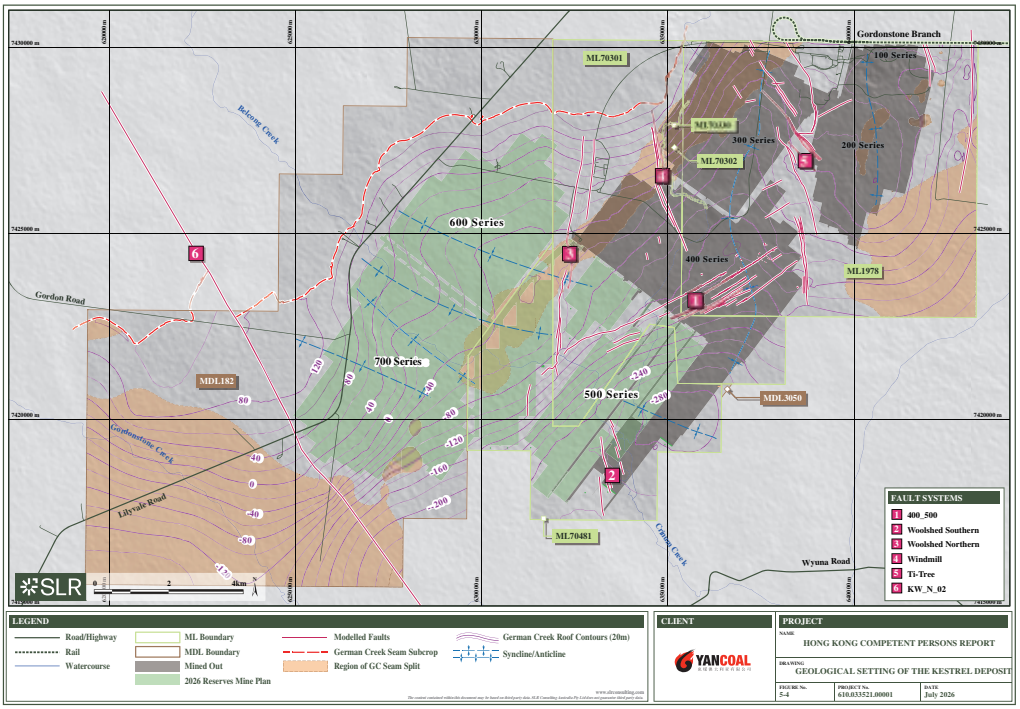

Figure 5-5 German Creek Seam Thickness

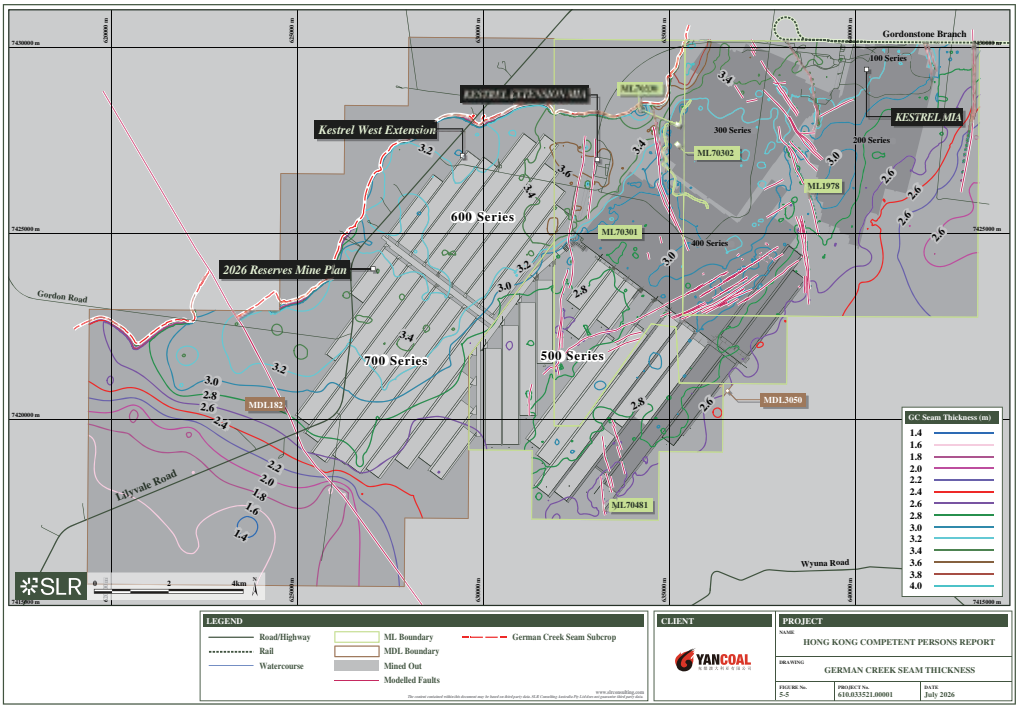

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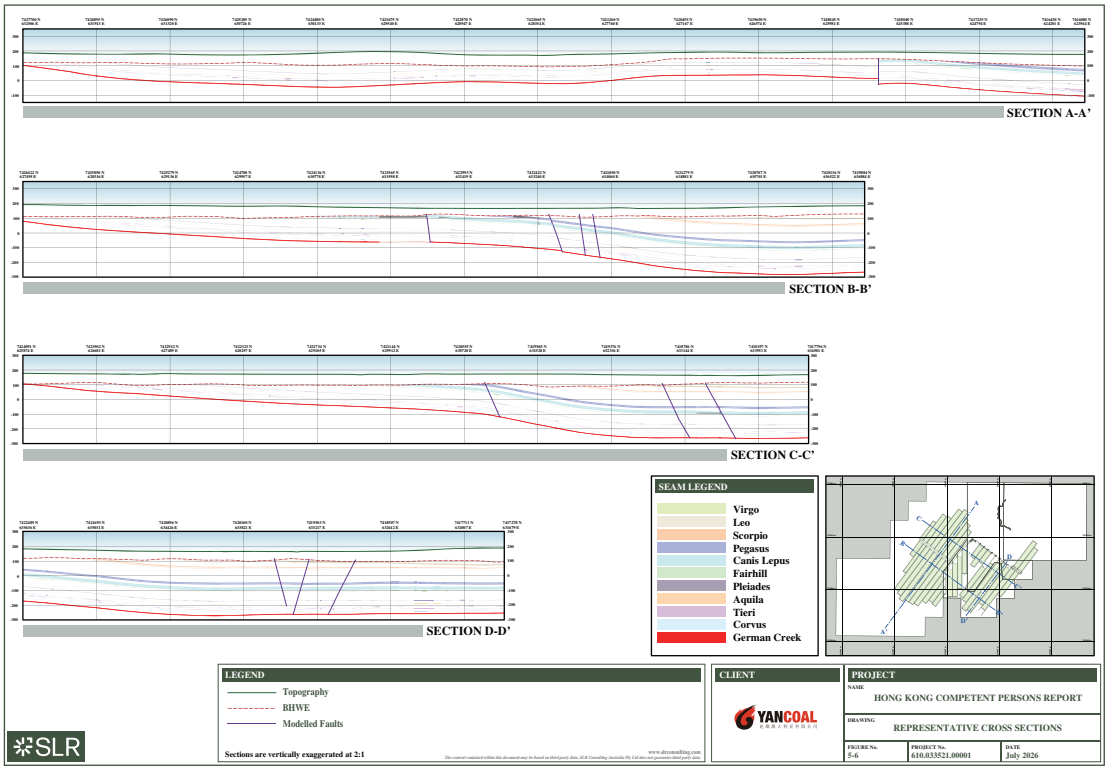
Figure 5-6 Representative Cross-Sections



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5.3. Coal Mineralogy and Rank

Coal within the GC Seam is characterised by a high-vitrinite maceral composition (~70%), with inertinite (~20%) and minor liptinite (~5%). Mineral matter (~5%) is dominated by clay minerals occurring as disseminations and partings. This composition supports favourable coking properties.

A regional rank gradient exists across the Bowen Basin. Where the GC Seam occurs, the trend is for a declining rank to the west-southwest. The highest rank GC Seam coal in the Bowen Basin (with Vitrinite Reflectance (Rv Max) of 1.60) occurs at Norwich Park, and the lowest at Kestrel (Rv Max 0.85-1.00%). Coal rank at Kestrel places the GC Seam within the high-volatile bituminous coking coal range.

As coal rank decreases in Kestrel West, coking properties degrade, characterised by reductions in CSN, fluidity and dilatation, and an increase in volatile matter. This results in reduced coke strength and a shift from hard coking coal characteristics toward SSCC behaviour.

5.4. Coal Quality

Coal quality is characterised by strong and consistent metallurgical performance within the established mining area, reflecting favourable coal rank and processing characteristics. In the existing operational area, coal exhibits low raw ash (~14.9%), low inherent moisture (~2.5%) and relatively low density (~1.39), together with vitrinite reflectance (~0.87) indicative of high-quality coking coal. These attributes support robust coking behaviour, including high product CSN (~7.3), strong dilatation (~66%), and high fluidity (~1,400 ddpm), enabling production of hard coking coal. Processing performance is correspondingly strong, with high theoretical primary product yields (~75.3%) and limited secondary product generation, underscoring the overall quality, consistency, and market suitability of coal products.

As mining progresses westward into Kestrel West, coal quality is expected to gradually transition to slightly lower rank characteristics, resulting in increased ash and moisture, reduced coking strength indicators, and lower primary product yields, while remaining within the metallurgical coal range and suitable for blending into coking coal products. A comparison of the coal quality by area is shown in **Table 5-1**.

The overall average product coal total sulphur (<0.63%), phosphorus (<0.020%) and fluorine (<78 ppm) are all within acceptable ranges for the scheduled products.

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Table 5-1 Comparison between Coal Quality by Area

	500-series	Kestrel West
Raw Ash (% ad)	14.9	17.2
Inherent Moisture (% ad)	2.5	3.6
RD	1.39	1.43
Vitrinite Reflectance (Rv Max)	0.87	0.81
Product A CSN	7.3	6.4
Product A Dilatation (%)	65	38
Product A Fluidity (ppm)	1,342	626
Product A Total Sulphur (%)	0.56	0.61
Product A Phosphorus (%)	0.020	0.012
Product A Fluorine (ppm)	59	56

6. DATA VERIFICATION

SLR has undertaken a review of the digital geological dataset supplied by the Client as part of the data verification process described in this section. The review has been designed to assess the integrity, completeness, and internal consistency of the dataset used to support geological modelling and Coal Resource estimation.

The scope of SLR's review does not include detailed verification of primary source data (such as original geological logs, geophysical logs, or laboratory analytical reports). Instead, the review focuses on the evaluation of the standards, procedures, and workflows applied by the Company and its contractors and consultants for data acquisition, validation, interpretation, and database and model development. In addition, SLR has assessed the data in the geological database and the derived geological models.

As part of this process, SLR completed a site visit in June 2026 to review operational practices, data collection procedures, and geological understanding. This combined approach provides the basis for the data verification assessment outlined in the following sections.

6.1. Borehole Data

Borehole data has been acquired over several decades by multiple operators and contractors, with drilling, logging, surveying, and sampling methods reflecting the industry standards and technologies available at the time of collection. Earlier datasets were typically generated using conventional coring, rotary drilling, and manual logging techniques, while more recent programs have incorporated improved survey accuracy, digital logging systems, and enhanced quality assurance and quality control (QA/QC) procedures, as described in this section.

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Through successive ownership and operational phases, systematic efforts were made to compile and standardise these datasets into a unified geological database. This includes validation of collar locations, reformatting of lithological and stratigraphic codes, reconciliation of survey data, and verification of sampling and assay records. This process has been supported by QA/QC protocols and independent reviews (including SLR verification), resulting in the correction of inconsistencies and the alignment of legacy data with current geological models.

As a result, the borehole dataset is considered well-constrained, internally consistent, and of sufficient quality and reliability to support geological interpretation, resource estimation, and mine planning activities.

6.2. Digital Database

The geological dataset is managed within a structured digital environment, with clear separation between data entry, storage systems, and reporting outputs.

Data entry is controlled through standardised templates and validation routines, with drilling, logging, survey, and laboratory data captured in a consistent format and checked prior to upload. LogCheck data entry software, designed specifically for coal exploration, was utilised by RTCA and comprises most of the dataset used to inform the coal resource. LogCheck incorporates built-in validations to ensure data encoded in the field conforms with appropriate look-up dictionaries, including drill hole collar, lithology, drilling details, defect logging, casing records and water flows. Recent drilling by Coal Resources has been captured on paper logs in the field and data-entered using in-house templates and loaded into Geobank where it is verified by the site's mine geologist.

Primary storage of borehole and analytical data by Coal Resources is in a Micromine Geobank database, which acts as the central repository for raw and validated drillhole information. Geobank supports controlled data import workflows in which information from drilling programs, logging activities, and laboratories is captured, checked, and managed under defined validation rules to ensure basic data integrity. It serves as the source of truth for borehole data, maintaining auditability and traceability back to original records. From Geobank, data can then be extracted for further validation, standardisation, and interpretation in downstream systems such as the MineScape Geological Database (GDB), ensuring a clear separation between raw data storage and model-ready datasets.

GDB functions as the primary working dataset for geological interpretation, modelling, and resource estimation and has been compiled and maintained by previous owners and third-party consultants. It receives data extracted from Geobank and applies further validation, standardisation, and interpretation to ensure the dataset is model-ready. The system enforces strict validation rules, ensuring that only internally consistent and quality-assured data is used for downstream applications. GDB is structured to support geological modelling, providing clean, validated drillhole data for seam modelling, structure interpretation, and resource estimation workflows.

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This separation between Geobank and GDB, combined with structured validation at each stage, ensures full traceability from original data capture through to interpreted outputs, with the dataset considered robust, internally consistent, and fit for purpose for geological modelling and resource estimation.

6.3. Drilling Types and Core Recovery

Drilling data is derived from a combination of chip (open hole) drilling and core drilling, each method providing complementary information to support geological interpretation and resource estimation.

Chip drilling comprises vertical open holes, surface-to-in-seam (SIS) holes, and underground in-seam (UIS) holes. This method involves the recovery of drill cuttings at nominal 1 m intervals and is primarily utilised to define coal seam geometry, support structural interpretation, identify key stratigraphic horizons (including the base of weathering and Tertiary cover), and provide guidance for targeted core drilling programmes.

Chip drilling is subject to several operational limitations. Recovery of cuttings can be adversely affected by geological conditions such as high groundwater inflows, unconsolidated sediments, clay bands, faulting, and igneous intrusions. In such circumstances, drilling fluids are commonly introduced to stabilise the borehole and improve cuttings return. However, the use of drilling fluids may affect the reliability of recovered material. In addition, chip drilling does not provide precise control on seam thickness or depth due to the mixing of material within the borehole.

To mitigate these limitations, chip holes are routinely logged using a comprehensive suite of downhole geophysical tools (discussed in **Section 6.6**). Density and gamma logs provide clear lithological contrasts, allowing accurate interpretation of seam roof and floor positions and derivation of seam thickness. Additional geophysical measurements commonly include verticality, caliper, sonic velocity, resistivity, neutron response, and acoustic imaging. These datasets collectively enhance the reliability of seam geometry interpretation from chip holes.

SIS and UIS drilling provide critical seam intercept data, particularly seam roof positions (roof touches), which are incorporated into the geological model as structural control points in areas of limited drilling density. Beyond these key intercepts, chip drilling data are not relied upon for detailed seam characterisation or Resource classification.

Core drilling provides the primary dataset for geological definition and serves as the basis for all high-confidence resource-estimation inputs. Both fully cored and partially cored drilling programmes are utilised. Fully cored holes recover continuous core from surface to total depth, while partially cored holes target the coal seam interval along with limited adjacent strata.

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Coring operations are predominantly conducted using HQ and HQ3 diamond drill bits, with nominal diameters of approximately 61 mm and 63.5 mm respectively, supplemented by a smaller number of PQ holes (83 mm diameter). These drilling configurations are standard for Bowen Basin coals and are considered appropriate for achieving high recovery in friable, high-vitrinite metallurgical coal seams. Core is retrieved using wireline methods, which minimise core disturbance and maintain hole integrity throughout the drilling process.

In addition to standard core drilling, a limited number of large diameter (LD) holes (typically 100 mm to 200 mm) have been drilled to improve geological confidence in key areas. These holes are recovered using conventional rod-tripping methods.

Chip holes are drilled using polycrystalline diamond or blade bits, with hole diameters ranging from approximately 99 mm to 450 mm depending on drilling requirements and ground conditions.

A total of 3,351 drill holes are present within the geological database (**Table 6-1**), of which 2,367 drill holes support the current Resource estimate (**Figure 6-1**). These include both chip and core holes and provide sufficient spatial coverage to support the geological interpretation and classification applied.

Several exploration drill holes have been excluded from the geological and coal quality models where data quality or completeness were insufficient to support reliable resource interpretation. This includes holes lacking downhole geophysical logging, which are unable to provide the necessary validation of seam thickness and depth; holes that were terminated above the target GC Seam and therefore do not intersect the seam; and LD holes, which are typically twinned with adjacent slim core holes and are therefore redundant for modelling purposes. In addition, selected coal quality holes have been excluded where core loss, faulting, or other drilling-related issues have resulted in an under-representation of coal quality, introducing potential bias. Despite these exclusions, the overall drilling database provides comprehensive spatial coverage across the deposit, with the majority of drill holes containing high-quality, validated data. The Competent Person considers that the retained dataset is sufficient in density and reliability to support the reporting of Coal Resources in accordance with the JORC Code.

Table 6-1 Summary of drilling

Year	Company	Open Hole		Partially Cored		Fully Cored		Total	
		No.	*m*	*No.*	*m*	*No.*	*m*	*No.*	*m*
Pre-1970	Bellambi Coal & Mt Isa Mines	3	320					3	320
1971-1975	QLD Department of Mines	5	1,769	31	7,062			36	8,831
1979-1981	Private water bore drilling	2	187					2	187
1982-1986	Denham Coal JV	144	30,902	171	38,156	4	371	319	69,429
1987-1998	ARCO	681	159,114	135	27,227	170	1,891	986	188,233
1999-2018	Pacific Coal/RTCA	564	122,477	218	61,795	27	1,905	809	186,177
2018-2026	Kestrel Coal Resources	728	241,805	355	127,911	14	3,163	1,097	372,879
Unknown		87	16,394	12	2,023			99	18,417
TOTAL		**2,214**	**331,163**	**922**	**264,173**	**215**	**7,331**	**3,351**	**844,472**

Source: GDB database

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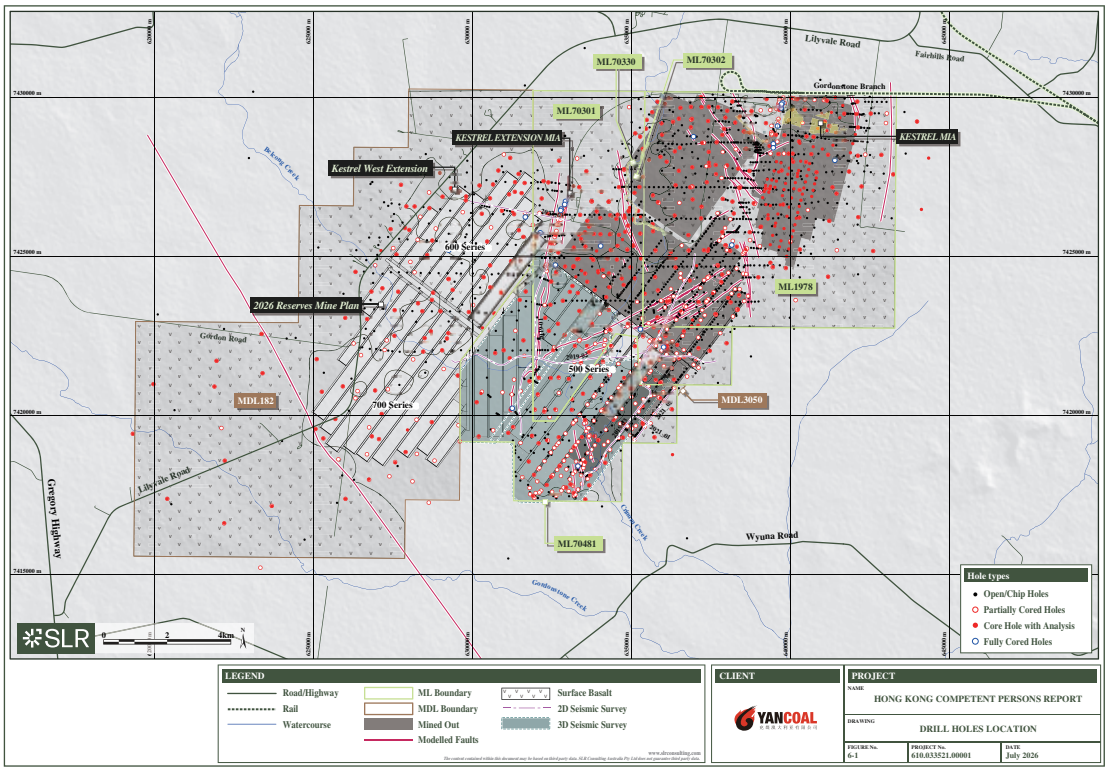
Figure 6-1 Drill holes Location



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Recovery is measured at the drill site as a linear comparison between recovered core length and the drilled interval. This is subsequently validated against downhole geophysical logs to confirm seam thickness and ensure accurate depth positioning.

A minimum recovery threshold of 95% is applied to all coal-bearing intervals used in geological interpretation and resource estimation. Where recovery falls below this threshold, the affected interval is either excluded or redrilled to ensure representative data are obtained. This approach mitigates potential bias associated with core loss.

These intervals are prone to mechanical degradation during drilling and recovery, which can result in incomplete core recovery. Such occurrences are systematically identified and managed through the application of recovery thresholds and validation against geophysical data.

Historical drilling programmes recorded recovery predominantly at a full-seam scale rather than at a discrete ply level. These data have been reviewed and incorporated into the database with appropriate consideration of their limitations.

The Competent Person considers that the drilling methodologies, supported by comprehensive geophysical logging and strict recovery criteria, are consistent with industry best practice. The overall quality, coverage, and reliability of the drilling dataset are considered sufficient to support geological modelling and the classification of Coal Resources as reported.

6.4. Topography and Collar Locations

Topographic control is primarily derived from high-resolution airborne Light Detection and Ranging (LiDAR) data and aerial photography acquired by AAM Pty Ltd on 17 February 2019. The LiDAR dataset has a nominal vertical accuracy of ±0.10 m in open, unobstructed areas and has been incorporated into the project's topographic surface, replacing earlier datasets that were based on a combination of historical aerial survey data and drillhole collar elevations. An exception applies to areas impacted by longwall mining (LW100 to LW407 panels), where the pre-existing topographic surface is retained as it more accurately represents the pre-mining or subsided ground conditions.

All spatial data are referenced to the Australian Map Grid 1984 (AMG84), Zone 55, using the AGD84 datum. Drillhole collar locations are surveyed following completion of drilling by licensed surveyors using differential Global Positioning System (dGPS) techniques, achieving a positional accuracy of approximately ± 0.01 m.

Drillhole spacing has been designed in accordance with the geological characteristics and demonstrated continuity of the target coal seams. Exploration drilling has been undertaken using a range of drilling patterns tailored to specific objectives. For example, campaigns targeting fault delineation or igneous intrusion mapping have utilised closely spaced drilling, typically on 10 m to 20 m centres, to accurately constrain structural features. More broadly, structural drilling is generally completed at approximately 150 m centres, while coal quality drilling is undertaken at a wider spacing of around 250 m centres. These spacings are considered appropriate given the relatively low geological variability and structural complexity of the deposit.

The Competent Person considers the combined topographic and survey control to be of high quality and appropriate for geological modelling and resource estimation.

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6.5. Geological, Geotechnical and Geomechanical Logging

All drill holes are comprehensively logged using CoalLog – an industry standard data encoding system for coal lithology and geotechnical parameters, with the level of detail increasing significantly within cored intervals. Geological logging and sampling are performed by qualified geologists at the drill rigs in accordance with the Company Standards and procedures, with all core logged for geology and geotechnical characteristics.

Core is logged at millimetre scale to capture detailed lithological characteristics and geotechnical features, including defects and structural attributes. Chip holes are logged at nominal 1 m intervals based on recovered cuttings. Quantitative logging protocols follow standardised CoalLog dictionary-based definitions for lithology, colour, grain size, weathering, strength, and hardness, with additional qualitative observations recorded where relevant to support geological interpretation.

Geotechnical logging is conducted primarily on cored drill holes, as intact core is required to accurately assess rock mass characteristics. Logging is carried out by trained geologists or geotechnical specialists and typically focuses on intervals extending up to approximately 10 m into the roof and 6 m into the floor of the target seam, where geotechnical conditions are most critical for mine design and ground control. Additional parameters to lithology details are logged, including discontinuities and defects (joints, cleats, fractures, bedding planes, and faults), and defect characteristics (such as spacing, orientation, infill material and roughness). Selected samples were analysed using tests including UCS, Young's Modulus, Poisson's Ratio, Slake Durability or Tri-axial testing.

A complete photographic record is maintained, with core photographed both on the core table at approximately 0.5 m intervals and within core trays. Chip samples are also photographed, typically displaying up to twenty 1 m intervals per image, ensuring visual verification of logged data.

For each drill hole, a consistent and comprehensive dataset is compiled, including collar information, lithological logs, defect logs (where appropriate), core recovery and reconciliation records, photographic documentation, and water flow observations where encountered.

The depth, consistency, and quality of geological logging, supported by associated datasets such as geophysical logs, geotechnical measurements, coal quality testing, and gas analysis, provide a robust basis for geological interpretation. The Competent Person considers that this high standard of data collection and logging enables the definition of appropriate geological domains and supports a reliable Coal Resource estimation.

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6.6. Geophysical Logging & Downhole Survey

Downhole geophysical logging is routinely performed in drill holes to support reliable geological interpretation and to provide additional subsurface data to complement drilling observations. Downhole geophysical logging has been completed for the majority of drill holes within the geological database (2,197 of 3,351, or 65%), particularly those contributing to the Resource estimate (2,039 of 2,367, or 86%), and forms an integral component of seam interpretation, depth control, and data validation.

There are a number of core holes without geophysics used in Kestrel West. It is possible that these exist as paper logs that have not been sighted during this review process. However, there is a minor risk of elevation inaccuracies when geophysics is not present, and the Resource classification reflects this. There is sufficient time ahead of mining at Kestrel West to collect additional exploration data to verify the seam characteristics.

The geophysical suite includes:

- Verticality (downhole survey), which ensures the correct spatial positioning of coal seam intercepts within the geological model;
- Downhole surveying has been undertaken using downhole verticality since 2007, including attempted resurvey of earlier drill holes. Overall, 73% of the drilling metres have been surveyed downhole over the entire drill hole length. The majority of holes without downhole survey data are located in mined-out areas, therefore, there is sufficient support to enable reliable modelling of seam elevation in future mining areas;
- Density and gamma logs, which are used as primary tools for identifying contrasts between coal and surrounding stratigraphy, enabling reliable interpretation of seam roof and floor positions, seam thickness, and the identification of non-coal partings, with interpretation further supported by resistivity data;
- Caliper logs, which are used to monitor borehole diameter and condition, allowing identification of zones where borehole diameter may influence the reliability of density and gamma responses;
- Sonic velocity measurements, which provide information on rock mechanical properties, support geotechnical assessments and seismic interpretation; and
- Neutron logs, which are used to infer porosity and permeability characteristics, contribute to gas and groundwater modelling.

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In selected geotechnical holes, acoustic scanner data are collected to provide high-resolution information on structural defects and in situ stress orientations.

The integration of these geophysical datasets enhances confidence in seam geometry, structural interpretation, and geotechnical characterisation.

6.7. Sampling and Sample Preparation

Coal quality sampling and sample preparation are undertaken using industry-standard methods designed to ensure representative and reliable characterisation of in situ coal. Sample data are derived from both drilling and underground channel sampling; however, underground channel samples are excluded from the geological and coal quality models due to their limited spatial representativity and potential mining-induced bias, these are instead used for reconciliation and verification purposes. Sampling is confined to core drilling, as chip samples are not considered appropriate for coal quality analysis due to potential contamination and lack of representativity.

Core drilling programs include both fully cored and partially cored holes, with HQ, HQ3, PQ, and selectively large-diameter (LD) holes providing sufficient sample mass for analysis. All coal-bearing intervals greater than 0.1 m are sampled on a ply-by-ply basis, with maximum sample thickness typically restricted to 0.5 m. Sampling boundaries are defined by distinct lithological contacts to minimise contamination, and all coal plies are retained for analysis, with no sub-sampling undertaken on site. Thin non-coal partings (<0.1 m) are included within coal samples, while thicker interburden intervals are sampled separately. Immediate roof and floor material (approximately 0.3 m) is also collected to assess potential dilution impacts.

Samples are double-bagged, clearly labelled, and refrigerated on site for a maximum period of two weeks prior to dispatch to preserve coal properties, particularly those sensitive to oxidation and moisture loss. Chain-of-custody procedures are strictly maintained, with sample documentation provided to the laboratory prior to dispatch. Samples are analysed at Bureau Veritas Minerals Pty Ltd, a National Association of Testing Authorities (NATA) accredited laboratory, and are stored under controlled conditions until processing.

Laboratory sample preparation follows established protocols, including air-drying, sizing, and subdivision using rotary sample division techniques to ensure representative results. Testing programs, as outlined in **Section 6.9**, include raw coal analysis, washability assessment, and the derivation of product coal quality through float-sink and flotation processes. Where applicable, rapid testing procedures are used to preserve time-sensitive coking properties. All analytical work is conducted in accordance with Australian Standards or International Organisation for Standardization (ISO) equivalents.

Sample depths used in reporting and modelling are corrected to geophysically validated depths to ensure spatial accuracy. The overall sampling and sample preparation procedures are considered by the Competent Person to be consistent with industry best practice and appropriate to support reliable coal quality characterisation and Resource estimation.

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6.8. Sample Security

Core and chip samples are collected at the drill site, with core samples placed under refrigeration immediately following recovery to preserve inherent coal properties. Upon completion of each drill hole, samples are transported to the nominated laboratory via a dedicated courier service under controlled refrigerated conditions to maintain sample integrity. Given that coal is a bulk commodity with a relatively low intrinsic value per unit mass, no high-level security measures are considered necessary, as the risk of material impact from sample tampering, theft, or loss is minimal.

A formal sample-tracking system is implemented, whereby each sample is assigned a unique identification ticket at the time of collection. A detailed sample register is maintained for each drill hole and subsequently incorporated into a centralised database, enabling tracking and monitoring of all samples throughout the analytical process. Samples are dispatched to the laboratory with clear instructions specifying the required analytical programme. Upon completion of testing, the laboratory provides a detailed analytical report accompanied by sample reconciliation documentation. Residual samples are retained at Bureau Veritas laboratories under controlled conditions until written instructions are issued for disposal, which typically occurs following mining of the relevant area.

6.9. Analytical Methods

Since 2007, all HQ and PQ coal quality samples have been weighed, air-dried, and re-weighed before undergoing pre-treatment sizing. This includes drop shatter testing (20 drops from 2 m) with sizing into fractions of 25, 16, 8, 4 and 2 mm, followed by dry tumbling (with no cubes for 3 minutes) and further sizing into fractions of 25, 16, 8, 4, 2, 1 and 0.5 mm. Each size fraction is then subdivided using a rotary sample divider (RSD) into representative one-eighth and seven-eighths portions for further analysis.

The one-eighth portion of the sample is crushed to a nominal top size of 11.2 mm and further split in half for raw coal and rapid coking (quick coke) analysis, ensuring that time-sensitive properties such as fluidity are preserved. Post 2007 until 2019, quick coke analysis was completed on densities of 1.28, 1.30, 1.325, 1.35, 1.375, with Ash, CSN, Gieseler Fluidity, and Dilation completed on the float fraction. Post 2019, quick coke analysis has been completed on densities of 1.35 and 1.40, with Ash, CSN, Gieseler Fluidity and Dilation completed on the float fraction. The results were then plotted, and using a linear trendline for fluidity and CSN, and a polynomial trendline for dilatation, values were read off at the points where they crossed the 6.5% ash target for the Primary Product. These results are referred to as the Fractional Quick Coke (FQC) results.

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The remaining seven-eighths sample undergoes wet tumbling and sizing into finer fractions (25, 16, 8, 4, 2, 1 mm, 0.5 mm wedge wire (ww), 0.25, 0.125 and 0.075 mm), forming the basis for washability assessment.

Float-sink analysis is conducted on the +25mm, -25+8 mm and -8+0.5 mm size fractions, typically including density cut points 1.275, 1.30, 1.325, 1.35, 1.375, 1.40, 1.45, 1.50, 1.55, 1.60, 1.70, 1.80 and 2.00. This allows detailed characterisation of coal response to beneficiation and supports the definition of primary and secondary products. Tree froth flotation testing is applied to the fine fraction (-0.5 ww) to simulate plant processing conditions.

Composite product samples are then generated by combining appropriate density fractions and flotation products in defined proportions. Primary (coking coal) composites typically utilise cumulative float material around the target product ash (e.g. ~6.5%), while secondary products incorporate higher-density fractions.

After the washability analysis is reviewed, clean-coal composite instructions are prepared to test primary and secondary product coal properties. Coking coal composites are prepared by combining the cumulative F1.40 material from the three float-sink fractions along with a nominated flotation concentrate in the correct ratio. Secondary (thermal) composites are prepared by combining the S1.40 + F1.70 material from the three float-sink fractions in the correct ratio. The analytical tests currently performed are listed in **Table 6-2**. All analytical procedures are conducted in accordance with Australian Standards.

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Table 6-2 Analytical Tests

Property	Units	Reporting Bases	Raw Coal	Raw Dilution	Quick Floats	Product Coking	Product Thermal
Ash	mass %	ad	Y	Y	Y	Y	Y
Inherent Moisture	mass %	ad	Y	Y		Y	Y
Volatile Matter	mass %	ad	Y			Y	Y
Fixed Carbon	mass %	ad	Y			Y	Y
Specific Energy	MJ/kg	ad				selected	Y
Moisture Holding Capacity (MHC)	mass %	aa	selected				
RD		ad	Y	Y			
Total Sulphur	mass %	ad	Y			Y	Y
Forms of Sulphur	mass %	ad	selected			Y	selected
Chlorine	mass %	ad	selected				
Phosphorus (by calculation from P_2O_5 in ash)	mass %	ad				Y	Y
HGI		ad				Y	selected
Abrasion Index							Y
Ultimate Analysis	mass %	daf				Y	Y
Ash Analysis	mass %	ad				Y	Y
Trace Elements (Arsenic & Fluorine)	mg/kg	ad				Y	Y
Ash Fusion Temp (Reducing)	℃						Y
Ash Fusion Temp (Oxidising)	℃						Y
CSN			Y		Y	Y	Y
Gray-King Coke Type						Y	selected
Roga Index						Y	selected
Gieseler Plastometer	℃, ddpm				Y	Y	Y
Dilatation (Audibert Arnu)	℃, %				Y	Y	Y
Sapozhnikov Plastometer						Y	
Maceral Analysis	vol %	aa				Y	Y
Vitrinite Reflectance	%					Y	Y

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6.10. Bulk Density Determination

Relative density is primarily determined through laboratory analysis using pycnometer testing on samples obtained from core drilling. These measurements provide air-dried relative density (RD_{ad}) values for each sampled interval, which are then composited on a length-weighted basis to represent the density of the full seam at each hole location. This approach ensures that density values reflect the variability of coal plies across the seam while maintaining representativity for Resource estimation.

In situ coal density is subsequently derived from these laboratory-measured values by applying a moisture correction using the Preston-Sanders (1993) equation. This method adjusts air-dried relative density to account for inherent and in situ moisture conditions, recognising that laboratory measurements do not replicate the natural moisture state of the coal in the ground. The equation applied to estimate in situ density (RD_{is}) is the industry-standard Preston-Sanders (1993) equation, as follows:

Equation 1 Preston-Sanders equation for in situ density determination

$$RD_{is} = \frac{RD_{ad} \times (100 - IM_{ad})}{100 + RD_{ad} \times (M_{is} - IM_{ad}) - M_{is}}$$

Where:
- RD_{is} = in situ density
- RD_{ad} = air-dried laboratory Relative Density
- IM_{ad} = (air-dried) Inherent Moisture
- M_{is} = in situ moisture

The in situ moisture of the coal is assessed indirectly, as sampling inherently disturbs the in situ state. Moisture Holding Capacity (MHC) testing is used to inform equilibrium moisture conditions, providing a basis for understanding the moisture behaviour of the coal. In situ moisture has been estimated at approximately 6%, based on a combination of historical test work and regional analogues. Supporting indicators include the relationship between in situ and air-dried moisture, with in situ moisture typically approximated as twice the air-dried moisture; the GC Seam displays an average air-dried moisture of 2.95%. In addition, in situ moisture is generally recognised to be 25-35% higher than equilibrium moisture (MHC), with 103 MHC tests yielding an average value of 3.99%. The Competent Person considers that the adopted in situ moisture value is reasonable and appropriate for use in Resource estimation.

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6.11. Quality Assurance Quality Control

QA/QC procedures are applied throughout the data collection, processing, and database management workflows to ensure the reliability and integrity of coal quality and geological data used in the Resource estimate. Verification of coal quality results and seam intersections has been undertaken by qualified personnel and independent consultants prior to incorporation into the geological model. Analytical testing is conducted by laboratories compliant with relevant Australian Standards for coal analysis, which include their own internal QA/QC protocols to verify analytical accuracy and precision.

Coal quality data are received from the laboratory in stages and, upon completion, are electronically imported into the MineScape GDB database using a purpose-built data loader developed specifically. This system incorporates a comprehensive suite of validation checks, including:

- Verification of sample interval from, to and thickness;
- Upper and lower tolerance checks of all material parameters;
- Mass balance for wet and dry sizing, ensuring yields add to 100%;
- Proximate analysis sums to 100%;
- Float-sink yield reconciliation, ensuring yields add to 100%;
- Review cross-plots of related parameters such as relative density and ash, energy and ash;
- Petrographic analysis sums to 100%; and
- Logical checks on coking parameter data, such as Gieseler and dilatation temperatures.

Predefined acceptable data ranges are applied to all parameters, generating warning or error flags where values fall outside expected limits. Data flagged with warnings may be accepted following review, whereas data flagged with errors must be resolved prior to database entry. Some residual errors may persist within the geological and coal quality models; however, given the relatively consistent nature of coal as a bulk commodity and the extensive drillhole dataset underpinning the estimate, such errors are not considered likely to have a material impact on the overall Coal Resource estimate.

No adjustments are made to laboratory analytical results; samples failing QA/QC criteria are excluded from the modelling dataset. Additional verification is provided through the presence of 23 twinned drill hole pairs within the deposit, comprising combinations of open hole and cored holes or standard and large diameter core holes. These twin holes demonstrate close agreement in seam thickness (typically within 2%), supporting confidence in data repeatability and reliability.

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Data transfer and management are governed by established protocols documenting data acquisition, entry, validation, and storage within a controlled geological database environment. The Competent Person considers that the QA/QC procedures applied are robust, consistent with industry best practice, and appropriate to support the Coal Resource estimate.

6.12. Data Verification Statement

SLR has undertaken a review of the digital geological dataset provided by the Client to assess its integrity, completeness, and suitability for use in geological modelling and Coal Resource estimation. This review did not include detailed verification of primary source data (such as original geological logs, geophysical logs, or laboratory reports), but instead relied on assessment of the standards, procedures, and workflows applied and its contractors for data acquisition, validation, interpretation, and database management, as well as detailed interrogation of the compiled database and geological models.

The borehole dataset, collected over several decades by multiple operators, has been systematically consolidated, standardised, and validated as a unified geological database through successive reviews and QA/QC processes. The database architecture incorporates a structured workflow from raw data capture (Micromine Geobank) through to validated modelling datasets (MineScape GDB), with multiple layers of validation, auditability, and traceability. Drilling, logging, sampling, and analytical protocols are consistent with industry practice, supported by robust QA/QC procedures including laboratory accreditation, automated validation routines, and verification through twinned drilling.

SLR also completed a site visit in June 2026 to review operations, data collection practices, and geological understanding. Based on this review, SLR considers that the dataset has been appropriately acquired, validated, and managed in accordance with industry best practice. The available drilling coverage, supported by geological, geophysical, and analytical data, is considered sufficient to support geological interpretation and the classification reported. Accordingly, SLR is satisfied that the data are reliable, internally consistent, and suitable for use in the reported Coal Resource estimate, with no material data issues identified that would adversely affect the outcomes.

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7. JORC COAL RESOURCES

Coal Resources have been independently reported by SLR in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012) and the Australian Guidelines for the Estimation and Classification of Coal Resources – 2014 Edition (the 'Coal Guidelines').

7.1. Coal Resource Classification System under the JORC Code

A "Mineral Resource" is defined in the JORC Code as 'a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality) that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are subdivided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories (JORC Code, Clause 20).

Mineral Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results.

For a Mineral Resource to be reported, it must be considered by the Competent Person to meet the following criteria under the recommended guidelines of the JORC Code:

- There are reasonable prospects for eventual economic extraction;
- Data collection methodology and record keeping for geology, assay, bulk density and other sampling information is relevant to the style of Mineral and quality checks have been carried out to ensure confidence in the data;
- Geological interpretation of the resource and its continuity has been well defined;
- Estimation methodology that is appropriate to the deposit and reflects internal grade variability, sample spacing and selective mining units; and
- Classification of the Mineral Resource has taken into account varying confidence levels and assessment and whether appropriate account has been taken for all relevant factors i.e. relative confidence in tonnage/grade, computations, confidence in continuity of geology and grade, quantity and distribution of the data and the results reflect the view of the Competent Person.

The terms 'Mineral Resource(s)' and the subdivisions of these as defined above, apply also to coal reporting, but if preferred by the reporting company, the terms 'Coal Resource(s)' and the appropriate subdivisions may be substituted (JORC Code, Clause 43). As such, in this Report, SLR will refer to Mineral Resource as Coal Resources.

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7.2. Area of the Coal Resource Estimation

The area of Coal Resource estimation encompasses the extent of the German Creek Seam within the Mining Leases and MDL 182, covering approximately 17.5 km along strike and up to 10 km across strike. The seam occurs at depths ranging from subcrop to approximately 490 m below surface and is laterally continuous across the deposit. The Coal Resource area includes both existing mining areas and future extraction areas, extending into Kestrel West.

Based on the underground mining method employed at Kestrel (longwall mining, with the potential for bord and pillar in part), the Resource is constrained by depth, seam thickness (generally ≥2 m), and structural continuity. The defined Coal Resource area incorporates only those regions supported by sufficient drilling and geological information to establish seam continuity, quality, and structure, with areas of lower data confidence reflected in the Resource classification.

7.3. Statement of Coal Resources

Results of the independent Coal Resource estimate are tabulated in the Statement of Coal Resources in **Table 7-1**, which are reported in line with both the requirements of the 2012 JORC Code and the reporting standards of Chapter 18 of the HKEx Listing Rules. The Statement of Coal Resources is therefore suitable for public reporting. The Statement of Coal Resources shown in **Table 7-1** is inclusive of and not additional to the Coal Reserves reported in **Section 8**.

As stated in **Section 6.10**, Coal Resources are reported on an in situ basis, with in situ moisture estimated at 6%.

Table 7-1 Statement of Coal Resources as at 30 June 2026

Underground Resources	**Tonnage** *(Mt)*	**Raw Ash** *(% ad)*	**Raw CSN**	**Raw VM** *(%daf)*
Measured	97	15.6	6.8	39.4
Indicated	280	17.1	5.3	39.2
Inferred	20	17.9	4.4	39.6
TOTAL	397	16.6	5.7	39.4

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Notes:

1 The Statement of JORC Coal Resources has been compiled under the supervision of Mrs Danique Gerber, who is a full-time employee of SLR and a Registered Member of the Australasian Institute of Mining and Metallurgy. Mrs Gerber has sufficient experience that is relevant to the style of Coal and type of deposit under consideration and to the activity that she has undertaken to qualify as a Competent Person as defined in the JORC Code.

2 All Coal Resources figures reported in the table above represent estimates at 30 June 2026. Coal Resource estimates are not precise calculations, being dependent on the interpretation of limited information on the location, shape and continuity of the occurrence and on the available sampling results. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

3 Coal Resources are quoted on an in situ basis, which represents tonnage at a 6% in situ moisture assumption.

4 Coal Resources are reported in accordance with JORC Code (2012).

5 The Coal Resources have been reported at a 100% basis and not factored for ownership proportions. Upon completion of the acquisition, Yancoal will own 80% of Kestrel (with Mitsui Coal owning the remaining 20%).

6 The Coal Resources are reported inclusive of the Coal Reserves.

7.4. Classification

The Coal Resource classification process follows a structured workflow integrating data validation, geological interpretation, modelling, and geostatistical analysis to ensure robust and consistent classification outcomes. The key steps in this process are summarised below:

1 **Data Compilation and Validation:** all drilling, geophysical logging, and coal quality data have been compiled into a centralised database, with the exclusion of drill holes deemed insufficient or unreliable, resulting in a retained dataset that provides comprehensive spatial coverage across the deposit.

2 **Geological Interpretation:** geological interpretation is underpinned by an extensive drilling dataset supported by geophysical logging and informed by seismic data and mining observations.

3 **Structural Modelling:** interpolation of drilling data to structural grids, ensuring that all seam intercepts are honoured, faults are correctly placed (with the support of seismic data) and constrained by a base of weathering surface to exclude oxidised coal from Resource estimation.

4 **Coal Quality Modelling:** Generation of four (4) coal quality models (Raw coal; Primary coking product (Product A at ~6.5% ash); an alternative primary product (Product B at ~9.5% ash); and a higher ash secondary product (Product C, at ~12-15% ash) for high-ash coking and/or thermal coal) using ply-based compositing, supplemented where required by regression relationships, default values, and preferential selection of quick coking results to model time-sensitive coking properties.

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5 **Model Validation:** comparison against previous models and historical estimates, detailed cross-sectional review and reconciliation with drillhole data, statistical validation of model outputs, and comprehensive documentation and archiving of all modelling inputs, parameters, and results.

6 **Points of Observation (PoO) Definition:** Classification of drillholes into PoO types based on data reliability.

7 **Geostatistical Analysis and Radii Determination:** Application of results of Drill Hole Spacing Analysis (DHSA) to classify high, medium, and low confidence data for the classification of Measure, Indicated and Inferred Resource respectively.

8 **Finalise Resource Polygons:** application of geological and mining constraints including, minimum seam thickness, maximum interburden between plies, depth and cover limitations consistent with underground mining requirements, and relevant limits and exclusion zones.

This workflow ensures that Coal Resource classification is structured and aligned with JORC (2012) requirements, reflecting the quality, quantity, and overall confidence in the geological dataset.

7.4.1.Points of Observation Definition and Supportive Data

Coal Resource classification has been undertaken using a structured and standardised approach based on the application of PoO, which are assigned according to data reliability and their ability to support geological continuity. The classification process adopted considers several key criteria, including drillhole spacing (as the primary control), data quality and reliability, and the presence of supporting datasets such as seismic interpretation or SIS/UIS drilling, which are critical for defining structural continuity and assessing mining viability. Five PoO data types have been defined and applied across the drilling database, with each drill hole categorised as follows:

- Type 01: Core hole intersecting the seam with full geophysical support (caliper, density, gamma, verticality) and analysed for ash, inherent moisture, and relative density;
- Type 02: Core hole intersecting the seam without geophysical support but with ash analysis;
- Type 03: Chip hole intersecting the seam with geophysical support;
- Type 07: Chip hole intersecting the seam without geophysical support; and
- Type 08: Supporting data, including seam roof intersections from SIS/UIS drilling or seismic data (2D or 3D).

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Within this framework, the PoO definitions for classification purposes are as follows:

- Quality PoO: Types 01 and 02, with raw ash as the primary attribute for assessing quality continuity; and

- Quantity PoO: Types 01 and 03, where geophysical support provides confidence in seam presence and thickness.

7.4.2.Points of Observation Spacing

Radii of influence for the classification of Coal Resources have been derived from a comprehensive geostatistical study completed in 2015, incorporating Exploratory Data Analysis (EDA), domain analysis, DHSA, and variography. The study assessed eight key variables, including seam thickness, raw ash, product yield, relative density, product CSN, product phosphorus, product total sulphur, and product volatile matter (dry ash free). For classification purposes, raw ash has been selected as the controlling variable for defining Quality PoO and seam thickness for Quantity PoO, reflecting the most appropriate attributes for assessing continuity across the deposit.

The DHSA identified that phosphorus exhibited greater variability than other quality parameters, which would typically warrant tighter classification radii. However, phosphorus is not considered a critical quality determinant and is not regarded as a deleterious element, as its impacts are effectively managed through operational controls such as grade control drilling and product blending. Consequently, the study recommended that classification radii based on raw ash be applied where phosphorus is excluded, and this approach has been adopted.

In accordance with the Coal Guidelines, Resource classification should reflect the characteristics of the intended saleable product. The Coal resource is classified as a coking Coal Resource, and this is supported by DHSA results, which demonstrate that product quality parameters such as yield, CSN, total sulphur, and volatile matter display greater continuity (i.e. larger radii of influence) than raw ash. As a result, raw ash has been conservatively selected as the primary quality variable to constrain classification, ensuring that Resource polygons are defined by the most variable relevant coal quality parameter. The radii of influence for High, Medium and Low Confidence data points, which translates to Measured, Indicated and Inferred Resources respectively is presented in **Table 7-2**.

Table 7-2 Radii of Influence for Coal Resource Classification

Point of Observation Type	Attribute	Radii of Influence (m)		
		High	Medium	Low
Type 01 & Type 02	Quality – Raw Ash	600	1,175	2,600
Type 01 & Type 03	Structure – Thickness	1,425	2,450	4,650

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The Competent Person for Resources acknowledges that a significant volume of additional data has been collected since the completion of the 2015 DHSA study and recommends that updated geostatistical analyses be undertaken, particularly across the Kestrel West area. However, given that mining continues in areas with historically dense data coverage, with reasonable reconciliation, the existing radii are considered appropriate, and the Resource classification is considered to reflect the current level of geological confidence. Furthermore, the DHSA study indicated that radii of influence in Kestrel West could potentially be larger than those applied to the main deposit; however, the adoption of more conservative radii is considered appropriate and ensures that the classification adequately reflects the underlying data confidence.

7.4.3.Resource Polygons

Final Resource classification polygons have been constrained based on the most variable attribute influencing continuity, being coal quality, with classification applied according to defined confidence radii and the availability of reliable PoO. The criteria used are as follows:

- **Measured Resources** are defined using High Confidence radii where Type 01 PoO are present and are supported by either SIS drilling flanking the longwall panel or 3D seismic coverage, providing a high level of confidence in both seam continuity and structure.

- **Indicated Resources** are defined using Medium Confidence radii where Type 01 and Type 02 PoO are available, providing adequate confidence in both geological continuity and coal quality.

- **Inferred Resources** are defined using Low Confidence radii where Type 01 and Type 02 PoO are present but at wider spacing, resulting in a lower level of confidence.

This approach ensures that classification is appropriately constrained by data quality, spatial coverage, and continuity of key coal attributes, with quality continuity acting as the primary control on classification boundaries. The resultant Resource polygons for the GC Seam are shown in **Figure 7-1**.

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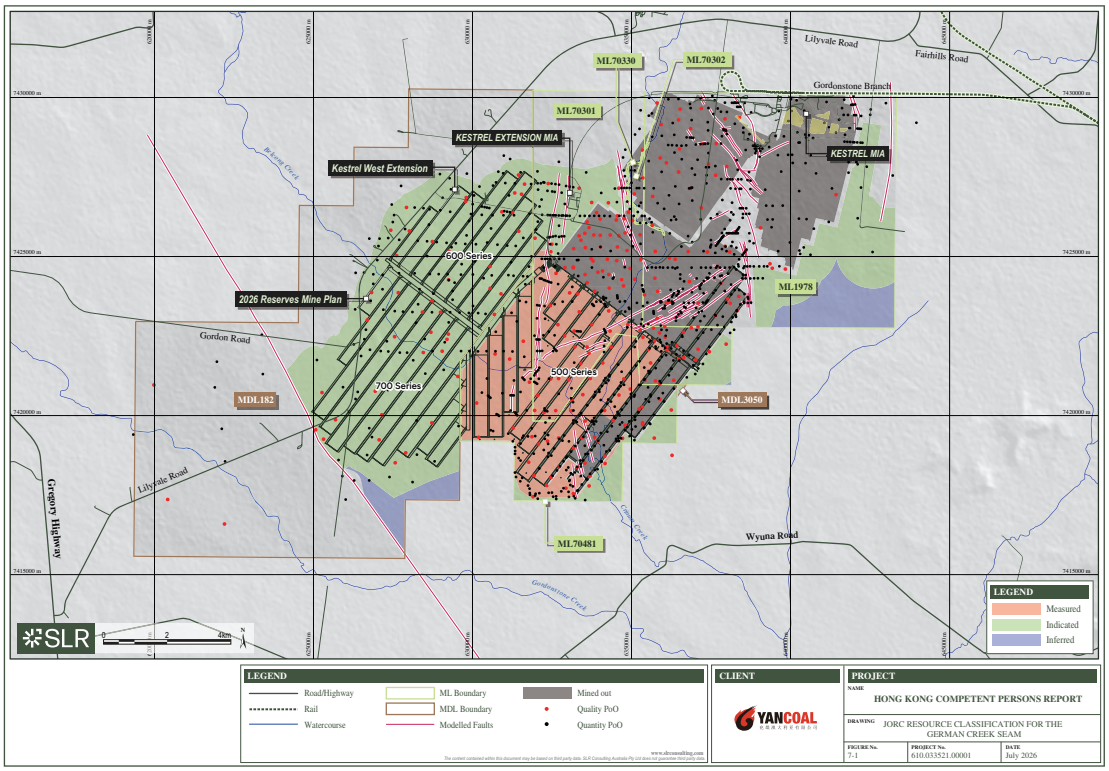
Figure 7-1 JORC Resource Classification for the German Creek Seam



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7.5. Review of Regional Geology

The geological interpretation is based predominantly on an extensive drilling dataset, with the majority of drill holes supported by downhole geophysical logging. The consistency and reliability of seam correlations are reinforced by distinct geophysical signatures associated with each coal seam, enabling confident identification and correlation across the deposit. Structural interpretation, including the identification and orientation of faults, is supported by seismic data, providing additional confidence in the geological framework. Observed variations in coal rank across the deposit are consistent with established regional trends within the Bowen Basin and are supported by coal quality data derived from drilling.

The deposit is well understood as a laterally continuous, stratiform coal system, with key geological features, including seam continuity, major structural controls, and depositional limits such as weathering/subcrop boundaries clearly defined. The geological model has been progressively refined through infill drilling, underground mining exposure, and geological mapping, further enhancing confidence in the interpretation. Alternative geological interpretations are considered to be limited and are unlikely to materially impact the reported Coal Resource estimate. There are no deleterious elements that are considered economically significant. Fluorine and Phosphorus are modelled in the Raw and Product Quality models and show no elevated levels; any above average values are able to be blended if required.

Geostatistical analyses undertaken as part of the resource evaluation support the interpretation of strong lateral continuity in key variables, including seam thickness, raw ash, volatile matter, CSN, and yield. These outcomes are consistent with the regional geological setting and provide a robust basis for both geological modelling and Resource classification under the JORC Code.

SLR considers that the classification approach is appropriate and supported by the underlying geological interpretation, data density, and demonstrated continuity of key coal parameters.

7.6. Geological Models

The geological model, which is the basis for the Coal Resource estimation, is the "kes_2509_ lom" model generated in September 2025 by third-party consultants and verified by SLR, using the Stratmodel module within MineScape geological modelling software, with direct linkage to the MineScape GDB hosted on an Oracle platform. The model integrates drilling, geological, and operational datasets to produce structural and coal quality grids at a resolution of 20 m x 20 m, which is considered appropriate relative to the underlying drillhole spacing of approximately 150 m for structural control and 338 m for coal quality data.

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7.6.1. Geological Data

The model is informed by a comprehensive drilling database comprising 2,367 drill holes, including both cored and open-hole drilling, as of 1 September 2025. Of these, a subset of 534 drill holes meeting defined recovery and data quality criteria is utilised for coal quality modelling, while the broader dataset supports geological and structural interpretation.

All geological data acquired has been reviewed and compiled by the Company and/or their contractors and consultants, including a detailed evaluation of coal seam intersections and barren intervals across all drilling types. SLR has reviewed the drilling completed since this 2025 geological model was released and found there would be no material changes to the geological model as a result of the inclusion of this data and has therefore maintained reliance on the 2025 geological model for the 2026 Resource estimation.

Several drill holes (984 in total) have been excluded from the geological and coal quality models where data quality or completeness is insufficient to support a reliable interpretation. These exclusions include:

1 Holes lacking downhole geophysical support;

2 Holes that do not intersect the target GC Seam;

3 Large diameter holes that are effectively duplicated by adjacent slim core holes; and

4 Selected coal quality holes affected by core loss or structural disturbance, leading to under-representative data.

Despite these exclusions, the retained dataset provides comprehensive spatial coverage across the deposit, with the majority of drill holes containing high-quality, validated data. This level of data density and integrity is considered sufficient to support robust geological interpretation and the reporting of Coal Resources in accordance with the JORC Code.

7.6.2. Structural Modelling

The structural model incorporates a range of data sources, including drillhole intercepts, underground mapping, seam thickness and elevation data, fault interpretations, and seam roof and floor intercepts from SIS and UIS drilling. Gridding is undertaken using Finite Element Method (FEM) interpolation for seam surfaces and thickness, ensuring a smooth and geologically realistic representation of stratigraphy. All seams and plies intersected in drilling are honoured in the model, with no selective mining assumptions applied, and seams are allowed to naturally pinch out at data limits without the application of artificial thickness constraints or extrapolation beyond supporting data. A base of weathering surface is defined from drill hole data and applied as a constraint to exclude oxidised coal from the model and Resource estimate.

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7.6.3. Coal Quality Modelling

Coal quality modelling is undertaken through the generation of four models:

1 Raw coal;

2 Primary coking product (Product A at ~6.5% ash);

3 An alternative primary product (Product B at ~9.5% ash); and

4 A higher ash secondary product (Product C at ~12-15% ash) for high-ash coking and/or thermal coal.

Sample compositing is constrained within seam boundaries, and intervals affected by core loss are excluded from compositing. Coal quality compositing is undertaken on a ply basis, with individual ply samples weighted by both thickness and relative density to ensure an appropriate representation of in situ coal characteristics. Non-coal partings within the seam are included within the composite intervals to reflect the full seam profile, consistent with industry practice for reporting raw coal quality. No cut-off grades or exclusions have been applied to coal quality parameters during compositing, ensuring that all relevant data are retained within the dataset. In a limited number of cases, fluidity results have been top-cut due to the unavailability of original analytical records, with the maximum fluidity of seven samples reduced to 6,000 ddpm. These affected samples are located within mined-out areas and are not considered to have any material impact on the integrity of the dataset or subsequent geological modelling outcomes.

Where analytical data are incomplete, coal quality values are modelled from one of three sources, or the composite is rejected from the coal quality model.

1 Site-specific regression relationships;

2 Default values; or

3 Fractional Quick Coke (FQC) testing.

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Regression relationships utilise established correlations between key coal properties and are applied where direct laboratory measurements are unavailable. The principal regression and derived relationships include:

- Determination of RD from raw ash where RD data are absent, using the equation:
  - o RD = 1.20 + (0.0128 × Ash)
- Estimation of in situ density using the Preston-Sanders relationship as described in **Section 6.10**
- Estimation of Specific Energy (SE, dry basis) from ash using:
  - o SE = −0.3452 × Ash (dry) + 33.754
- Estimation of Volatile Matter (VM, air-dried) from ash using:
  - o VM = 37.07 − (0.33 × Ash)

Default values are applied where specific parameters remain unavailable, based on representative averages from the dataset:

- Inherent Moisture: 2.3%, derived as the average inherent moisture for raw coal at approximately 15% ash
- In situ moisture: 6%, consistent with site-specific assessments and regional expectations (as discussed in **Section 6.10)**

For coking properties within the primary product (Product A), CSN, dilatation, and fluidity values are preferentially sourced from FQC results. Where FQC data are unavailable, Product Composite Testing (PCT) results are used. It is recognised that FQC-derived values exhibit a systematic positive bias relative to PCT results, particularly for dilatation (average +26.9) and fluidity (average +949), while CSN shows negligible variance (average −0.04). This bias is considered inherent to the methodology, reflecting the fresher state of samples analysed under FQC conditions compared to PCT, where sample degradation over time may occur.

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Coal quality grids for the alternative primary product (Product B) are largely derived from calculated values rather than direct analytical results. These are developed using a combination of simulated and adjusted parameters, including:

- Ash and yield derived from the composite model at a target ash of 9.5%;
- Fluidity and dilatation recalculated from Product A FQC data to reflect the higher 9.5% ash target;
- CSN sourced from either FQC or Product B composite testing where available;
- Total Sulphur (TS): Where Product A TS exists x 1.05;
- Phosphorus (P): Where Product A P_2O_5 exists x 0.72 and calculated back to P;
- Vitrinite reflectance carried directly from Product A;
- Vitrinite: Where Product A vitrinite exists x 0.957;
- Inherent moisture assigned from Produce B analytical data where available or default 2.3%; and
- Specific energy and volatile matter estimated using regression relationships listed above.

The modelled primary and secondary product yields represent theoretical mass yields derived from laboratory washability testing. These yields do not incorporate operational modifying factors such as mining dilution, plant efficiency, or processing losses, and therefore should be interpreted as indicative rather than predictive of actual production performance.

Coal quality interpolation is performed using inverse distance cubed (ID^3) methods with a power of 1 and search radius of 2,500m (for raw coal) and 3,500m (for product coal), rotated to 070 to interpolate the coal quality composites onto grids.

7.6.4.Model Validation

Model validation followed established procedures, including comparison with previous models, reconciliation against historical estimates, cross-sectional review, and statistical comparison between model outputs and drillhole data. All model inputs, outputs, parameters, and validation records are documented and retained.

Reconciliation of actual production against the Coal Resource estimates for the existing operational area is generally within 1% for tonnes. This result is indicative of a robust process.

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The Competent Person for Resources considers that the modelling approach, interpolation methods, and validation processes applied in the construction of the geological model are consistent with industry best practice and appropriate for the style of mineralisation and dataset available.

7.6.5. Validation of Geological Models

The Competent Person for Resources review of the geological data and modelling approach identified that the overall modelling framework is well developed, with strong alignment between the geological dataset and the resulting model outputs. The geological model is considered to be a high-quality representation of the available drilling, geophysical, and operational data, with only minor issues identified. These include isolated discrepancies in drillhole collar elevations, some seam corrections predominantly in mined-out areas, and a minor refinement to modelling parameters to improve data honouring in areas affected by drillhole deviation. None of these items are considered to materially affect the integrity of the geological model.

The supporting database and modelling inputs are assessed as robust, with a high degree of internal consistency across multiple datasets that have been progressively validated and standardised over time.

The Competent Person for Resources also notes that the modelling and data management workflows are transparent and reproducible, with clear documentation and structured processes supporting model construction and validation. The geological interpretation is well constrained by drilling, geophysical logging, and seismic data, and incorporates appropriate checks through comparison to historical models, reconciliation of inputs, and verification against underlying datasets.

7.6.6. Resource and Reserve Entities

The Resource and Reserve entities are interpreted to be the seam mined, which is the German Creek Seam.

For the purposes of Resource estimation, a set of geological and geotechnical constraints has been applied to ensure that the model reflects conditions amenable to underground mining. These criteria define the practical and geological limits of the GC Seam and include:

- A minimum seam thickness of 2.0 m for inclusion in the Coal Resource;
- A maximum interburden thickness of 0.2 m between plies;
- A minimum cover requirement of 40 m of fresh Permian strata for longwall mining, reducing to 20 m for bord and pillar mining; and
- A maximum depth to the GC Seam floor of 600 m, representing the practical limit for underground extraction.

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Geotechnical conditions of the seam roof and floor have been considered in defining the Resource envelope (minimum seam thickness). The GC Seam roof typically comprises interlaminated sandstone and siltstone, transitioning upwards into interbedded units, with locally variable characteristics. CMRR values range from 34.8 to 52.7 (mean 44.4), indicating generally moderate roof conditions with occasional zones of weaker ground. Observations suggest that roof competency improves with depth; however, proposed mining areas in Kestrel West are shallower and may present relatively weaker roof conditions.

The GC Seam floor consists of interlaminated carbonaceous mudstone, siltstone, and sandstone, and is recognised as a key geotechnical consideration. Floor conditions are closely related to UCS, with weaker floor behaviour (including floor heave) commonly associated with UCS values below 10 MPa, particularly in fine-grained lithologies. Historically, challenging floor conditions have been encountered, managed through operational controls such as leaving a coal floor and implementing roadway water management strategies. While some improvements have been observed in certain mining panels, similar or deteriorating conditions may be encountered in future western mining areas.

Hydrogeological conditions have been considered through depth of cover constraints, with an increased risk of water inflow from overlying Tertiary sediments and basalts where interburden thickness is less than approximately 130 m. This condition is expected to be limited to the western extents of the 600- and 700-series panels in Kestrel West.

7.7. Limits

No Coal Resources have been classified west of the KW_N_02 fault in the Kestrel West area (MDL 182). Only a small area beyond this fault satisfies the geological criteria for inclusion, however, it does not meet the economic criteria for underground mining. All Coal Resources are defined and reported within the boundaries of the tenure.

In areas affected by structural uncertainty, particularly in the Windmill and 400_500 fault systems, buffers have been applied where fault displacement interpreted from 3D seismic data may exceed approximately 4 m. Coal within these buffered zones has been conservatively classified as Indicated due to the potential impact on mining continuity. This is similar to the downgrading applied to Kestrel West, where structural support from 3D seismic is not yet available.

Resource inclusion has also considered proximity to existing and historical underground workings. Precedent from operations at Crinum South and within Kestrel (between the 300- and 400-series panels) supports the viability of mining near dewatered workings with appropriate barrier pillars, typically around 120 m. This approach has been applied to justify the inclusion of remaining Coal Resources within ML 1978. In addition, a minimum 50 m barrier has been excluded between recent workings and adjacent Resources to ensure appropriate separation.

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Adjustments are made to the Coal Resource classification polygons to exclude areas mined out up to 30 June 2026.

The Competent Person considers that these constraints and buffers appropriately reflect geological understanding, operational considerations, and risk management, and that the resulting Coal Resource classification is consistent with the geological model and estimation parameters.

7.8. Reasonable Economic Prospects

The Operation is a mature underground mining operation with approvals and leases in place for an extended period. The coking and thermal coal products produced have strong market acceptance. Given the active mining, the Operation has sufficient infrastructure, including rail and port capacity, and a well-trained and competent workforce that should enable the LOM plan to be followed.

SLR has maintained the general assumptions outlined from previous Resource estimations to define the reasonable prospects for eventual economic extraction (RPEEE):

- Economic mine plans involving underground longwall mining have been assessed through Pre-Feasibility (PFS) and Feasibility Studies (FS). A PFS has also commenced for Bord & Pillar mining in remnant mining areas to the north of the 400-series panels.
- A 2 m minimum thickness for the GC Seam;
- A maximum interburden between plies is 0.2 m;
- Raw ash <45%;
- Depth of coal to the GC floor is 600 m, which is deemed achievable by underground mining techniques;
- Coal Resources have been clipped to a contour of 20 m below the Base of Weathering into fresh Permian, likely to mitigate the risk of geotechnical hazards. This is to allow for Bord & Pillar mining with 20 m of fresh cover and longwall mining with 40 m of fresh cover;
- A 50 m barrier between recent workings and the remaining Coal Resource;
- A precedent has been established at Crinum South (Kestrel's northern neighbour) that mining operations can recommence in proximity to dewatered workings, utilising a 120 m barrier to the old workings. This was also done between the 300- and 400-series. This supports the inclusion of the remaining Resources on ML 1978 in the Resource estimate;

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- Washability characteristics are well-understood through previous production and exploration drilling. Nominally, coal is washed to produce a coking product at 6.5% air-dried (ad) ash, and in Kestrel West, this is expected to increase to 9.5% (ad) ash. A higher ash product (12.5-15.0% ash) is also produced as a secondary product; and

- Kestrel has an extensive environmental and heritage approval and compliance process, and no issues are expected that would impact on the Mineral Resource estimate.

The Competent Person for Resources considers the application of RPEEE to be appropriate and well-reasoned for the deposit.

7.9. Exploration Potential

Exploration potential is considered to be moderate to high within the existing brownfield expansion areas, particularly across Kestrel West, where ongoing work is focused on increasing geological confidence and supporting life-of-mine planning. Exploration activities are targeted, reflecting the well-understood nature of the deposit and the objective to upgrade Coal Resource classification rather than define entirely new coal-bearing areas. Key components of the exploration potential include:

1 Kestrel West (brownfield expansion):

a) Continued coal quality drilling, geotechnical investigation, gas testing, fault delineation, and acquisition of 3D seismic data.

b) Focus on improving structural confidence and uplift of Resource classification, with the objective of progressing areas to Measured status.

2 Supporting investigations:

a) Hydrogeological and environmental studies to support the Mining Lease Application for Kestrel West.

b) These programs underpin both Resource confidence and the ability to demonstrate future mining viability.

3 Operational exploration ahead of mining:

a) Ongoing gas drainage and geotechnical drilling ahead of production, particularly for the remaining 500-series panels.

b) These activities provide additional data to refine geological interpretation, de-risk mining conditions, and support short – to medium-term production planning.

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Overall, exploration potential is largely focused on Resource confidence upgrading, extension of mineable areas within existing tenure, and refinement of geological and geotechnical models, rather than discovery of new deposits.

7.10. Variation from 2025 Company Reporting

A comparison of the current Coal Resource estimate with the previous estimate indicates a reduction of approximately 9 Mt, which is attributable to mining depletion between 1 September 2025 and 30 June 2026, associated stand-off buffers from those mined workings and rounding (**Table 7-3**), with no underlying changes to the geological data or modelling occurring during this time.

Table 7-3 Comparison Against Previously Reported Resource Estimates

Underground Resources	**Measured** *(Mt)*	**Indicated** *(Mt)*	**Inferred** *(Mt)*	**Total** *(Mt)*	**% Change**
2025 Coal Resource	**105**	**281**	**20**	**406**	
2025 Coal Resource (un-rounded)	104.9	280.5	22.3	407.9	
Production Depletion	-7.0			-7	-1.7%
Geology Model/Reporting Updates	-0.6			-0.6	-0.2%
2026 Coal Resource (un-rounded)	97.3	280.5	22.3	400.3	
2026 Coal Resources	**97**	**280**	**20**	**397**	

Notes:

1 The reported Coal Resource totals utilised for public reporting are rounded (significant figure), whereas the Coal Resource reconciliation in the table above is based on the un-rounded numbers, this adjustment is required to align the un-rounded reconciliations with the significant figure rounded Coal Resource totals.

2 The "2025 Coal Resource" represent the Coal Resource reported by Yancoal in the announcement of binding agreement to acquire the Kestrel Coal mine (released 14 April 2026). The 2025 Coal Resource has an effective date of 1st September 2025.

3 The "2026 Coal Resource" represent the Coal Resource reported in the attached Competent Persons Report.

The 2026 Coal Resource has an effective date of 30th June 2026.

4 The Coal Resource is quoted on an in situ basis, which represents tonnage at a 6% in situ moisture assumption.

5 The Coal Resource has been reported at a 100% basis and not factored for ownership proportions. Upon completion of the acquisition, Yancoal will own 80% of Kestrel (with Mitsui Coal owning the remaining 20%).

6 The Coal Resource is reported inclusive of the Coal Reserve.

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8. JORC COAL RESERVES

This section of the Report summarises the main considerations in relation to the preparation of the Coal Reserve estimate and provides references to the sections of the Report where more detailed discussions of particular aspects are covered. Detailed technical information provided in this section relates specifically to this Coal Reserve estimate and is based on the Coal Resource model and estimates as reported in **Section 7**.

In accordance with the JORC Code, Coal Reserves are defined as the economically mineable part of a Measured and/or Indicated Coal Resource. Coal Reserves include allowances for mining dilution and losses and require the application of Modifying Factors as defined by the JORC Code, including mining, metallurgical, economic, marketing, legal, environmental, social, and governmental considerations. These factors have been assessed for this reporting, through mine design, scheduling, and economic analysis, and demonstrate that, at the time of reporting, extraction of the Coal Reserves is reasonably justified.

For Coal Reserves to be reported by a Competent Person, the following criteria are to be considered:

- A Coal Resource estimate comprising Measured and/or Indicated categories has been established for the deposit;

- The operation is supported by at least a pre-feasibility level of technical and economic assessment, demonstrating that extraction is reasonably justified at the time of reporting;

- A detailed mine design and LOM production schedule have been developed, incorporating practical mining layouts and extraction sequencing;

- Planning parameters and assumptions (i.e. Modifying Factors) have been applied to reflect technical and economic viability, including mining method selection, geotechnical conditions, gas management, subsidence constraints, coal processing performance, infrastructure capacity, operating and capital cost assumptions, and market conditions; and

- The Coal Reserves classification appropriately reflects confidence in the Coal Resource categories, mine planning and scheduling assumptions, and the Competent Person's assessment of the overall reliability of the estimate.

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Kestrel is an operating mine with established infrastructure, including an established drift, ventilation system, coal clearance conveyors, CHPP facilities, and rail and port infrastructure and logistics. This Coal Reserves estimate is supported by the use of actual operating data, including mining productivity, processing recoveries, coal quality performance, and cost structures. The well-established operating history provides a high level of confidence that the underlying assumptions supporting the Coal Reserves estimate are appropriate and consistent with at least a pre-feasibility level of study accuracy.

The current Coal Reserves estimate is also supported by a progression of historical PFS and FS completed for the Kestrel operation and its extension areas, including:

- 1985 Pre-Feasibility Study (Kestrel North – 100-series), completed by Atlantic Richfield Company (ARCO) and Mitsui, which confirmed the technical and economic viability of a single longwall mining operation and provided the basis for the original mine development.

- 2006 Feasibility Study (Kestrel South – 400 and 500-series), completed by Rio Tinto to evaluate the development of the Kestrel South mining area, supporting the subsequent investment decision and development of the 400 and 500-series longwall panels.

- 2020 Pre-Feasibility Study (Kestrel West), undertaken to support the evaluation and development of the Kestrel West extension area and the conversion of Coal Resources to Coal Reserves.

- 2022 to 2024 Feasibility Definition Studies (Kestrel West), completed to further refine the mine design, development strategy and modifying factors for the Kestrel West extension area.

Collectively, these studies, together with the ongoing Life of Mine planning process and extensive operational experience at Kestrel, provide a robust technical and economic basis for the reported Coal Reserves.

8.1. Areas of Coal Reserves

Nearer-term Coal Reserves are confined to approved mining tenure, i.e., ML 70301 and ML 70481. These MLs cover the 500-series panels which form the basis of the current underground mining operations and LOM planning for future operations. Longer-term Coal Reserves extend beyond the currently approved Mining Leases into areas covered by MDL 182. These Coal Reserves are included within the LOM plan and are scheduled for extraction in the later stages of the mining sequence (beyond 2031). The same technical and economic mine planning assumptions have been applied to these areas.

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8.2. Statement of Coal Reserves

Coal Resources are reported inclusive of Coal Reserves (that is, Coal Reserves are not additional to Coal Resources). Coal Reserves are subdivided into Proved Coal Reserves and Probable Coal Reserves categories to reflect the confidence in the underlying Coal Resource data and Modifying Factors applied during mine planning. A Proved Coal Reserve can only be derived from a Measured Coal Resource, while a Probable Coal Reserve can be derived from an Indicated Coal Resource as well as a Measured Coal Resource, dependent on the Competent Person's confidence in the underlying Modifying Factors.

The Statement of Coal Reserves as of 30 June 2026 is shown in **Table 8-1**, incorporating current mine design and scheduling assumptions, including longwall and supplementary mining methods.

Table 8-1 Statement of JORC Coal Reserves as at 30 June 2026

	Coal Reserves			Marketable Reserves		
Kestrel	**Proved**	**Probable**	**Total**	**Proved**	**Probable**	**Total**
	(Mt)	*(Mt)*	*(Mt)*	*(Mt)*	*(Mt)*	*(Mt)*
Kestrel (100% basis)	67	142	209	52	104	156

Notes:

1. Coal Reserves were prepared by Mr Jack Steenekamp. Coal Reserves have been estimated under the 2012 Edition of the JORC Code.

2. The Statements of JORC Coal Reserves have been compiled by or under the supervision of Mr Jack Steenekamp, who is a Registered Fellow of the Australasian Institute of Mining and Metallurgy, is a full-time employee of JT Boyd holding the position of Managing Director. He has sufficient experience that is relevant to the style of Coal and type of deposit under consideration and to the activity that he has undertaken to qualify as a Competent Person as defined in the JORC Code.

3. Coal Reserves are reported in metric tonnes on a ROM basis at an average moisture content of 8.3%, and on a saleable product basis at average moisture contents of 8.1% for 'Primary A Product', 7.7% for 'Primary B Product', and 6.5% for 'Secondary Product'.

4. Figures reported are rounded in accordance with the JORC Code, which may result in small tabulation errors.

5. The Coal Reserves have been reported on a 100% basis. Yancoal will own 80% on completion of the acquisition (with Mitsui Coal owning the remaining 20%).

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8.3. Coal Reserves Estimation Procedure

The Coal Reserves estimate has been developed through an integrated process incorporating geological modelling, mine design, production scheduling, and economic evaluation. The procedure has been completed in accordance with the requirements of the JORC Code and reflects accepted industry practice for underground coal operations. Industry-standard mine planning and scheduling software XPAC, has been utilised to support reserves definition, production scheduling, and associated economic assessment.

8.3.1. Geological and Resource Basis

The Coal Reserves estimate is based on Coal Resources developed through a geological model compiled by third-party consultants for KCR and verified by SLR. The Coal Resources as at 30 June 2026 were estimated and reported by Competent Person, Danique Gerber of SLR Consulting, as covered in **Section 7** of this Report.

In support of the Coal Reserves estimate, the following has been undertaken:

- Review of the geological model, including seam geometry, thickness, quality distribution, and structural interpretation;
- Consideration of the Coal Resource estimate and its suitability for conversion to Coal Reserves;
- Confirmation that the Coal Reserves are derived from Measured and Indicated Coal Resources; and
- Consideration of the adequacy of available geological, geophysical, and operational data supporting the estimate.

8.3.2. Mine Planning and Design

The reported Coal Reserves have been defined within the limits of a LOM plan incorporating longwall and development mining methods. The estimation process included:

- Review of mine planning studies and key assumptions provided by the Company;
- Review of longwall panel layouts, development geometry, and mining sequence developed using XPAC mine planning software;
- Consideration of mine design constraints, including geological, geotechnical, and tenure boundaries; and
- Assessment of whether the mine plan represents a practical and achievable mining configuration.

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8.3.3. Application of Modifying Factors

The conversion of Coal Resources to Coal Reserves involved the application of relevant Modifying Factors, including mining, processing and metallurgical, infrastructure, economic, marketing, environmental, legal, social and governmental factors. As part of this process, the following was undertaken:

- Review of mining assumptions, including dilution, loss, and extraction parameters applied within the XPAC reserving model developed by the Company;
- Consideration of the geotechnical conditions, including roof, floor, and structural influences;
- Review of gas management and ventilation requirements;
- Consideration of coal processing assumptions, including CHPP performance and product yield relationships; and
- Review of infrastructure and operational factors relevant to the LOM plan.

8.3.4. Production Scheduling and Economic Evaluation

The Coal Reserves estimate is supported by a production schedule and economic assessment derived from the LOM plan, which includes:

- Review of the production schedules and the development and longwall sequencing, generated through the XPAC model developed by the Company;
- Consideration coal recovery parameters applied within the scheduling model;
- Review of the basis for conversion of ROM Coal to Marketable Coal;
- Review of operating and capital cost assumptions provided by the current operations and associated planning studies; and
- Consideration the financial model supporting the LOM plan, and the economic viability of the Coal Reserves under the adopted assumptions.

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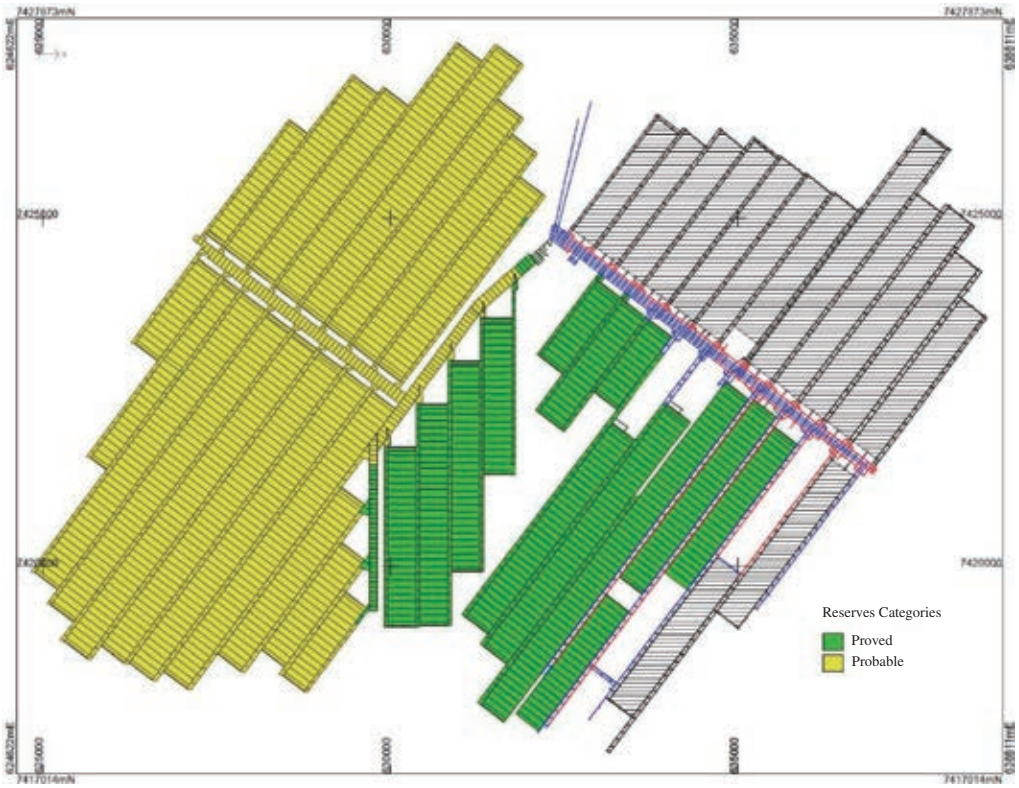
Classification of Coal Reserves

Coal Reserves are classified as Proved or Probable based on the level of confidence in the underlying Coal Resources, in addition to the application of Modifying Factors, the following are noted:

- Proved Coal Reserves are derived only from Measured Coal Resources;
- Probable Coal Reserves are primarily derived from Indicated Coal Resources, and, where appropriate, Measured Coal Resources;
- The classification applied is consistent with the requirements of the JORC Code; and
- The classification of the Coal Reserves is shown in **Figure 8-1**.

Figure 8-1 Mine Design and Classification (Coal Reserves Categories)



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8.3.5.Inclusion of Future Mining Areas

The LOM plan includes Coal Reserves of the 600- and 700-series panels located entirely within areas currently covered by MDL 182. These reserves are scheduled for extraction in later years of the mine life. The tenure status has been considered, and at the time of writing, the Competent Person is not aware of any material issues nor contributing factors that may preclude the granting of the necessary approvals to convert MDL 182 to a Mining Lease.

The Coal Reserves estimate reflects an appropriately developed and integrated assessment of geological, technical, and economic factors. In the Competent Person's opinion, the methodology adopted provides a reasonable basis for the declaration of Coal Reserves in accordance with the JORC Code.

8.4. Coal Reserves Estimation Parameters

The Coal Reserves have been estimated by applying a comprehensive set of parameters or Modifying Factors to the underlying Coal Resources, in accordance with the principles and definitions of the JORC Code. Using industry standard methodologies, these Modifying Factors (**Section 8.3.3**) and assumptions have been considered in addition to detailed mine planning and scheduling, using industry-standard methodologies, including an XPAC-based LOM model.

The Competent Person considers the various parameters adopted to be reasonable and appropriate for the forward planning of the operation and is of the opinion that these are based on a combination of operational data, technical studies, and acceptable engineering judgement.

Collectively, these factors and assumptions form the basis for the determination of economically mineable Coal Reserves, also supporting the classification and reporting of Proved and Probable Coal Reserves.

8.4.1.Mining

Relevant Modifying Factors related to Mining have been applied in the estimation of Coal Reserves to account for the practical mining limitations and operational performance associated with underground longwall mining. These Modifying Factors have been incorporated within the XPAC-based reserving and scheduling model and reflect a combination of historical operating performance, mine design parameters, and engineering judgement.

The mining assumptions adopted define the conversion of in situ Coal Resources to recoverable ROM Coal Reserves, and include allowances for dilution, coal loss, geological and structural impacts, as well as extraction efficiency. These factors are applied on a spatial basis within the reserving model and are considered appropriate for the level of accuracy and operating conditions.

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Coal Reserves are based on underground longwall mining, which is the established and ongoing method of extraction. Mining is undertaken through retreat longwall panels supported by development mining for mains, gateroads, and associated infrastructure roadway requirements. See **Section 9** for further details.

8.4.2.Dilution and Coal Loss

Feature grids for coal seam gas content and uniaxial (unconfined) compressive strength were developed for the mine conditions. UCS grids comprise the GC Seam floor (0 m to 2 m), with 2 m intervals up to 8 m into the floor, the GC Seam roof (0 m to 2 m), and 2 m intervals up to 8 m into the roof. Gas grids include Measured Residual Gas Content (MGC or Qm measured in m^3/t), Desorption Rate Index (DRI), and Initial Desorption Rate (IDR30), reported at sample ash.

UCS values were derived from down-hole geophysics sonic log data, spatial interpolation and site-specific X – Y curves. This data was calibrated and reconciled to historical performance and assigned classifications from 1 (more favourable) to 5 (least favourable) for primary roof, floor and gas conditions (**Table 8-2**). These classifications were applied in the mine scheduling to include dilution, losses, and productivity. **Figure 8-2** and **Figure 8-3** illustrate the roof and floor classifications, respectively, as defined in **Table 8-2** and **Figure 8-4** shows the gas content.

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Table 8-2 Categorisation of Roof, Floor and Gas Features

Parameter	1	2	3	4	5
Roof UCS (MPa)	>30	>25 to <30	>10 to <25	>5 to <10	<5
Floor UCS (MPa)	>20	>15 to <20	>10 to <15	>5 to <10	<5
Gas (Qm, m³/t)	<2.5	<4	<6	<7	>7

Figure 8-2 Primary Roof Classification

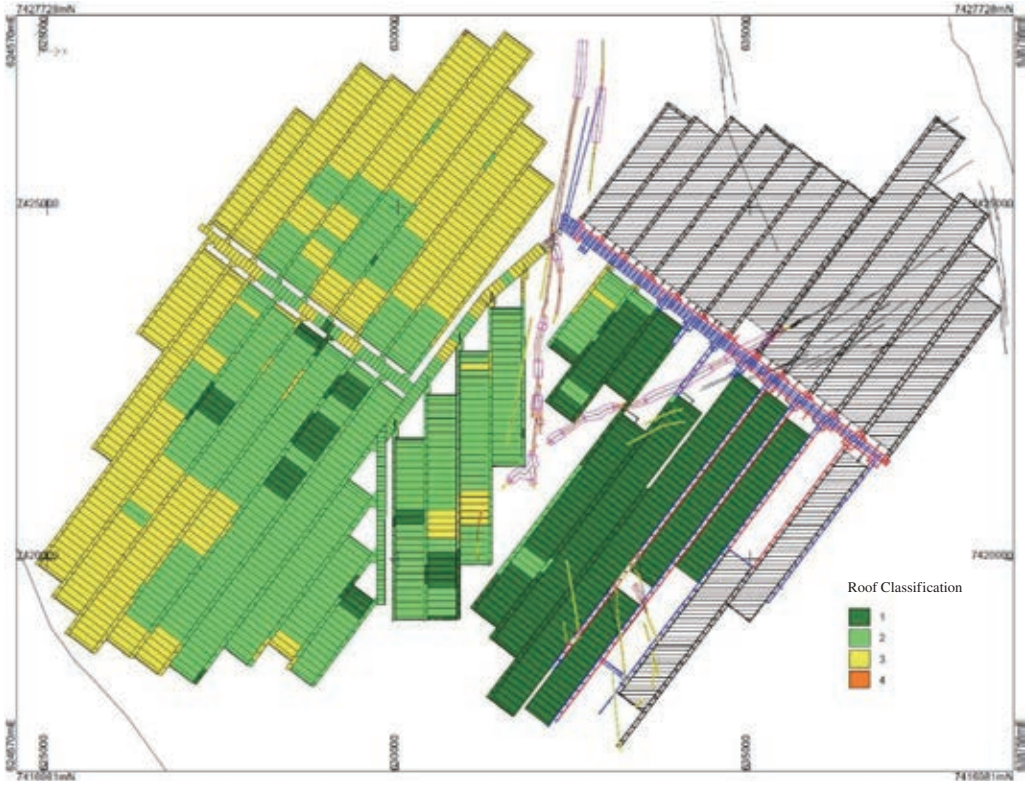

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Figure 8-3 Primary Floor Classification

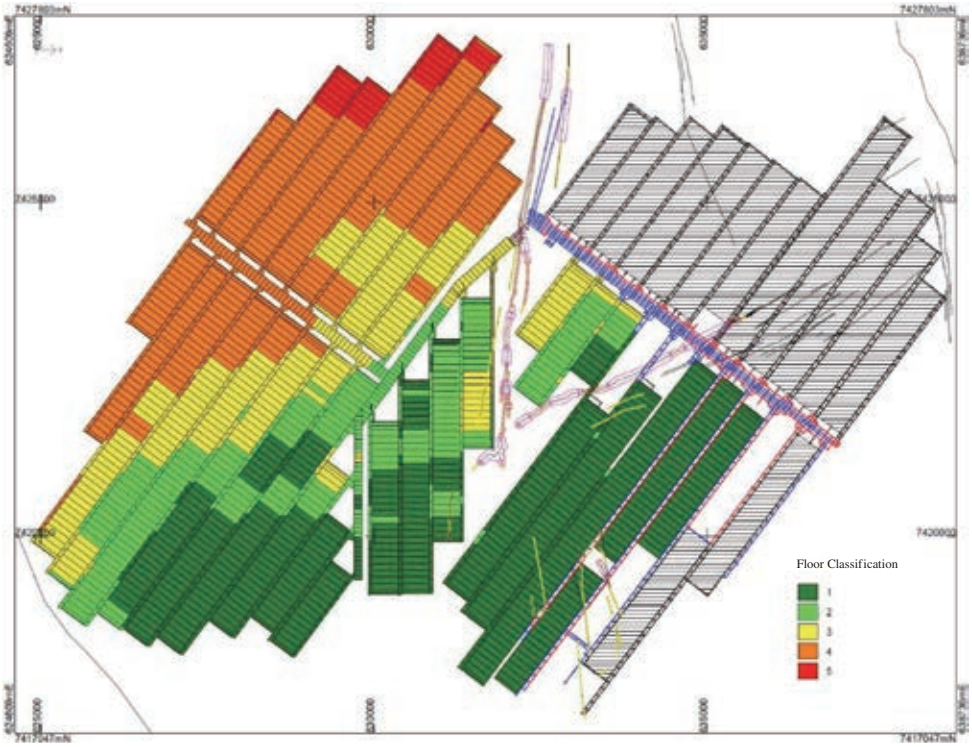
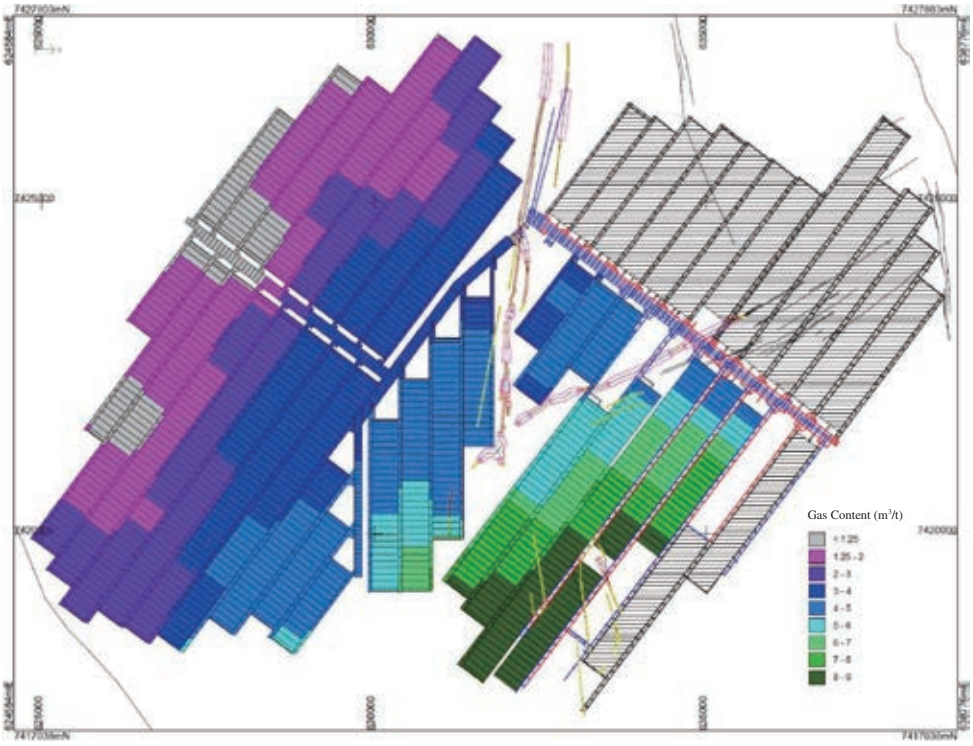


Figure 8-4 Gas Content



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Based on depth, spatial location, and assigned feature categories, development loss and dilution for modelling purposes ranged from 0 mm to 300 mm, and longwall loss and dilution from 0 mm to 250 mm. These factors are integrated within the model to represent cumulative dilution and recovery outcomes.

Default density and key quality parameters for dilution have been derived from historical performance data and applied within the XPAC model as shown in **Table 8-3**.

Table 8-3 Dilution Default Density and Quality Parameters

Category	Parameter	Default
Roof	Raw Ash (% ad)	93.5
Roof	Inherent Moisture (%)	4.18
Roof	Total Sulphur (% ad)	0.008
Roof	Phosphorus (% ad)	0.0002
Roof	Relative Density (t/m³) (ad)	2.48
Floor	Raw Ash (% ad)	86.3
Floor	Inherent Moisture (%)	5.32
Floor	Total Sulphur (% ad)	0.0077
Floor	Phosphorus (% ad)	0.0003
Floor	Relative Density (t/m³) (ad)	2.38

Summaries of the loss and dilution assumptions applied per roof and floor classification, and derating factors applied for these same classifications are provided in **Table 8-4** and **Table 8-5**. Derating factors are numerical values applied to production rate calculations as part of mining software modelling (in this case XPAC), to simulate the impact of geological and seam conditions as they are expected to occur, on productivity.

Table 8-4 Estimated Dilution and Loss in Production Areas

Category	Subcategory	1	2	3	4	5
Longwall	Roof Dilution (mm)	50	50	75	125	150
Longwall	Floor Dilution (mm)	80	100	120	150	250
Longwall	Roof Loss (mm) (500s only)	37.5	37.5	37.5	37.5	37.5
Development	Roof Dilution (mm)	10	10	10	300	300
Development	Floor Loss (mm)	0	0	0	300	300

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Table 8-5 Derating Factors Based on Classification

Category	Subcategory	1	2	3	4	5
Longwall	Primary Roof	0	0	0	0.025	0.05
Longwall	Secondary Roof	0	0.05	0.1	0.15	0.15
Longwall	Floor	0	0.05	0.05	0.1	0.15
Longwall	Gas	0	0	0.05	0.1	0.1
Development	Primary Roof	0	0.05	0.1	0.15	0.4
Development	Secondary Roof	0	0.1	0.2	0.3	0.8
Development	Floor	0	0.05	0.05	0.1	0.2
Development	Gas	0	0.05	0.1	0.1	0.1

In addition, coal losses and dilution were assumed and applied by mining domain to cater for longwall panel width and typical seam thickness. Fault derating within the XPAC mining schedule has likewise been adjusted by mining district to typical seam thickness and mining conditions. These adjustments included increased coal loss and dilution associated with faulted ground conditions. These applied derating assumptions and associated loss and dilution impacts are summarised in **Table 8-6** to **Table 8-9**.

Table 8-6 Coal Loss Assumptions (Working Sections)

Mining Domain	Subcategory	500s	600s	700s
Longwall	Roof (mm)	38	0	0
Longwall	Floor (mm)	25	25	25
Development	Roof (mm)	50	50	50
Development	Floor (mm)	25	25	25

Table 8-7 Stone Dilution Assumptions (Working Sections)

Mining Domain	Subcategory	500s	600s	700s
Longwall	Roof (mm)	45	45	45
Longwall	Floor (mm)	65	65	65
Development	Roof (mm)	25	25	25
Development	Floor (mm)	50	50	50

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Table 8-8 Derating Factors for Fault Throws Applied by Longwall District

Category	District/LW	1 (No/Minor <0.1 m)	2 (Fault >0.1 to <1.5 m)	3 (Fault >1.5 to <3.0 m)	4 (Fault >3.0 to <4.5 m)	5 (Fault >4.5 m)
District/LW	LW501 to 513	0	0.29	0.40	0.63	0.70
District/LW	LW601 to 609	0	0.39	0.49	0.68	0.74
District/LW	LW701 to 711	0	0.34	0.45	0.64	0.72

Table 8-9 Stone Dilution Assumptions (Faults)

Category	1	2	3	4	5
DV and LW (%)	0	37.7	56.4	75.3	75.3

8.4.3. Geological and Geotechnical Factors

Geological and geotechnical parameters have been applied in the estimation to reflect the physical characteristics of the GC Seam and the surrounding strata, as well as their influence on mine design, extraction conditions, and recoverability. These factors are based on detailed geological modelling, drilling data, geophysical interpretation, and geotechnical assessments, and have been incorporated within the XPAC-based reserving process to provide a spatially representative and operationally realistic estimate of recoverable coal.

The GC Seam exhibits relatively consistent geological characteristics, with seam thickness generally ranging from 2.3 m to 3.2 m within the active and planned longwall panels and reaching up to 3.4 m to 3.6 m in localised areas. In the currently mined 500-series panels, seam thickness is typically in the order of 2.7 m, while proposed 600- and 700-series panel seam thicknesses range between 2.8 m and 3.2 m. Thinner zones, locally as low as 2.5 m, have been identified and are managed with increased operational constraints, including stone cutting and reduced productivity. Seam thickness of the GC seam is shown in **Figure 5-5**.

Structurally, the deposit is located within a gently dipping stratigraphic setting. Seam dips range between 1° and 3°, increasing locally to 6° to 8° in structurally influenced areas. Faulting is present throughout the mining domain and represents a key geological input within the 500-series.

There are no faults modelled in the 600- and 700-series panels. Structural confidence is lower in the 600- and 700-series panels due to reduced drilling density, limited seismic coverage and a lack of fault interpretation. Structural features are incorporated into the geological model and reflected in the Coal Reserves estimate through localised derating and mine design adjustments.

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Depth of cover represents a primary geotechnical control on mining conditions and has been considered in mine planning activities. Across the current Kestrel South mining areas, depth of cover reaches up to approximately 460 m. In the Kestrel West areas, depth of cover progressively decreases to less than 200 m. This reduction in depth-of-cover also corresponds to a transition between the in situ horizontal and vertical stress regimes and is considered favourable for long-term mining conditions.

Roof conditions within the mining horizon are generally considered competent, comprising interbedded mudstone, siltstone and sandstone units. Laboratory testing indicates that the immediate roof (0 m to 2 m above the seam) typically exhibits UCS values in the order of 30 MPa to 40 MPa, supporting stable longwall operations under appropriate ground support regimes. While a localised reduction in roof strength is anticipated in shallower areas, this is offset by the reduced stress environment, and overall roof performance is considered manageable across the mine life.

In contrast, floor conditions represent a more significant geotechnical constraint. Floor competency has been assessed using Geophysical Strata Rating (GSR) and Floor Strength Index (FSI) parameters derived from geophysical logging. Similar floor conditions to those in the 400-series panels are expected for the 600-series panels. Floor conditions are commonly characterised in the 600-series by GSR values of less than 35 and FSI values of less than 2.0, with UCS values typically less than 10 MPa which corresponds to or identifies as weaker floor strata. These conditions can be associated with an elevated risk of floor heave, bogging, and reduced equipment productivity. In the deeper and later 700-series panels, floor conditions generally improve, with GSR values greater than 35 and FSI values exceeding 2.0 to 3.0, indicating stronger and more competent floor materials with improved trafficability and reduced operational risk.

Geotechnical performance is further influenced by seam thickness variability and associated mining conditions. In thinner seam areas (e.g., approximately 2.5 m), increased interaction with floor and roof strata results in greater dilution potential and additional operational constraints, including increased equipment maintenance requirements and reduced cutting efficiency. These conditions have been incorporated into the estimation through appropriate assumptions, including productivity adjustments and localised derating.

Overall, the geological and geotechnical assumptions and inputs have been applied on a spatially explicit basis within the reserving model, to reflect variations in seam geometry, structural complexity, and rock mass conditions. These factors have been considered in influencing mine design, panel layout, extraction efficiency, and recoverable coal tonnages.

It is the Competent Person for Coal Reserve's opinion that the geological and geotechnical parameters adopted are appropriate for the level of study and provide a reasonable basis for the conversion of Coal Resources to Coal Reserves.

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8.4.4.Coal Processing, Product Yield and Types

Coal processing and yield assumptions for the estimate are based on the performance and configuration of the CHPP, together with coal quality modelling, laboratory washability data, and mine scheduling outputs. These parameters define the conversion of ROM coal to Marketable Coal and represent a Modifying Factor in the estimation of Coal Reserves. Refer to **Section 10** for discussion on coal processing, the CHPP, yield assumptions and product types.

It is the Competent Person for Coal Reserve's opinion that the coal processing and product yield parameters adopted are appropriate for the level of study and provide a reasonable basis for the conversion of Coal Resources to Coal Reserves.

8.4.5.Infrastructure

Modifying Factors related to infrastructure for the Coal Reserves estimate encompass the availability, capacity, and operational capability of surface and underground infrastructure required to support mining, coal handling, processing, and product export. Detailed discussion of the on-site and off-site infrastructure, including coal handling and plant performance, are provided in **Sections 10, 12 and 13**.

It is the Competent Person for Coal Reserve's opinion that the infrastructure and services parameters adopted are appropriate for the level of study and provide a reasonable basis for the conversion of Coal Resources to Coal Reserves.

8.4.6.Economic

Economic Modifying Factors applied in the development of the LOM plan include, but are not limited to production schedules, product yields, operating and capital cost assumptions, as well as market-based coal pricing forecasts.

Financial modelling has demonstrated that the Coal Reserves generate a positive net present value (NPV) under the adopted assumptions, supporting their classification as economically extractable. Sensitivity to variations in product yield, coal quality, realised product pricing, production rates, and cost control has been considered through scenario analysis within the LOM planning process. Refer to **Section 8.6, Section 14** and the Competent Valuators Report for further discussion.

It is the Competent Person for Coal Reserve's opinion that the economic parameters adopted are appropriate for the level of study and provide a reasonable basis for the conversion of Coal Resources to Coal Reserves.

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8.4.7.Environmental, Regulatory and Social Factors

Modifying Factors related to environmental, tenure, other regulatory and social matters are considered as part of the estimation procedure. It is highlighted that approval is required for a Mining Lease over Kestrel West. Detailed discussion is provided in **Section 15**.

It is the Competent Person for Coal Reserve's opinion that the environmental, regulatory and social parameters adopted are appropriate for the level of study and provide a reasonable basis for the conversion of Coal Resources to Coal Reserves.

8.5. Planning Status

Kestrel follows a structured and systematic planning process. The Coal Reserves are based on a LOM plan initially developed by the Company and subsequently reviewed and modified to support the Coal Reserves estimate. The planning status is considered to be at least to a Pre-Feasibility Study level and in most cases at or above a Feasibility Study level of accuracy.

The LOM plan reflects an advanced level of planning, incorporating updated geological, geotechnical, and operational inputs. Modifications made to the LOM design include refinement of panel geometry, mining limits, and sequencing, also satisfying minimum mineable thickness criteria and operational constraints.

8.6. Coal Reserve Economic Viability

An assessment of the economic viability of the Coal Reserves included an independent LOM cash flow analysis. The assessment incorporated production schedules, capital and operating costs, revenue assumptions, royalties, and taxation, supporting the declaration of economically mineable Coal Reserves under the assumptions applied.

8.6.1.Cost Modelling and Economic Basis

The economic evaluation has been based on an unlevered, real-term financial model (June 2026 cost-base), aligned to the LOM.

The assessment incorporates the following:

- **Basis of costs:** Operating and capital costs derived from the LOM plan, reflecting current operating practices, historical performance, and forward-looking engineering assumptions;

- **Basis of production data:** Production schedules derived from longwall mining layouts and development sequencing included in the Coal Reserves estimate;

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- **Operating Costs:** Mining costs including underground longwall operations, development operations and ground support costs. Processing, services, energy, and overheads collectively account for the balance of the operating costs (refer **Section 14**);

- **Capital expenditure:** Sustaining and development capital derived from the LOM plan, including longwall equipment replacement and Kestrel West growth capital (refer to **Section 14**);

- **Coal pricing basis:** Long-term assumptions based on market benchmarks and third-party forecasts, applying a benchmark hard coking coal price and Newcastle 6000 benchmark, as well as suitable coal price relatives as applicable;

- **Discount rate:** A real discount rate was applied for economic evaluation;

- **Taxation:** A flat corporate income tax rate of 30% applied for the purpose of assessing project economics; and

- **Royalties and levies:** Queensland Government coal royalties applied in accordance with the prevailing tiered regime.

Cash flows have been modelled annually over the LOM, with a discounted cash flow (DCF) methodology applied to assess economic outcomes, consistent with industry practice for pre-feasibility and feasibility level studies.

8.6.2.Economic Outcomes and Sensitivity

Based on the above parameters, the outcomes of the DCF model showed positive cash flow when all costs, CAPEX and pricing assumptions were applied. Sensitivities were tested as part of the DCF analysis, with product price and process yield identified as the inputs to which the economics are most sensitive. The Coal Reserves were found to remain economically resilient to variation in the key parameters tested over the life of the mine.

The averaged aggregated annualised costs, which resulted from the cashflow model, are presented in **Section 14**.

An independent DCF has been completed to justify the Coal Reserves; the reader is referred to the Valuation report contained within the Circular. This independent valuation report is based on the inputs and quantities contained within this Report and presents the detailed cash flow analysis, and the reported NPVs of the Assets for reference.

Note that the economic outcomes are forward-looking and depend on assumptions related to future coal prices, exchange rates, production, costs, and capital, which are inherently uncertain and, in many cases, unpredictable. Actual results may differ materially, and these results do not constitute a forecast or a guarantee of value, return, or NPV.

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8.7. Variation from 2025 Company Reporting

A comparison of the current Coal Reserve estimate with the previous estimate indicates a reduction of approximately 7 Mt, which is attributable to mining depletion between 1 September 2025 and 30 June 2026 and LOM Plan updates (**Table 8-10**). The Marketable Coal Reserves reconciliation is shown in **Table 8-11**. The Marketable Reserves decreased by 8 Mt primarily due to depletion, LOM Plan updates and updated washing yield assumptions.

Table 8-10 Recoverable Coal Reserves Reconciliation

	Recoverable Coal Reserves			
Reported Reserves/Updates	**Proved**	**Probable**	**Total**	**Change**
	(Mt)	*(Mt)*	*(Mt)*	*%*
2025 Reserves	76	140	216	
Production Depletion	-6.9	–	-6.9	-3.2%
LOM Plan Updates	-2.0	1.8	-0.2	-0.1%
2026 Coal Reserves	**67**	**142**	**209**	**-3.2%**

Table 8-11 Marketable Reserves Reconciliation

	Marketable Coal Reserves			
Reported Reserves/Updates	**Proved**	**Probable**	**Total**	**Change**
	(Mt)	*(Mt)*	*(Mt)*	*%*
2025 Reserves	58	106	164	
Production Depletion	-5.2	–	-5.2	-3.2%
LOM Plan Updates	-0.7	-2.2	-2.9	-1.7%
2026 Coal Reserves	**52**	**104**	**156**	**-4.9%**

Notes:

1 The reported Coal Reserve totals utilised for public reporting are rounded (significant figure), whereas the Coal Reserve reconciliations in the table above are based on the unrounded numbers, this adjustment is required to align the unrounded reconciliations with the significant figure rounded Coal Reserve totals.

2 The "2025 Coal Reserve" and "2025 Marketable Reserve" are as reported by Yancoal in the announcement of binding agreement to acquire the Kestrel Coal mine (released 14 April 2026). The 2025 Coal Reserve has an effective date of 1st September 2025.

3 The "2026 Coal Reserve" and "2026 Marketable Reserve" are as reported in this Competent Persons Report. The 2026 Coal Reserve has an effective date of 30th June 2026.

4 Coal Reserves are reported in metric tonnes on a ROM basis at an average moisture content of 8.3%, and on a saleable product basis at average moisture contents of 8.1% for 'Primary A Product', 7.7% for 'Primary B Product', and 6.5% for 'Secondary Product'.

5 The difference between the Coal Reserve reconciliation (-3.2%) and the Marketable Coal Reserve reconciliation (-4.9%) is due to a small reduction in washing yields applied to the Probable Marketable Reserve.

6 The Coal Reserve has been reported at a 100% basis and not factored for ownership proportions. Upon completion of the acquisition, Yancoal will own 80% of Kestrel (with Mitsui Coal owning the remaining 20%).

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8.8. Coal Reserves Comments

The following items are noted for the estimation of the Coal Reserves:

- The Coal Reserves estimate is based on a relatively detailed LOM plan, which reflects higher confidence in the near-term operations, and lower confidence in the longer-term operations, where a Mining Lease needs to be secured.

- There is no material impediment identified which would preclude the conversion of MDL 182 to a Mining Lease. It is noted that the LOM plan assumes that the necessary approvals will be obtained in a timely manner.

- The Coal Reserves have been derived based on a mine plan initially developed by the Company and subsequently independently reviewed and modified by JT Boyd, to ensure that mine design, scheduling, and applied Modifying Factors are aligned with current geological predictions, operational conditions and financial assumptions.

- The Coal Reserves estimate reflects depletion since the previous reporting period and relevant revisions to mine design and planning parameters, as well as the related Modifying Factors.

- SLR is not aware of any other environmental, legal, marketing, social or government issues which may hinder the economic realisation of the Reserves.

9. MINING

9.1. Mining Method

Kestrel is an underground operation, which employs a conventional longwall mining method supported by 'miner-bolter' continuous miner units. This system is well-known and understood in Australia and is considered a conventional mining method.

Access to the underground workings from the surface is via the portal drifts to the 'pit bottom'. From the pit bottom, the Main Headings mine roadways are cut by continuous miners and generally consist of five or six headings. The following points summarise the key aspects of the mining method:

- Main Headings support the mining operations by holding infrastructure, coal clearance systems, ingress and egress travel roads, ventilation shafts, underground service areas, first response and emergency stations and provide fresh air and return air pathways.

- Gateroads are driven to provide access, ventilation and supporting infrastructure to longwall panels. They are formed with two or three headings and the maingate (access side of the panel) is connected to the tailgate (return side of the panel) via an installation road, which is driven perpendicular to the gateroads.

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- The formation and intersection of Main Headings, Gateroads and Installation Roads provide a perimeter of a rectangular block of coal (Longwall Panel).

- The longwall equipment is installed in the Installation Road and consists of powered roof supports (PRS), Armoured Face Conveyor (AFC), Shearer, and supporting equipment for operational control. The longwall face retreats back towards the main headings using the shearer, which travels back and forth across the width of the panel on the AFC, cutting a slice of coal with each pass, utilising two rotating drums on ranging arms.

- The longwall typically cuts a 1 m pass of coal (web). The shearer may cut in both directions (Bi-Di) or only a single direction (Uni-Di), depending on mining conditions.

- The maingate provides travel access and services to the face (water, air, power, fresh air ventilation). The coal clearance system is installed in one of the maingate headings to transport mined coal from the face and to the surface.

- The tailgate is a restricted access area and provides a pathway for return air and coal seam gases to be removed from the face, to be vented at the surface.

Depending on the coal seam's laterally continuity, longwall panels may be between 150 m and 400 m wide and 1,500 m and 5,000 m long. Typically, in Australia, they may be between 2 m and 5 m high, depending on the thickness of the coal seam. Coal is transferred from development and longwall working faces to the surface by a network of conveyors (coal clearance system). As noted in **Section 9.3.1**, the remaining longwall panels at Kestrel range from 1.3 km to 5.8 km in length and are up to 414 m wide.

The area at the coal face is supported by a series of large hydraulic roof supports (shields). These provide a protective area in which workers can operate safely. As each slice of coal is taken, the longwall equipment (shields and the face conveyor pan-line) is advanced behind the shearer's path. The newly exposed roof and face are thus supported by the shields. This, in turn, enables the unsupported roof behind the shields to collapse into the void (goaf). This process releases mining-induced stresses created by the removal of the coal seam, which is re-stabilised by the artificial counter-pressure provided by the shields.

Longwall mining is generally considered to be the safest underground extraction method for coal. It is also superior to other underground mining methods in terms of resource recovery, as well as being more productive and therefore more cost-effective. It is, however, less favourable where the coal seam is affected by geological structures such as faults, rolls, dykes, sills and plugs, or where there are strong inconsistencies in coal quality, seam gradients or seam thickness. The seam thickness and limited geological structure at Kestrel make it suitable for longwall mining operations.

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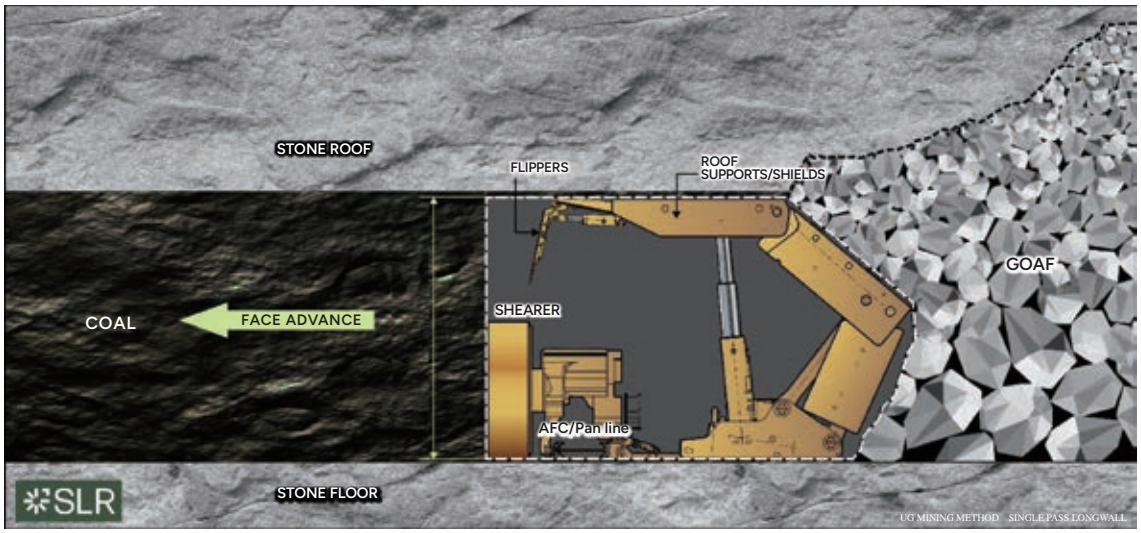
Figure 9-1 shows a graphical representation of a long section through a longwall mining operation.

Figure 9-1 Graphical Representation of Longwall Underground Mining



9.2. Mine Limits

The LOM layout extends across the remaining lease areas with the 500-series panels lying across portions of ML70301 and ML70481, and the 600 and 700 series panels in MDL 182. Minor portions of the 600-series extend into ML70301, and likewise, limited parts of the 700-series extend into ML70481.

The panels in the 500-series are constrained by the external lease boundaries. There are 2 significant fault systems (N4 and Woolshed) that traverse into the 500-series area. The structural discontinuities within these systems cannot be mined through by the longwall and require discontinuous layouts. The panels have been designed around the faults with the opportunity to realign some panels to maximise recovery up to the lease boundaries.

The resource dips from northwest to southeast with the seam subcrop in the northwest of the lease. The longwall is currently in the deepest portion of the mine with operations progressively moving into shallower ground. The 600- and 700-series' panels are constrained in the north and west by a minimum depth of cover of between 80 m and 90 m which has been defined as the limit to safe and reliable operations.

The southern extents of the 700-series panels are constrained by seam thickness which substantially reduces to the west. Panel layouts have been designed to a minimum of 2.55 m to maintain adequate controls over frictional ignition risk and dilution.

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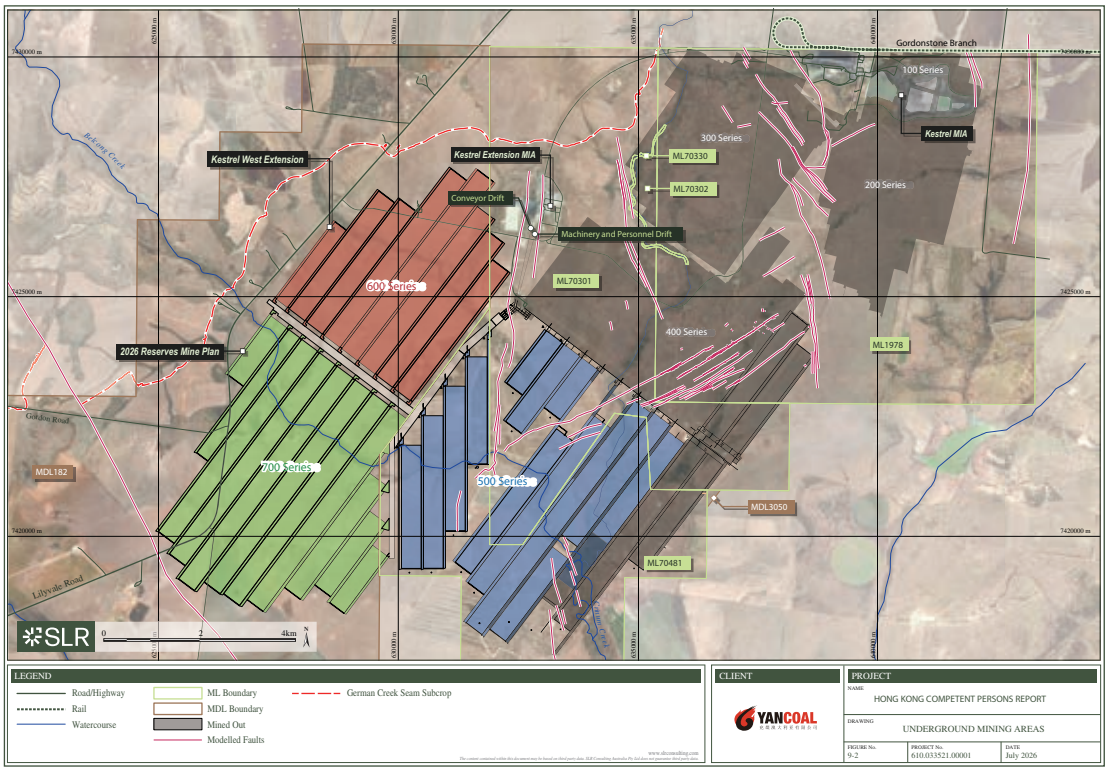
Figure 9-2 Underground Mining Areas



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9.3. Mine Design

Underground development is carried out using conventional development mining equipment. Single-pass bolter miners, also known as continuous miners, are used in development sections, and shuttle cars transport coal to the coal clearance system. The coal extraction method is based on standard Australian continuous miner practices for development, along with retreat longwall practices for production.

Development in Kestrel South and Kestrel West is carried out through a combination of conventional development and super-unit configurations. Conventional development units consist of one continuous miner and up to two shuttle cars in a panel, alternately advancing each roadway and completing a pillar cycle. Super units consist of two continuous miners and two shuttle cars in a panel, with a continuous miner in each roadway to increase the rate of advance of the panels where required. Although the mining plan allows for this process, the current mining schedule provides no bottlenecks that would require super panels to be employed.

Longwall extraction is undertaken using a CAT EL1000 longwall system, applying the Bi-Di method of cutting through the use of a twin ranging arm shearer, cutting a conventional mining section with a 1 m web. Automation technology is being used on the face to ensure face alignment and correct horizons are mined, to support efficient and productive operations.

Long/wide panels with modern longwall equipment, incorporating automation technology, optimise resource recovery and provide the potential for highly productive and reliable operations. Although these dimensions are in line with other highly productive longwall operations, they are within current experience levels with the longest panels up to ~5.8 km (LW504) in length and the widest up to approximately 414 m. The dimensions are largely constrained by the resource's geometry and are unlikely to be increased. Kestrel West is undergoing a Feasibility Study, which may see further optimisation delivered on the current proposed mine design.

Kestrel South operates from deeper to moderate depths of cover. Kestrel West will operate in moderate to shallower depths of cover. Mine designs and planning processes account for mining in differing stress conditions when operating at varying depths and the transitions between horizontal and vertical stresses as the principal stress regime. SLR understands the Company has taken considerations in operating procedures to reduce the effects of stress-related issues. These include the strata support plans and mining horizon control.

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9.3.1.Kestrel South

In Kestrel South, longwall mining extracts coal with the working section (GCWS) ranging from 2.5 m to 3.4 m. The remaining longwall panels will range from 1.3 km to 5.8 km in length and are up to 414 m wide. The panels have been laid out in a southwest to northeast orientation with an extraction sequence that mines the remaining 500-series longwall panels from south to north and retreating each panel up-dip from west to east. The longwall is currently configured as a left-hand wall, and working up-dip allows for water to be drained away from the working face and future workings. The longwall is currently operating in LW502, on the southern side of the Mains. Both development and longwall operations are currently operating to plan, and underground conditions have been generally favourable.

The longwall has been planned to step around (i.e. not mine through) an identified zone significantly influenced by faulting in LW503 panel. Some panels in the 500-series have also been shortened due to the identification of large fault structures (LW505 to LW509). These practises are quite common and undertaken through cost-benefit analysis by weighing up both mining and financial risks and benefits against sterilising an area of coal. Step arounds or shortening panels are implemented within the industry when additional expenses and increased production risk attributed to the resource recovery in poor ground conditions are weighed against estimated revenue loss and significant financial costs expected from additional geotechnical support and lower production rates, in comparison to the requirement for an additional longwall move expense and the apportioned revenue loss from resource sterilisation.

9.3.2.Kestrel West

Mining into the Kestrel West area is currently being planned to extract the coal adjacent to the 500-series that is within the current mining licence (LW510-LW513).

The first longwall panel (LW601) is scheduled to start in 2035 after the completion LW513. Due to changes in coal seam thickness, the mining horizon will vary between 2.8 m and 3.0 m. Longwall panels will range from 1.5 km to 5.5 km in length (average 3.7 km) and will be 414 m wide. The panels in Kestrel West match the orientation of Kestrel South (barring LW510-513, which are oriented north-to-south to optimise resource recovery).

The mine footprint is limited to the east by existing workings and limited to the north and west by a shallow depth of cover. The 700-series is limited in the south primarily by optimal mining physical limitations owing to its currently planned extensive length. Two longwall panels on the western limits are reduced in width to optimise potential resource recovery adjacent to mining limits (LW608 and LW710).

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9.4. Access

The underground access is via portals (2 inclined drifts). These portals service the existing 400-series (mined out) and 500-series (currently being mined) and will also service the planned Kestrel West mining area (600- and 700-series). By using an existing portal, the project has avoided the significant capital cost of developing new drifts from the surface down to the seam. All-weather all-purpose surface roads and coal conveying routes have been established between the mine admin/ portal area and the CHPP to provide mine access for personnel, equipment and materials and to transport coal from the mine.

The portals enter the underground at the western end of the current Main Headings servicing the existing 400- and 500-series longwall panels. Access to these main headings is via a double-entry oriented in a north-northeast direction, parallel to the pit bottoms. The pit bottom area will be the confluence between Kestrel South (current mining area) and Kestrel West (planned area). This will be a key junction for the underground operations for both districts (Kestrel South and Kestrel West), providing the convergence of the coal clearance system prior to being transported to the surface via the drift conveyor, and egress along the main travel road drift.

9.5. Seam Gas

As a hydrocarbon-based resource, coal seams inherently contain gas that may need to be managed during mining to ensure a safe and productive working environment. While there are numerous hydrocarbon gases that can make up the "seam gas", Methane (CH_4) and Carbon Dioxide (CO_2) make up the vast majority of the content. The amount of gas in the seam (gas content) varies due to the specifics of the deposition and coalification processes, as well as subsequent geological activity, which may concentrate or release gas from the seam i.e. shallower seams often have lower gas content due to lower pressure and gas migrating away from the seam. Gas composition is the ratio of CH_4 to CO_2, and the differing impacts of these gases on operations are taken into account when planning.

Gas released from the seam can impact operations, either through an outburst (sudden release of high-pressure gas) or through ongoing release into the working environment, which must remain within strict limits to avoid the risk of ignition or explosion. The mining industry mitigates this risk through drainage via boreholes from the workings or the surface and by dilution from ventilation.

SLR observed that the gas management processes in effect at Kestrel align with typical industry practice. The use of seam gas drainage, coupled with practical ventilation rates, is expected to be sufficient for seam gas management by dilution of the atmosphere.

In situ gas content refers to the gas in the seam prior to drainage or mining activity, which reduces the content. In situ gas content informs operations about the risk of gas outbursts and the work required to reduce gas to levels at which mining can be safely undertaken.

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At Kestrel, gas content peaks at around 9 m^3/t in the south of ML 70481 in the 500-series and reduces to the north and west as the GC seam becomes shallower. The operation is therefore currently mining in the highest-gas-content areas and is expected to progressively mine in lower-gas areas. This is expected to reduce gas drainage activity and, therefore, reduce costs as the mine progresses.

It should be noted that the remaining mining areas within ML 70330 and ML 70481 are relatively well covered by drillholes that have gas results and gas content trends are well defined. MDL 182, however, has 2 holes that contain gas data, both in the 600-series panels. Additional gas holes will need to be drilled and samples taken to provide sufficient information to adequately model gas trends in MDL 182. This is particularly important for the 700-series, which may have more elevated content at the panel inbye ends. The information provided does not lead SLR to consider that gas content is likely to be unmanageable, even in the areas that have yet to be fully defined.

9.6. Ventilation

Ventilation is used to maintain a safe environment in the underground workings through the dilution of gases, removal of dust and particulates, and for heat management. The ventilation arrangements are typical for Australian longwall operations, with multiple roadway main headings and two-heading gateroads to supply fresh air and remove contaminated air. Shafts and the drifts provide a connection to the surface, also for fresh air into the mine and the extraction of return air. The ventilation system adequately supports the requirements of the mining operation.

The longwall is currently working in the deepest of the remaining areas and thus the highest in situ rock temperature. Where underground temperatures exceed acceptable levels, refrigerated air is applied to shafts and boreholes in strategic locations to cool the working environment. The current measures in place are suitable for managing the current deeper mining areas. As the mine progresses west into shallower and cooler ground, less refrigeration is required.

Additional shafts and updates to the ventilation arrangements will be required as the operation relocates into Kestrel West.

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9.7. Frictional Ignition

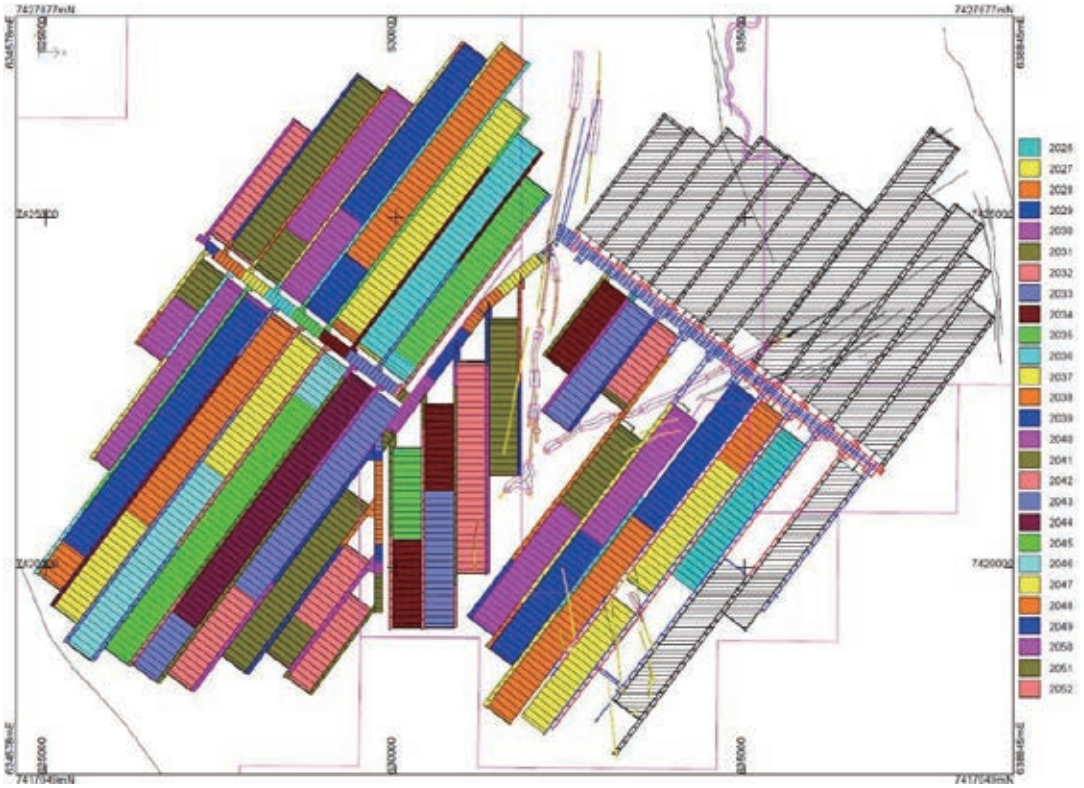
The GC seam at Kestrel has a stone roof that can cause elevated heat when struck by shearer picks, potentially igniting gas layered against the roof, a phenomenon commonly referred to as frictional ignition (FI). Kestrel has experienced frictional ignition events in recent years.

Traditional controls include ensuring picks are frequently replaced (blunt picks can increase friction), cutting below the roof horizon to leave a coal beam, maintaining high ventilation, and applying sprays behind picks to reduce heat at the point of impact. Strict adherence to these measures has reduced the incidence of FI events. Variability within the seam, however, means that it is not always possible to identify the roof location directly ahead of the cutting horizon. The mine is actively investigating and implementing new technologies to continue to reduce the FI risk. This is expected to reduce as the seam increases in thickness towards the west and gas levels decrease.

9.8. Mine Schedule

Mining is planned as sequential longwall extraction across the 500-, 600-, and 700-series panels, supported by continuous miner development of mains roadways and gateroads. Scheduling was undertaken using XPAC software, integrating key constraints including geotechnical conditions, gas drainage requirements, and infrastructure capacity. The overall mining progression and panel sequencing through the LOM are presented in **Figure 9-3** as an LOM period progress plot.

Figure 9-3 LOM Period Progress Plot



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Production scheduling is regulated by development advance, ventilation capacity, and gas management requirements, collectively defining the 'critical path' for longwall panel availability. The schedule assumes a single longwall operation supported by development units, with planned production rates derived from historical operating performance, adjusted to reflect geological and geotechnical conditions, including depth of cover and the application of relevant derating factors.

As typical for longwall operations, the resulting schedule outputs indicate that ROM production is mainly supported by longwall mining, with development coal representing a minor contribution. Variability in annual production is caused by panel sequencing, longwall move (relocation) delays, geotechnical conditions, and applied derating factors within the scheduling model. The average annual production over the mine life is approximately 8.0 Mtpa, supporting a sustained and achievable production profile based on the adopted mine plan.

10. PROCESSING AND BLENDING

Kestrel is a long-term coking coal producer, having commenced construction in 1990, with only a brief cessation in production around 1998. The nature of its export coal quality is well established, and the capabilities of the CHPP facilities have been demonstrated.

10.1. Coal Processing Overview

ROM coal is sourced from a single seam that has a favourable washability and readily washes to a low ash (6% to 9%) at good theoretical yields (75% to 85%). The fine coal also responds well to froth flotation, giving low product ashes.

The original plant has been recently upgraded (April 2023) to include a mid-size circuit. This was to allow a relatively simple capacity upgrade and a small improvement in process efficiency.

The process flowsheet is provided in **Figure 10-1** and shows the circuit consists of:

- Dense medium bath;
- Dense medium cyclones;
- Spirals; and
- Froth flotation.

The flowsheet is appropriate for a relatively fine coking coal, and assessments of the recent upgrade indicate that the required improvements in capacity and yield have been achieved.

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10.2. Coal Handling and Preparation Plant

The ROM coal exits the underground mine at Kestrel South and is conveyed to the main CHPP facilities at Kestrel North. At this location, coal is washed, products stockpiled, and product coal loaded onto trains. The term CHPP includes the raw coal handling system, the coal preparation plant (CPP) and the product coal handling system.

Debottlenecking the CHPP has been a priority since 2018, and the overall system now has a nameplate capacity of 1,500 t/h.

An overview of the coal handling flow is provided in **Figure 10-2**.

10.3. Raw Coal Handling

The ROM coal is transported to the main CHPP facilities via a 3,000 t/h overland conveyor (OLC) belt.

If coal cannot be received at the main plant, it is diverted to a 450 kt working capacity overflow stockpile that is managed by dozers (1,000 kt with push out maximum capacity). Coal is returned to the OLC by dozer push and chain reclaim.

The ROM delivered by the OLC can be directly fed to the CPP or stored in the plant ROM stockpile (~150 kt).

When ROM coal is diverted to the emergency ROM/Overflow stockpile, it becomes degraded by dozer handling, becoming finer. As a result, it has been demonstrated that CPP feed rates have to be reduced to accommodate the finer coal feed. Consequently, the use of emergency stockpiling is minimised.

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Figure 10-1 Process Flowsheet

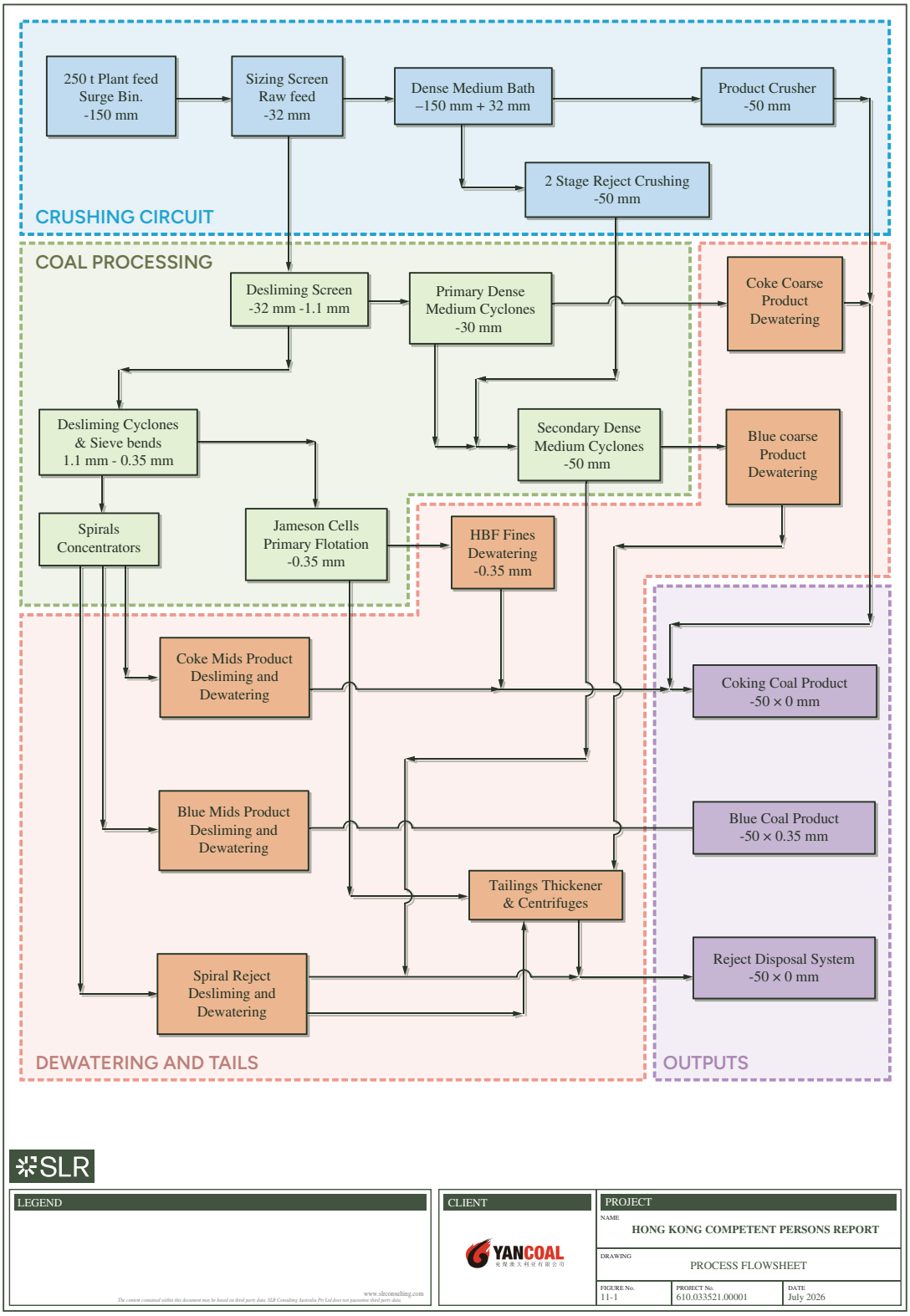

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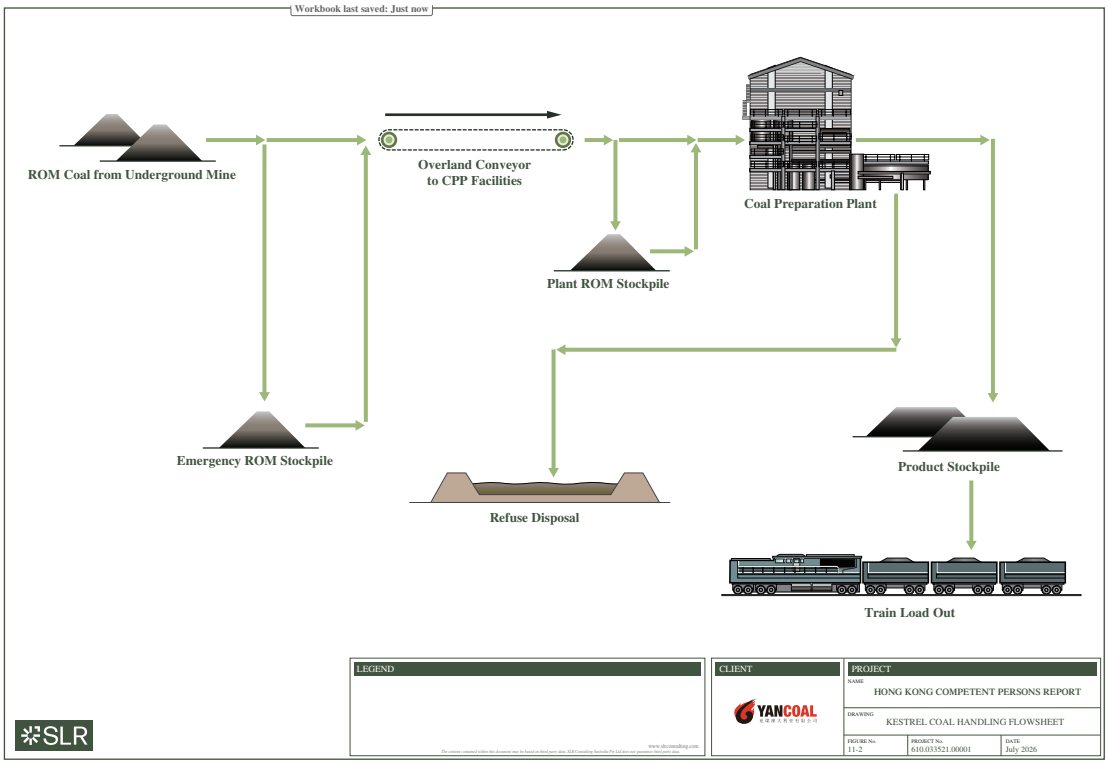
Figure 10-2 Coal Handling Flowsheet



10.4. Coal Preparation Plant

The CPP consists of two identical modules, with the flowsheet given in **Figure 10-1**. The CPP currently produces two product streams – a low ash coking coal and a middlings stream (thermal coal product), which are stockpiled separately.

The feed to the washery is nominally 150 mm in top size. The +32 mm material is treated in dense-medium baths, with the bath reject crushed and fed to the secondary dense-medium cyclones. The -32+1.1 mm size fraction is processed in two stages using dense-medium cyclones. The mid-size (-1.1+0.35 mm) is treated in spirals with a high and low ash product stream, while the fines (-0.35 mm) are processed in Jameson flotation cells. Coarse products are dewatered in centrifuges, and the flotation concentrate is dried on horizontal belt filters.

The April 2023 upgrade delivered a substantial increase in plant throughput, with monthly production rates exceeding 1,400 t/h demonstrated in subsequent periods. Plant audit reports indicated that acceptable efficiencies were being obtained and that the expected yield improvements from the upgrade were being achieved.

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10.5. Product Coal Handling and Blending

The product stockpile has a capacity of 320 kt and utilises a stacker-reclaimer system installed in the early 1990s.

There are two reclaimers, each with a rated capacity of 2,500 t/h, allowing the Train Loadout System (TLO) to have a nominal rating of 5,000 t/h. The TLO facility is a manual system.

Coal products are stockpiled and railed separately to the port where they are either loaded directly onto ships or stored in dedicated stockpiles. Separate stockpiling at the port allows blending during reclaiming and loading to meet customer needs.

10.6. Refuse and Tailings

Tailings and coarse rejects are currently managed within the existing approved rejects disposal area located adjacent to the CHPP. The Company is currently trialling a secondary flocculated-fines deposition strategy as an alternative to the combined dry-stacking of dewatered fine and coarse coal rejects.

The existing rejects disposal area capacity is forecast to be sufficient until approximately 2031, following which additional disposal capacity or an alternative long-term tailings management solution will be required to support continued operations.

As part of ongoing efforts to develop a dry tailings disposal solution, a solid bowl centrifuge plant is in place for the dewatering of fine tailings. However, the system has not yet consistently achieved the target cake moistures consistently and therefore remains subject to further optimisation.

Should approval to expand the reject disposal area be delayed, secondary flocculation trials not fully realised targeted outcomes and centrifuge performance remain below requirement, alternative mechanical filtration technologies and disposal options, including filter press and belt press systems, are also being evaluated as potential future solutions, subject to technical suitability and any required project development approvals.

If these trials are not successful, SLR understands that there are sufficient alternative areas to create a new disposal site using the same methods, with the standard approvals and permits required.

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10.7. CHPP Throughput – Current

Capacity is a function of both system processing rates and operational hours.

The current determinant of overall system capacity is the feed rate and availability of the CPP. Notional throughput is nominated as 1,500 t/h direct feed, and at times 1,600 t/h have been achieved. While some production periods have reached nearly 1,500 t/h, sustained production rates are currently closer to 1,400 t/h.

When the longwall is operating at peak production rates, excess ROM coal is diverted to the emergency stockpile. Coal reclaimed from this stockpile, when CPP capacity is available, is degraded and can only be washed at a lower rate with the potential for some yield loss. Thus, the use of this facility is minimised.

Periods of no coal can impact the operating hours for the system as a whole and the CHPP in particular. When coal has been available, production hours are mostly below the typical industry benchmark target rate of 600 h/month.

SLR notes that these impacts are factored into the LOM plan forecast as presented in this Report.

10.8. CHPP Throughput – Future Requirements

The ROM production schedule is shown in **Figure 11-2**. This shows an average production of 8.0 Mtpa and a maximum of 9 Mtpa.

Based on the current performance of the plant, if only 6,600 h per year of production is available, at a 1,400 t/h feed rate, the total capacity is around 9.2 Mtpa. Thus, the current facility should be more than capable of handling the expected annual throughputs. Future production may well target high ROM production, so realising a higher CHPP throughput presents an opportunity for the operation.

10.9. Coal Yield

Kestrel coal has good processing characteristics, and the process flowsheet is well-suited to meet requirements.

The CPP currently produces two products. The primary product (A Product) is a 6.5% ash HCC, while the secondary (middlings product) is a thermal coal (Blue Product) with an ash of 15% to 16%. Coking coal sales consist of products with a range of specifications, which are formulated at the port by blending the A and Blue coal types. Thus, the yield of saleable products is different to washery product yields because there are appreciable quantities of coking coal sold at ashes higher than 6.5%.

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Within the planning process, the following product streams are identified:

- Primary Product which is low ash HCC, produced until 2042;
- From 2042 onwards, the Primary product becomes an 8.5% to 9.0% ash SSCC product in line with changes in coal quality for the 700-series panels; and
- Secondary Product, which is a thermal coal.

The projected production of these coal types is provided in **Figure 11-3**.

Since the plant upgrade, consistent yields have been achieved, except when ROM quality has deteriorated due to faulting or soft floor. Average monthly yields in 2025 ranged from 71% to 76%.

The mine planning process included estimating product yield based on underlying washability and plant simulations. The former practice of yield estimation being based directly on these parameters has been reconsidered with an empirical method combining the parameters with demonstrated CHPP yield resulting in regressions whereby the yield is derived from ash data. This is due to the discrepancy between theoretical yield developed from laboratory data and the actual yield from the CHPP. Improved regressions have been calculated for the 500-, 600- and 700-series panels to accommodate changing coal quality. The resulting yields are applied to determine product tonnages within the XPAC-based reserving model, which integrates mining, processing, and scheduling parameters. For the period to 2042 (end of 600-series), total yield averages 76.1%. From the start of the 700-series, coal product changes from a hard coking to semi soft coking coal product with yields averaging 72.6% to the end of life of mine.

In the longer term, it is anticipated that an upgraded washability data set and refinement of the yield estimation methodology will be established for the 600- and 700-series panels, which reflects the classification applied.

10.10. Coal Products

Modelling and mine planning indicate that the primary product quality parameters degrade steadily as operations move to the 600-series (2035) and then the 700-series (2042). Product transitions from HCC to a SSCC when the CSN values fall below 6. The modelled changes in product quality are reflected in the export products in the LOM plan.

When production commences in the 700-series panels, product ash increases from 6.5% to up to 9.0% to maintain yield as ROM quality diminishes. This means that there will be little or no secondary product in most years. It is at this point that CSN is expected to fall to 6 and lower.

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Data on coal washability and product coking specifications is limited in the 700-series longwall panels, this reduces certainty around coal yield and the nature of the export product. Thus, there is a need to carry out further exploration to improve confidence of the coal quality information.

Employing the methodology proposed by Kestrel, the products have been translated into broad classes of exports, as shown in **Table 2-1**. Up until 2041, between 4.4 to 6.0 Mtpa of HCC is produced and around 0.9 Mtpa of thermal coal. After 2042, and until ROM production begins to tail off in 2050, there are 5.6 to 6.6 Mtpa of SSCC exports projected, with minor amounts of thermal coal in some years.

11. LIFE OF MINE PLAN

The Operation is currently conducting longwall mining operations in the 500-series panels of the Kestrel South area. Development work to support the 500 series panels is ongoing and planned to be completed in 2033; with the final longwall operations (LW513) scheduled to be completed in 2035.

As outlined in **Table 11-1**, development activity for the Kestrel West area is planned to commence in 2031 with longwall operations forecast to commence in LW601 panel in 2035, following the completion of longwall operations at Kestrel South. Operations at Kestrel West are scheduled to continue through to 2052, with planned final site rehabilitation activity to occur towards the end of the mine life.

The longwall is currently mining in LW502 panel in the Kestrel South area with development operations in MG504 and establishing main headings through fault structures near the pit bottom. As shown in **Figure 9-3**, longwall panels are sequentially mined through the 500-series to the 600-series and finally 700-series. **Table 11-1** details the operational outcomes of the life of mine plan, with development shown in **Figure 11-1**, ROM production in **Figure 11-2**, and product by type in **Figure 11-3**.

Total development output averages 20 km/year through to 2032 to establish access for the main headings through the centre of Kestrel West. Development output reduces towards the end of the mine life as the number of units is reduced in line with operational requirements. Development operations continue through to 2051 and conclude a year ahead of longwall operations which finish in 2052.

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ROM production is maintained in excess of 8 Mtpa through to 2030 as the longwall mines through the long, productive panels south of the faults. The length of the panels contributes to longwall continuity and inherent conditions become more favourable with reducing stress and gas, as operations progress into shallower ground. ROM production drops to generally below 7 Mtpa between 2031 and 2034 as the longwall extracts the shorter panels in the faulted area of the latter 500-series.

Output increases once more to over 8 Mtpa as the longwall extracts the 600-series panels. These panels are long enough to support highly productive operations and in low gas and low temperature areas. Production may be affected by soft floor in the north and the last panel which is shorter and narrower but this impact is insufficient to substantially affect the overall output trend.

The 700-series panels are considered to be favourable in terms of design and inherent characteristics and this is shown in the production rate. The shorter panels at either end of the series are mined at the end of the schedule and are likely to be less productive.

As shown in **Figure 11-3** and **Table 11-1**, hard coking product forms around 85% of the product over the first 10 years with thermal product accounting for the remaining 15%. Thermal contribution to the product blend is 11% over the LOM due to a change in product strategy in response to changing coal characteristics in the 700-series panels.

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Table 11-1 Life of Mine Production Plan

Operation	Parameter	Units	2026 H2	2027	2028	2029	2030	2031	2032	2033	2034	2035	Avg 2036-40	Avg 2041-45	Avg 2046-52	Total LOM
Kestrel South	Mining															
	UG Development	km	7.3	21.6	21.0	20.0	21.5	17.7	12.3	0.5	–	–	–	–	–	**122**
	Total ROM Coal	Mt	4.6	8.5	8.3	8.5	8.2	6.8	7.5	6.6	6.4	2.2	–	–	–	**68**
Kestrel West	Mining															
	UG Development	km	–	–	–	–	–	0.8	7.8	12.4	16.2	15.0	15.3	14.9	6.6	**249**
	Total ROM Coal	Mt	–	–	–	–	–	0.0	0.2	0.3	0.4	6.7	8.6	7.9	7.3	**142**
Combined	**Mining**															
	UG Development	km	7.3	21.6	21.0	20.0	21.5	18.5	20.1	12.9	16.2	15.0	15.3	14.9	6.6	**371**
	Total ROM Coal	Mt	4.6	8.5	8.3	8.5	8.2	6.9	7.7	6.9	6.8	8.9	8.6	7.9	7.3	**209**
	CHPP															
	ROM Feed	Mt	4.7	8.3	8.3	8.5	8.2	6.9	7.7	6.9	6.8	8.9	8.6	7.9	7.3	**209**
	Saleable Production	Mt	3.4	6.3	6.5	6.7	6.5	5.3	6.0	5.6	5.5	6.9	6.4	5.8	5.3	**156**
	Plant Yield	%	74%	76%	78%	78%	79%	78%	78%	80%	80%	78%	74%	73%	72%	**75%**
	Coal Sales															
	Hard Coking Coal	Mt	2.8	5.9	5.5	5.6	5.5	4.4	5.0	4.7	4.6	5.7	5.2	1.3	–	**82**
	Semi Soft Coking	Mt	–	–	–	–	–	–	–	–	–	–	–	4.2	5.3	**58**
	Thermal	Mt	0.3	0.4	1.0	1.1	1.0	0.9	1.0	0.9	0.9	1.2	1.2	0.3	0.0	**17**

Source: JT Boyd

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Figure 11-1 LOM Development by Area

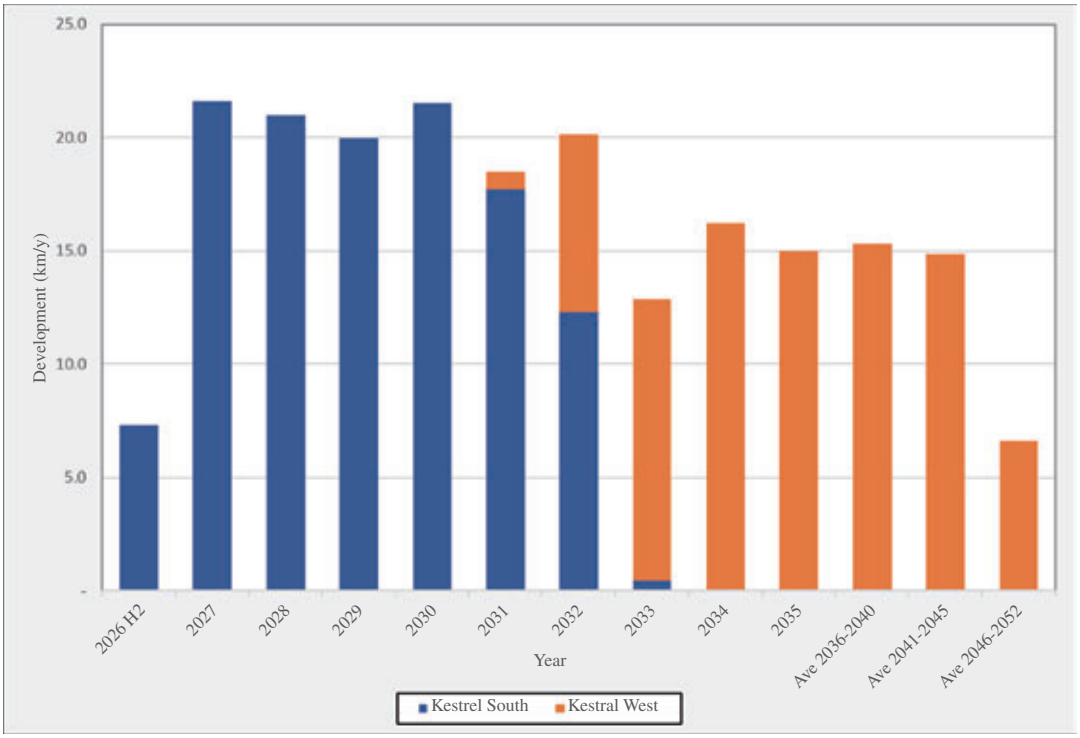

Figure 11-2 LOM ROM Coal Tonnes by Area

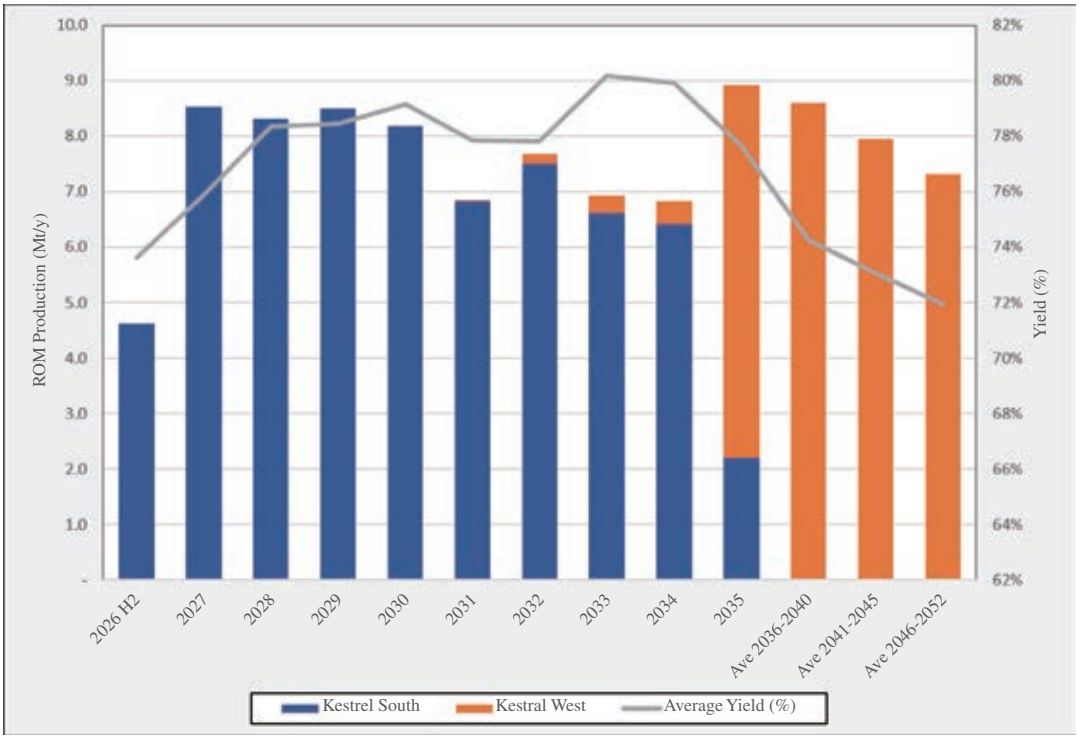

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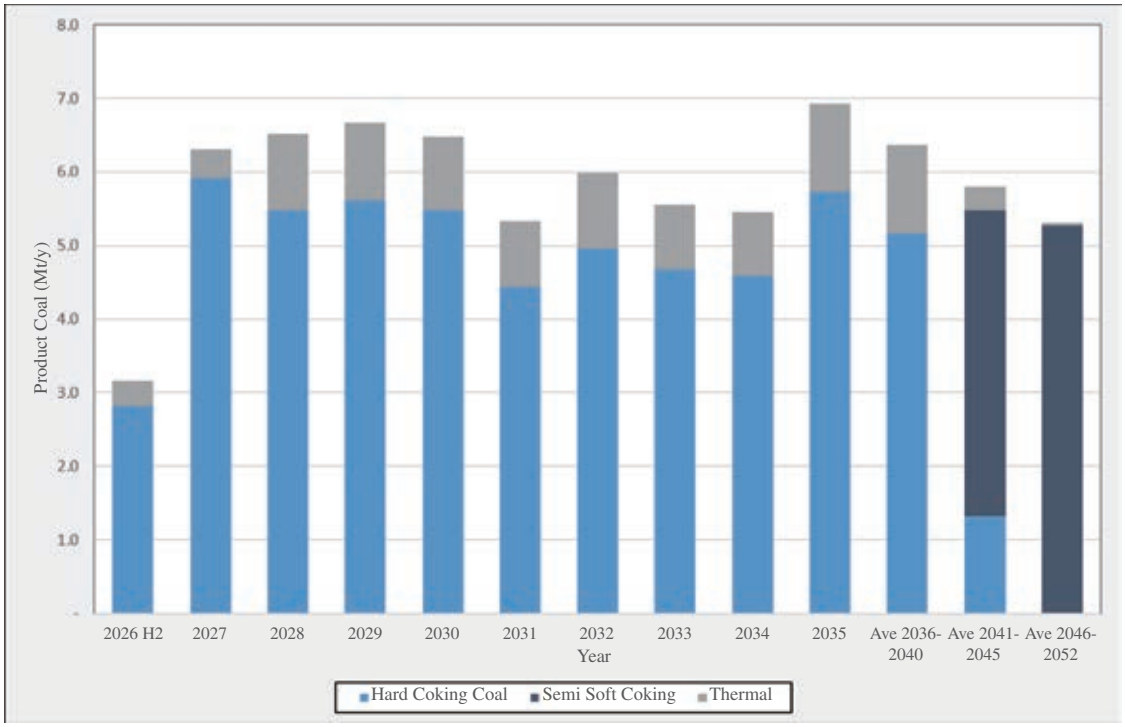
Figure 11-3 LOM Coal Product by Type



12. RAILWAY AND PORT INFRASTRUCTURE

The mines in the Bowen Basin are connected to the ports by four separate rail networks: Moura, Blackwater, Goonyella and Newlands, which collectively are referred to as the Central Queensland Coal Network (CQCN) (**Figure 12-1**). The total network comprises 2,670 km of rail track and has a capacity of approximately 360 Mtpa.

Kestrel's product coal is railed 367 km via the Blackwater System to the Port of Gladstone via a dedicated onsite rail loop.

SLR considers the existing rail haulage, below-rail access and port arrangements to be suitable for the forecast LOM production schedule, subject to standard ongoing management of the port and rail arrangements. The contracted RG Tanna Coal Terminal (RGTCT) capacity, including dedicated stockpile capacity, provides adequate export capability and supports product segregation and blending requirements. The key infrastructure is summarised below.

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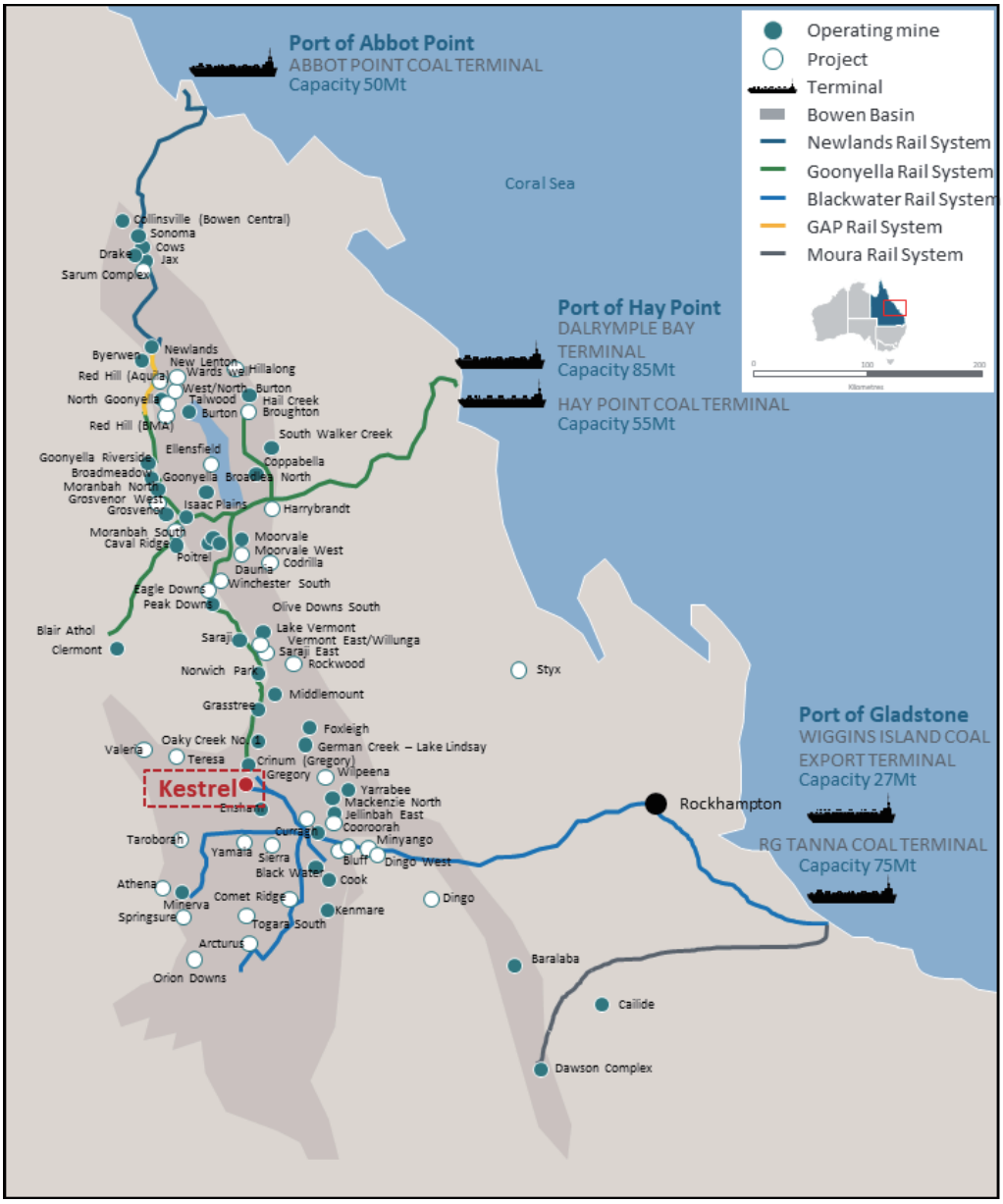
Figure 12-1 Queensland Rail Networks and Ports



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12.1. Rail Facilities

Below Rail Access

The below-rail infrastructure is owned and managed by Aurizon Network which is governed by 99-year lease arrangements with the State of Queensland. Access to the below-rail network is managed under the established Queensland access framework, including regulatory oversight by the Queensland Competition Authority.

Above Rail Haulage

There are currently five above-rail operators available to provide product haulage services. Kestrel currently holds contracts with Pacific National, which contracts the required below-rail capacity through its above-rail arrangements.

The above and below rail contracts are renewed/extended periodically in line with commercial arrangements and processes consistent with standard industry practices.

12.2. Port Facilities

The Bowen Basin is serviced by five coal terminals across three ports. Kestrel has a contract with RGTCT located in the Port of Gladstone. While the current logistics pathway is through RGTCT, the regional rail network provides broader logistics optionality, including potential access to other Queensland coal terminals if required. The location of Kestrel relative to the Queensland coal rail networks and export ports is shown in **Figure 12-1**.

The terminal is operated by the Gladstone Ports Corporation, which is a Queensland Government-owned corporation. The RGTCT is an established deep-water export port with a nameplate capacity of 74 Mtpa and is a major coal export hub for central Queensland export coal producers.

The facilities at the site include four berths, three ship loaders, three train unloading stations and coal stockyards with a live capacity of 5.8 Mt in up to 22 separate stockpiles. Kestrel has contracted access for dedicated stockpile capacity at RGTCT to facilitate product coal storage and blending arrangements prior to shipment.

12.3. Port Contracts

Kestrel has contracted port capacity at RGTCT to support the export of forecast saleable coal production. The contracted arrangements include dedicated stockpile capacity to support product segregation and blending at the port and is sufficient to support the forecast saleable coal tonnages over the LOM period, subject to normal contractual renewal arrangements within the industry.

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The port arrangements are consistent with current operating practice; whereby primary and secondary products are railed from the mine to the Port of Gladstone and managed through the RGTCT stockyard and ship loading system. The port-side stockpile and blending arrangements provide flexibility to manage product quality to meet customer specifications.

13. SITE INFRASTRUCTURE

13.1. Transportation Facilities

The site access roads and internal mine roads are established and maintained to support ongoing operations, workforce access, contractor access, deliveries, heavy-vehicle movements and emergency response requirements.

ROM coal is transported from underground workings to the surface via the drift conveyor. From the surface, coal is either directed to the Kestrel South ROM stockpile area or transferred via the overland conveyor to the CHPP at Kestrel North.

The coal clearance system includes underground conveyors, surface surge and bypass arrangements, stockpile and reclaim systems, overland conveyor feeders and associated materials handling infrastructure. Future conveyor upgrades are included in the LOM capital plan, including trunk and gateroad conveyor works to support the re-oriented 500-series panels (LW510-LW513) and the Kestrel West mining areas.

The site includes a dedicated rail loop, connected to the Aurizon rail network on the Blackwater system.

13.2. Buildings and Yards

The mine infrastructure areas are situated at Kestrel North and Kestrel South as shown in **Figure 13-1** and **Figure 13-2** respectively. Kestrel South contains the main offices and mine workshops, while Kestrel North houses the CHPP offices and workshop facilities. Supporting infrastructure includes go lines, shift facilities, administration buildings, bathhouse facilities, stores, laydown areas, workshops, maintenance facilities, and zones designated for materials handling and operational support.

The site buildings, workshops, and yards are established and suitable for current operating needs. The Kestrel North facilities remain operational; although older, they have been maintained to support ongoing activities.

SLR considers the buildings and yards to be adequate for the forecast LOM production schedule, with ongoing sustaining capital included to maintain fit-for-purpose condition and support future operational requirements.

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13.3. Water Supply and Storage

Water is supplied by SunWater from the Fairbairn Dam system via a Sojitz-owned pipeline with an approved water allocation of approximately 1,300 ML per annum, with raw water stored on-site in dedicated storage dams.

The site water management system separates clean water from mine-affected water. Mine-affected water is captured and managed through the site dam network, including raw water dams, the Rejects Return Water Dam, Holding Dam and Environmental Dam. These storages support mine water management, CHPP operations, underground water supply, sediment control and environmental compliance. An on-site Reverse Osmosis plant is operated to provide water supply to the underground operations. A water treatment system is used to provide potable water supply for the operations.

SLR considers the existing water supply, storage and site distribution infrastructure to be adequate for the forecast production schedule, subject to continued operation and monitoring in accordance with the site water management plan, permit conditions and Environmental Authority requirements.

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Figure 13-1 Kestrel North Infrastructure Layout



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Figure 13-2 Kestrel South Infrastructure Layout



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13.4. Power Supply

Power is supplied by Ergon Energy from the Lilyvale substation with site distribution infrastructure currently supporting the mine, CHPP, ventilation, water management, workshops, offices and supporting facilities. Some minor surface infrastructure and emergency backup power systems are supported by diesel-powered generation.

Kestrel in collaboration with a third party are currently developing an on-site Coal Mine Waste Gas (CMWG) power station to provide a portion of the site's power demand and reduce reliance on grid electricity. It is planned to be commissioned in 2027.

SLR considers the power supply and distribution arrangements to be adequate for the LOM schedule, supported by the planned CMWG power station and associated planned site reticulation upgrades.

13.5. Internal Services

Internal services include coal clearance infrastructure, CHPP feed and reclaim systems, tailings and rejects handling, ventilation services, coal seam gas drainage, mine water management, fire/raw water, compressed air, emulsion, nitrogen, communications, control systems, workshops, stores and other operational support services.

Tailings are deposited in the Dry Stack Disposal area, commissioned in 2020, however the Operation is currently trialling a secondary flocculated-fines deposition strategy as an alternative to the combined dry-stacking of dewatered fine and coarse coal rejects. Existing wet disposal capacity is sufficient to support the current 500-series mining areas until 2031, with further capacity expansion planned as part of the approvals process to accommodate future operations. As per **Section 10.6**, should approval to expand the reject disposal area be delayed, secondary flocculation trials not fully realised targeted outcomes and centrifuge performance remain below requirements, alternative solutions may be required. Mechanical filtration technologies and disposal options, including filter press and belt press systems, may be evaluated as potential future solutions, subject to technical suitability and any required project development approvals.

Infrastructure to support ventilation and cooling of the underground workings is in place and operational. Future requirements, including shafts and supporting infrastructure, are included in the LOM capital plan to support the transition of operations to Kestrel West.

SLR considers the internal services infrastructure to be adequate for the forecast LOM production schedule subject to resolving tailings disposal methods or new area approval, with planned sustaining and growth capital included to maintain service capacity over the mine life.

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13.6. Personnel

Kestrel is supported by an established workforce and management team. The workforce is predominantly based locally, with personnel residing in local accommodation and housing, including third-party camps and regional housing. Approximately half of the workforce is based in Emerald, which provides regional accommodation, services and support for the operation. Workforce accommodation is supported by established regional centres and third-party camp arrangements, and no material personnel infrastructure constraints have been identified. Kestrel will also resource head office support services through the broader Yancoal organisation with centralised technical and business support functions as necessary.

The existing personnel infrastructure is considered adequate for current operations and the forecast production schedule.

14. LIFE OF MINE OPERATING AND CAPITAL COSTS

The Capital and Operating costs outlined below reflect the LOM Production Schedule, which is summarised in **Section 9.8**. The schedule contains no Inferred Resources and therefore no adjustments are required.

All costs are assumed to be Australian Dollars unless denoted otherwise.

14.1. Operating Costs

Operating costs for the Assets are reported as Free on Rail (FOR or Onsite Costs) and Free on Board (FOB or FOR plus off-site costs) cash costs. These cost centres incorporate the following costs:

FOR or Onsite costs: include all costs to produce the product from mining to either of the rail loading facilities, and incorporate the following:

- Underground Costs: This includes the development drivage, longwall operations, coal clearance, ventilation, gas drainage, energy and mining overhead costs;
- CHPP: All costs associated with washing of the coal and transport to the rail loading facilities; and
- Site Administration (G & A costs): This includes technical services and administration labour costs plus site carbon abatement costs.

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FOB costs: includes all costs to transport the coal products to the Port and loading onto ships for transfer to customers. These costs include the following:

- Rail: Costs associated with third-party rail freight from the rail loading facility to the port terminal; and

- Port: Costs associated with the transfer of coal product from rail freight to ships via the coal handling terminal at the Port of Gladstone.

Other costs: These include levies, corporate management, and demurrage at the port.

14.1.1.Historical Costs

The historical costs, as shown in **Table 14-1**, shows an increase in unit costs in 2024, which is driven by reduced production rather than an increase in total costs. The period between 2023 and 2025 represents more challenging operating conditions as the mine extended into deeper, gassier ground with additional constraints around soft floor and a thinner seam. These conditions contributed to lower productivity, yield or higher cost, resulting in elevated on-site FOR unit costs.

Table 14-1 Historical Average Operating Costs

Cost Centre	Units	2023	2024	2025
On-site FOR Costs	$/t Product	117	141	116
Off-site Costs	$/t Product	33	36	35
Total FOB (ex-Royalty)	**$/t Product**	**150**	**177**	**151**

Source: The Company

SLR makes the following comments in relation to the historical costs for the Operation:

- During 2023, mining conditions were sub-optimal in the 400-series longwall panels. The primary issue was floor heave due to a soft floor which resulted in an increase in the mining dilution. This increased mining dilution, increased CHPP costs, lowered the CHPP yield and hence total product;

- The operating conditions during 2024 were the most challenging of the Operation's history. This was due to the longwall panels being extracted from the deepest point of the mine combined with the highest seam gas content, water issues and a decreasing working section thickness. The management of these issues resulted in an increase in operating cost coupled with a decrease in ROM coal and total product; and

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- A frictional ignition event occurred in December 2024. The management of this event into 2025 required a significant increase in costs including gas drainage, operations management and site overheads costs.

14.1.2.Forecast Operating Costs

Estimated LOM average operating costs are summarised in **Table 14-2** and the LOM yearly operating costs are summarised in **Table 14-3**. SLR notes that the unit costs presented in **Table 14-1** and **Table 14-2**, while sourced from information provided by the Company, were adjusted where considered appropriate to reflect SLR's independent review and Coal Reserve schedule presented in this Report.

Table 14-2 Average Life of Mine Operating Cost Summary (2026 H2-2052)

Cost Centre	Units	LOM Average Cost
Onsite Costs		
Underground Mining	$/t ROM Coal	33.61
Site Admin	$/t ROM Coal	13.93
CHPP	$/t ROM Coal	11.34
Total FOR	$/t ROM Coal	58.88
	$/t Product	78.76
Off-site Costs		
Rail and Port	$/t Product	30.67
Other Costs	$/t Product	2.58
Total FOB (excl Royalties)	**$/t Product**	**112.0**

Operating conditions are anticipated to improve as the mine progresses up dip in the 500-series longwall panels and then later to the 600- and 700-series panels. Mine operating costs are forecast to decrease over the forecast period as a result of the improved mine operating conditions, including shallower depth of cover and lower stress, reducing seam gas and longer longwall blocks.

Queensland Government royalties are applied under a progressive ad-valorem regime (7% to 40%) based on realised coal prices and are calculated on all saleable production.

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14.2. Capital Costs

Capital costs for the project are separated into the following Cost Centres

Growth Capital: Includes capital required for the ongoing extension of the operation into new areas and includes surface infrastructure, underground infrastructure and shafts for both the existing Kestrel South and the planned Kestrel West mining areas.

Sustaining Capital: Includes capital required to replace or renew capital equipment and infrastructure including:

- Longwall mining equipment such as chain conveyors, roof support, shearers and associated support equipment,
- Development equipment such as continuous miners, shuttle cars, feeders and auxiliary fans,
- Other underground mining and support equipment such as coal clearance conveyors and gas drainage equipment,
- Coal handling and preparation plant facilities, and
- Other minor capital projects to sustain the operational capability of the site.

Development Capital: Capital required to develop underground workings ahead of longwall mining including main heading roadways and associated ventilation, dewatering and support infrastructure

Closure: Capital required to rehabilitate the site upon closure of the Asset, including surface, CHPP areas and co-disposal facilities.

14.2.1. Growth Capital Expenditure

Within the current life of mine plan, growth capital of $22 M for the period 2028-2029 includes requirements to support the Kestrel South mining advancement, including:

- **Underground support services and materials handling infrastructure –** Small scale shafts, boreholes and underground conveyors supporting mine advancement;

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From 2030 onwards, all growth capital to a total of $641 M relates to the development and advancement of the Kestrel West mining area and includes:

- **Underground access and material handling infrastructure –** Shafts, boreholes and underground trunk and gate conveyors supporting mine access, coal clearance system, and production development and advancement;

- **Power, services and utilities infrastructure –** Surface power reticulation, underground electrics, underground services, and surface piping and pumping required to distribute power, water, communications, and mine services in support of mine advancement; and

- **Surface infrastructure and enabling works –** Civil works and surface infrastructure establishing the operational footprint and supporting facilities required for mine development and ongoing operations.

14.2.2.Sustaining Capital Expenditure

A total of $2,372 M sustaining capital is forecast over the remainder of the operational life for Kestrel South and Kestrel West operations. The operation requires continued replacement and renewal of underground mining equipment, surface infrastructure, CHPP and other minor sustaining capital expenditure to maintain the required production performance and processing yield of the operation over the life of mine. SLR considers the forecast reasonable to support the Coal Reserve mine life.

14.2.3.Development Capital

A total of $468 M of development costs over the life of mine are forecast to develop underground workings ahead of longwall mining across both the Kestrel South and Kestrel West mining areas. The capital costs include the development of main heading roadways and associated ventilation, dewatering and support infrastructure prior to the commencement of longwall mining in the various panels across the life of mine. SLR considers the forecast development capital costs reasonable to support the Coal Reserve mine life.

14.2.4.Closure Capital

As detailed in **Section 15**, closure plans have been established for both operations along with estimated closure costs. Progressive rehabilitation activities occur throughout the mine life, with increased expenditure occurring towards the end of the mine life as closure activity and final rehabilitation activities are completed following completion of mining in 2052. The closure costs are shown in **Table 14-4** for reference. SLR considers the rehabilitation and closure costs reasonable to support the Coal Reserve mine life.

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Table 14-3 LOM Annual Operating Costs

Operation	Parameter	Units	2026 H2	2027	2028	2029	2030	2031	2032	2033	2034	2035	Avg 2036-2040	Avg 2041-2045	Avg 2046-2052	Total LOM
Kestrel	Development	$M	41.0	79.5	78.0	78.4	78.0	71.1	70.0	71.5	77.0	71.5	74.4	58.5	31.6	1,602
(Combined)	Mining	$M	140.7	272.5	264.8	263.1	251.2	216.8	220.0	211.5	212.5	235.9	222.8	220.3	198.6	5,895
	CHPP	$M	54.3	105.2	100.3	103.4	90.5	90.7	86.9	85.9	86.1	88.8	89.6	90.0	83.3	2,374
	Overheads	$M	103.0	199.5	142.2	145.0	134.8	114.7	114.2	112.7	109.2	108.9	98.6	100.3	90.9	2,915
	Capitalised Dev	$M	-21.3	-41.2	-24.6	-23.4	-25.2	-21.7	-23.6	-15.0	-19.0	-17.5	-17.9	-17.4	-7.7	-463
	FOR	**$M**	**317.7**	**615.5**	**560.8**	**566.5**	**529.3**	**471.7**	**467.6**	**466.6**	**465.8**	**487.5**	**467.5**	**451.7**	**396.7**	**12,322**
		$/t Prod	**92.1**	**97.6**	**86.1**	**84.9**	**81.7**	**88.4**	**78.2**	**84.0**	**85.3**	**70.4**	**73.3**	**77.8**	**75.3**	**78.8**
	Logistics	$M	95.4	189.3	195.7	195.1	192.3	185.2	187.4	188.6	187.6	193.4	188.0	187.7	158.6	4,799
	Other Costs	$M	8.5	16.9	17.3	17.7	17.4	14.2	16.1	15.3	15.1	19.1	17.7	14.3	12.4	404
Total	**FOB**	**$M**	**421.6**	**821.7**	**773.7**	**779.3**	**739.1**	**671.1**	**671.1**	**670.5**	**668.5**	**700.0**	**673.2**	**653.7**	**567.7**	**17,525**
		$/t Prod	**122.2**	**130.3**	**118.8**	**116.8**	**114.1**	**125.8**	**112.2**	**120.8**	**122.5**	**101.1**	**105.5**	**112.6**	**107.8**	**112.0**

Table 14-4 LOM Annual Capital Costs

Operation	Parameter	Units	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Avg 2036-2040	Avg 2041-2045	Avg 2046-2052	Total LOM
Kestrel	Growth	$M	0.0	0.0	7.7	14.3	106.7	150.7	3.3	29.7	3.3	8.3	38.3	29.2	0.3	663
(Combined)	Sustaining	$M	87.6*	186.3*	105.9	88.4	96.2	123.5	100.9	86.4	160.3	73.7	104.8	85.2	44.8	2,372
	Development	$M	21.1	45.8	24.6	23.4	25.2	21.7	23.6	15.0	19.0	17.5	17.9	17.4	7.7	468
	Rehab / Closure	$M	1.5	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	22.3	216
	Total	**$M**	**110.2**	**235.2**	**141.2**	**129.1**	**231.1**	**298.9**	**130.8**	**134.2**	**185.6**	**102.6**	**164.0**	**134.9**	**75.8**	**3,719**

* Kestrel Budget in 2026 and 2027 includes both Growth and Sustaining capital.

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15. OVERVIEW OF PERMITTING, ENVIRONMENTAL IMPACT AND SOCIAL & COMMUNITY IMPACT

15.1. EHS and Social Context and Summary

15.1.1. Environmental and Social Context

The regional surrounding area is predominantly rural, supporting agriculture and coal mining. Key sensitive receptors include waterways, potential groundwater dependent ecosystems, landholders, local communities, Traditional Owners and conservation of significant vegetation. Potential impacts on these receptors are discussed in the following sections.

15.1.2. Stakeholder and Community Engagement

The Company engages with local stakeholders through consultation, community forums and formal stakeholder engagement processes. These processes, including a Stakeholder Engagement Plan, provide opportunities to share information, address concerns and obtain feedback on environmental management, rehabilitation and closure planning. Community feedback and complaints are managed through a consultation register and stakeholder management process in accordance with Environmental Authority requirements.

15.2. Land Tenure and Approvals

15.2.1. Existing Tenure and Approvals

No material risks are anticipated with respect to compliance with tenure and approval requirements.

The Operation consists of five MLs and two MDLs issued by the Department of Resources. The list of mining tenements held by the Company is provided in **Table 3-1** and shown graphically in **Figure 3-1**. All mining tenements have been granted and are valid.

MLs are authorised for coal mining, and MDLs are authorised for coal exploration and studies to assess the development potential of the coal resource. There are no overlapping tenure holders as of the date of the preparation of the report.

MDL 182 is due to expire on 30 November 2026, and MDL 3050 is due to expire on 30 June 2027. The MDL 182 renewal application was lodged and is being assessed by the Department of Resources. SLR has verbally confirmed with the Company that the application is progressing and that no request for information was required. Based on information provided by the Company, SLR, does not anticipate any material impediment to the successful granting of the MDL.

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Conversion of MDL 182 to a Mining Lease is required to be approved by 2030 to access the Coal Reserves as forecast in the LOM plan. SLR understands the application for a ML is underway, with the required application documents planned to be submitted in Q3 2026. It is expected that the ML assessment process can take up to three years; however, while there are regulatory risks, SLR does not foresee any material impediment to the successful granting of the ML.

The Company is understood to hold the majority of land parcels within the existing mining tenements. Kestrel has verbally confirmed that compensation agreements are in place for any lots and plans not owned by Kestrel and for potential subsidence impacts on third-party infrastructure, such as the Lilyvale Road or Ergon Powerline. Although not reviewed and independently verified, compensation agreements are typically required before granting mining tenements, therefore, it is reasonable to expect that such agreements have been executed.

With regards to Kestrel West, the Company is the owner of all but four Lots on the proposed ML that is to cover part of the MDL 182 area, being Lot 7 on RP613596, Lot 2 on SP197536, Lot 11 on RP864580 and Lot 12 on RP864580. Compensation discussions with landholders are ongoing to secure access for long-term mining. The Kestrel West project will be progressed through three staged mining lease applications, with agreements aligned to each stage. SLR was advised by the Company that one agreement is complete; negotiations continue with the remaining three landholders. Based on the information received from the Company the staged approach to the mining lease applications is expected to provide sufficient time to progress negotiations and resolve any disputes prior to the grant of the relevant mining lease.

SLR has not completed a comprehensive review of land acquisition, land compensation, statutory or legal verification of the Mining License status. SLR has made reasonable enquiries and exercised professional judgement on all information provided and found no reason to doubt the accuracy or reliability of the information or data that it was supplied.

15.2.2.Key Approvals

Approvals are considered to be in good standing to support the continued operation for the foreseeable future. No material risks are anticipated as a result of compliance with approval requirements.

The Company holds three primary EAs issued by DETSI under the *Environmental Protection Act 1994* (Qld) that regulate the environmental impacts of its mining operations. In addition, a separate EA issued by DETSI authorises electricity generation from gas at a capacity of up to 30 MW for the Kestrel Coal Mine Waste Gas Power Station on Lot 11 SP178401. **Table 15-1** lists all EAs.

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Table 15-1 EA Summary

Environmental Authority	Take effect date	Project Location	Holder(s)
EPML00693413	21-Nov-25	ML 1978, ML 70330, ML 70301, ML 70302 and ML 70481	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited
EPSX00035513	18-Feb-19	MDL 182	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited
P-EA-100207898	29-Jun-22	MDL 3050	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited
P-EA-100738699	18-Mar-26	11/SP178401	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited

While the EAs do not limit production or processing volumes, some of them impose location and disturbance area constraints on certain activities. No material impacts resulting from compliance with EA requirements have been identified to execute the proposed mine plan. There are no offset requirements under the current EAs.

Other key environmental approvals held by the Company for the existing mining activities include:

- Regional Interests Development Approval (RIDA) (RPI16/002) under the *Regional Planning Interests Act 2014* (Qld) to authorise impacts to strategic cropping land within ML70481. An amendment to RPI16/002 was approved on 19 February 2026, extending the timeframe for mitigation payments from 24 months to 36 months to accommodate a future amendment to revise the mine layout. The Company informed SLR of the strategy for the proposed amendment and SLR considers that it does not pose a material risk. The amendment application is yet to be submitted.

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- A number of water authorisations under the *Water Act 2000* (Qld) issued by the now called Queensland Department of Local Government, Water and Volunteers (DLGWV). These licences include associated water licence to authorise the take of water for the purpose of dewatering on ML70481, water licences to allow interference with water (e.g. for creek diversions), water licences for the take of underground water for the purpose of mining or irrigation or other purposes. All those water licences expire on 30 June 2111 with associated water licence expiring in 2034 (**Table 15-2**).

- Progressive Rehabilitation and Closure Plan (PRCP) Schedule – approved by DETSI on 21 November 2025. The PRCP Schedule is for the life of mining activities and can be amended at any time to reflect any changes. The associated PRCP is in place to plan and manage the rehabilitation activities and must reflect the requirements of the PRCP. Refer to **Section 15.8.10** for further information.

Table 15-2 Water licences

Licence Number	Nominal Entitlement	Expiry Date	Purpose
90459F	630 ML/water year	30/06/2111	Mining
180453	3000 ML/water year	30/06/2111	Industrial use
618577	Not specified	30/06/2034	Dewatering during the course of, or resulting from, the carrying out of an authorised activity for the Mining Lease.
09023F	100 ML/water year	30/06/2111	Stock intensive
090274F	480 ML/water year	30/06/2111	Irrigation
177005	300 ML/water year	30/06/2111	Irrigation
52606F	N/A	30/06/2111	Impounding Water
52646F	N/A	30/06/2111	Impounding Water

The Company does not have any approvals for the current mining activities under the Environment Protection and Biodiversity Conservation Act 1999 (Cth).

Two previous EPBC Act referrals were determined not to be controlled actions and did not require approval provided that they were undertaken as described in the referral. A subsequent self-assessment for activities outside the scope of the most recent referral (2015/7563) reportedly concluded that no significant impacts to Matters of National Environmental Significance (MNES) were expected and that further referral or approval under the EPBC Act was not required. SLR has not independently reviewed the self-assessment.

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15.2.3.Native Title Claims

No material native title risks have been identified.

The tenements fall within the Western Kangoulu People's registered native title claim (QUD17/2019; QC2013/002), which is at an advanced stage and currently subject to mediation before a Judicial Registrar of the Federal Court to resolve outstanding issues.

With regards to the Native Title status, based on the Department of Resources GeoResGlobe mapping tool as well as the public resource authority reports, the indicative status of native title for the tenures listed in **Table 3-1** is as follows:

- Tenements granted prior to 1 January 1994 (i.e. ML 1978) have no native title rights associated with the lease, as the mining lease was granted before the introduction of the *Native Title Act 1993* (Cth). Renewal of the lease may trigger native title processes. However, any such requirement would not arise until the relevant renewal period, with the current tenure expiring in 2041.

- Section 31 Agreement indicates that the "right to negotiate" process under the *Native Title Act 1993* (Cth) and Section 31 Agreement are required for the grant of the tenement.

- A native title status of "100% exclusive land" – a native title process is not required for land where native title has been identified as exclusive land for the entire area of the background land tenure for a resource authority.

The Company has verbally confirmed that all native title obligations, including any associated compensation payments, have been satisfied. Based on information provided by the Company, native title is considered extinguished across the proposed Kestrel West mining lease area and no objections have been indicated by the Western Kangoulu People.

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15.2.4. Heritage Values

SLR does not anticipate a material risk associated with meeting the cultural heritage requirements based on the available information.

The Western Kangoulu People are the registered Native Title Claimants for the area of the Asset. The Company has established a Cultural Heritage Investigation and Management Agreement (CHIMA) with the Western Kangoulu People, which has been registered as a Cultural Heritage Management Plan under the *Aboriginal Cultural Heritage Act 2003*. The Agreement governs cultural heritage management across the site. Heritage surveys have been completed, with further surveys for areas of the Kestrel West are planned to be undertaken in consultation with the Western Kangoulu People. Additional areas of cultural significance are expected and will be managed in accordance with the CHIMA. A Heritage Management System, including a Scarred Tree Management Plan, is currently being developed and will apply to both existing operations and Kestrel West.

The cultural heritage area Policeman's Lagoon, is situated above the northern central portion of longwall panel 504 on ML 70481 and lies within a Cultural Heritage Restricted Zone (CHRZ) designated under CHIMA. Mining of the 500 Series longwall panels beneath the Policeman's Lagoon requires prior agreement with the Western Kangoulu People. A Policeman's Lagoon Shared Benefits Agreement with the Western Kangoulu People was executed in October 2024 and followed by the Policeman Lagoon Mining Agreement dated 2 October 2025; however, this agreement did not constitute a consent to mine and, consequently, a formal consent was required to be obtained. The receipt of the consent to mine was verbally confirmed to SLR by the Company.

Two instances of non-compliance with cultural heritage requirements have reportedly been identified in 2020 and 2021. The Company notified the Western Kangoulu People and is finalising compensation and release from future claims. No complaints to any regulatory body are said to have been reported.

15.2.5. Required Tenure and Approvals

The Kestrel West Extension includes the following activities:

- New longwall mining in part of MDL 182;
- Minor extensions to mining within part of the existing approved mining leases ML 70301 and ML 70481; and
- Full utilisation of the existing approved Co-disposal storage facility (CDSF) footprint with a potential extension of the CDSF on ML 1978.

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The Company has applied for the Kestrel West Extension project to be assessed via a voluntary Environmental Impact Statement (EIS) process under the *Environmental Protection Act 1994* (Qld) (EP Act). Assessment under this process was approved by the DETSI on 5 March 2024. The project will be assessed under the EP Act and the EPBC Act in accordance with the bilateral agreement related to environmental assessment between the Commonwealth of Australia and the State of Queensland.

There are a number of approvals and other requirements required for the Kestrel West Extension. These include, but are not limited to:

- Application to amend the existing EA under the EP Act;
- New Mining Lease approval under the *Mineral Resources Act 1989* (Qld) for the part of MDL 182 where underground mining activities will occur;
- Approval under the EPBC Act. The Company has lodged a referral under the EPBC Act (EPBC Ref. No. 2024/09792), and the proposed activity was deemed to be a 'controlled action' requiring approval under the EPBC Act. Assessment is in progress;
- A RIDA under the Regional *Planning Interests Act 2014* (Qld), as the area where the activities are to be undertaken, is mapped as a strategic cropping area; and
- An associated water licence will be required under the *Water Act 2000* (Qld) to authorise the take or interference with underground water for the purpose of dewatering.

Other approvals and requirements that may be required include, but are not limited to:

- Riverine protection permit under the *Water Act 2000* (Qld) may be required for activities that involve destroying vegetation, excavating material or placing a fill in the watercourse;
- Underground Water Impact Report under Chapter 3 of the *Water Act 2000* (Qld); and
- Protected plant clearing permit under the *Nature Conservation Act 1992* (Qld) to authorise the clearing of protected species under the NC Act. A Species Management Program may also be required for the clearing of species breeding habitat.

There are no off-lease mining-related activities required for the Kestrel West Extension, therefore, no approvals are required under the *Planning Act 2016* (Qld).

Failure to obtain any of the key approvals, particularly the ML Application and the EA amendment, presents a material risk that development of Kestrel West may not commence within the planned schedule, however SLR does not foresee any material impediment to the successful granting of the ML.

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15.3. Environmental Emissions

15.3.1. Air Emissions

Air emissions are primarily generated from windblown dust, vehicle exhaust, and drainage gas flaring. Key pollutants reported in 2024/25 included particulate matter (PM_{10} and $PM_{2.5}$), oxides of nitrogen (Nox), carbon monoxide (CO) and volatile organic compounds (VOCs). The Company has advised that no air quality compliance breaches have occurred in the past eight years, although this has not been independently verified. Based on existing and proposed dust control measures, including surface watering, enclosed transfer points, speed restrictions, conveyors and stockpile stabilisation, air emissions are not considered a material regulatory or operational risk.

15.3.2. Greenhouse Gas Emissions (GHG)

Background

The Safeguard Mechanism was first legislated in 2014 and came into effect on 1 July 2016 through the *National Greenhouse and Energy Reporting (Safeguard Mechanism) Rule 2015* (Safeguard Rules). In July 2023, the Australian Government's reforms to the mechanism came into effect, with the latest updates published in April 2024, to drive emissions reductions across Australia's largest industrial facilities. The 2023 reforms were designed to align with Australia's *Climate Change Act 2022*, mandating a 43% reduction in emissions below 2005 levels by 2030 and achieving net zero by 2050.

The Safeguard Mechanism applies to facilities reporting over 100,000 tonnes of carbon dioxide equivalent (tCO_2-e) annually under the National Greenhouse and Energy Reporting (NGER) Scheme. Such facilities, termed "Designated Large Facilities," must adhere to emissions baselines set by the Clean Energy Regulator (CER), with the mechanism's stated purpose being to provide "a framework for Australia's largest emitters to measure, report, and manage their emissions."

A facility's emissions intensity baseline is the reference point against which net emissions are assessed. Net emissions are the covered emissions from the operation of the facility plus any Australian Carbon Credit Units (ACCUs) issued in relation to abatement activities occurring at the facility, less any ACCUs or Safeguard Mechanism Credits (SMCs) surrendered for the facility, for that year.

Under the reformed Safeguard Mechanism, existing facilities are required to reduce their baseline emissions by 4.9% annually, beginning from the 2023-2024 financial year until 2030, and then falling by 3.285% annually from 2031 (equating to net zero by 2050) unless altered to be a sharper decline as part of a five-yearly review process established in alignment with Australia's five-yearly revisions to its Nationally Determined Contributions (NDC) under the Paris Agreement. SLR has projected a consistent 4.9% decline rate through 2035, pending future updates.

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Facilities will either:

- Exceed their baseline: purchase and surrender domestic offsets in the form of Australian Carbon Credit Units (ACCUs or SMCs).

- Fall below the baseline: generate SMCs, which can be sold to other Safeguard facilities to meet compliance obligations or held for future use.

A facility's Safeguard Mechanism baseline represents a legislated cap on its allowable Scope 1 emissions for each reporting period, spanning 1 July to 30 June annually. Facilities that exceed their baseline emissions, without exceptional circumstances such as natural disasters, are required to surrender offsets, namely Australian Carbon Credit Units (ACCUs or SMCs), each equivalent to one tCO_2-e, to bring their net Scope 1 emissions back within the baseline.

Implications for the Operation

The Asset reports its GHG emissions and energy data annually to the CER and its emissions estimation and reporting framework has been subject to independent audit, including limited and reasonable assurance engagements completed in 2024. No material systemic deficiencies were identified; however, certain measurement methodologies (notably ventilation emissions monitoring) remain subject to qualification regarding compliance with prescribed standards.

The Scope 1 (direct) and Scope 2 (electricity consumption) emissions reported by the Asset in recent years show that the main source of GHG emissions is fugitive emissions from the coal seam. This is currently managed by pre-drainage and flaring.

As the Asset's annual direct Scope 1 GHG emissions are greater than 100,000 tCO_2-e, it is a covered facility under the Safeguard Mechanism and has been assigned a Facility-specific emissions intensity baseline based on historical reporting. The Company has estimated its projected annual Scope 1 CO_2-e emissions and Safeguard baseline over the life of mine based on current standards and an understanding of the regulations. These estimates have been factored into the economic analysis based on a forward carbon price provided by SLR. SLR completed sensitivity analysis on the carbon price and notes that the economics are not sensitive to upward changes in price.

To reduce its Scope 1 and 2 GHG emissions and assist it in meeting the Safeguard baseline, the Asset has been developing two significant decarbonisation projects:

- Coal Mine Waste Gas Power Station Project:

- The Company has entered into agreements with Ergon Energy to operate a 30 MW power station located within the mining lease that would be powered by pre-drainage gas. The project has been registered under the Australian Carbon Credit Unit (ACCU) scheme, with a crediting period commencing in 2025, and is supported through the Queensland Government's Low Emissions Investment Partnerships program.

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- Ventilation Air Methane (VAM) Abatement Project:

- In partnership with Peak Carbon, the Company is progressing a VAM abatement project based on the use of regenerative thermal oxidation (RTO) technology, which aims to demonstrate that VAM abatement can be deployed safely and effectively at scale in "gassy" underground mines, providing a potential pathway for broader industry adoption. The project has received grant funding under the Australian Government's Powering the Regions Fund (Safeguard Transformation Stream).

The Company's 2024 Decarbonisation Roadmap projected significant reductions in annual Scope 1 emissions through the proposed power station and VAM RTO projects; however, neither project appears to have progressed to detailed design.

For the purposes of this report, no abatement has been assumed in the estimation of site carbon emissions. This represents an upside opportunity.

15.3.3. Noise Emissions

There are approximately 30 noise-sensitive receivers located around the Operation for which noise assessment was undertaken as part of Noise and Vibration Impact Assessment for Kestrel West. No noise impact assessment information has been provided for the existing operation, however, the Company confirmed in writing that no regulatory non-compliances with noise quality obligations have occurred over approximately the past eight years. Based on the information provided by the Company, the review of noise impact assessment, including results of the noise modelling, undertaken for the Kestrel West mining area, no material risks are likely to occur from noise emissions, provided the recommended noise mitigation measures are implemented.

15.4. Surface Water and Groundwater Resources

15.4.1. Surface Water

The Asset is located within the Nogoa River catchment and is influenced by several local waterways. Surface water impacts are not considered material, provided mitigation measures remain effective. Key risks relate to subsidence, mine water releases and spill events; however, modelling undertaken for the Kestrel West area indicates a reduction in release frequency and volume, with no additional downstream water quality impacts anticipated. Ongoing monitoring and subsidence management are expected to effectively manage localised impacts.

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15.4.2. Groundwater

Groundwater in the area is primarily used for stock watering, domestic supply and agriculture. While most groundwater bores are located within mining tenements, further investigation is underway to determine whether Policeman's Lagoon is groundwater-dependent and potentially susceptible to drawdown impacts.

Dewatering-related drawdown is a recognised operational and environmental risk; however, it is not considered material, as impacts are expected to remain within modelled predictions and no significant effects on local water users or environmental values are anticipated beyond the mining lease area.

15.5. Subsidence Impacts

Potential subsidence impacts include changes to streamflow, groundwater conditions, erosion, and impacts to infrastructure and adjacent land. These impacts have been assessed and modelled and are not considered material, with established monitoring, mitigation and rehabilitation measures in place. The Kestrel West mining area has been designed to avoid key infrastructure, further reducing risk. Opportunities exist to refine subsidence predictions as additional monitoring and geotechnical data become available, and to address any potential community concerns regarding subsidence through ongoing stakeholder engagement during the Kestrel West approval process.

15.6. Land Contamination

The Operation contains a range of potential contamination sources, including fuel storage areas, waste facilities and workshops. While one site is listed on the Environmental Management Register, no material contamination risks have been identified, and any contamination can be investigated and remediated as part of ongoing operations or mine closure activities.

15.7. EHS Governance and Management System

15.7.1. Organisational EHS structure

The Operation has a comprehensive environmental as well as health and safety management system, the details of which are presented in the following sections.

15.7.2. Health and Safety Management

The Operation has a well-established Safety and Health Management System supported by dedicated personnel, training programs, hazard management processes and a formal risk management framework. Health and safety performance is monitored through regular reporting to the Board and public sustainability disclosures, including injury and incident metrics.

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15.7.3. Environmental Management

Kestrel's environmental management system (EMS) incorporates many elements of a robust and well-resourced framework, supported by comprehensive procedures, strategies, and programs to ensure regulatory compliance.

ESG is a key strategic priority for the Company, demonstrated through the development and publication of an ESG Strategy, Annual Sustainability Reports, and a Decarbonisation Strategy over the past three years.

Environmental compliance is overseen by dedicated personnel. Environmental Management Plans underpin the EMS and guide day-to-day environmental management. SLR's review of selected plans found them to be of a high standard and fit for purpose.

The existing EMS framework is expected to be extended to the Kestrel West operations.

15.7.4. Environmental Budget

The Company has an environmental budget to support compliance with environmental approvals, monitoring programs and management plans, including research, improvement initiatives, training, licence fees and landholder projects. While the budget has not been independently reviewed, the information provided indicates it is comprehensive, reviewed annually and considered adequate to meet the Company's environmental obligations.

The rehabilitation and closure costs are covered in **Section 15.8.11**.

15.7.5. Conclusion

The EHS management system is considered appropriate for the scale, complexity and risk profile of the operation, and appears well resourced and effective in managing health, safety and environmental risks.

15.8. Operational EHS Performance

15.8.1. Environmental Performance

Review of available data and public records indicates several historical environmental non-compliances, primarily related to mine water releases after high rainfall events, but no ongoing enforcement actions. The Company has implemented measures to improve water management and reports no air or noise compliance breaches within the past eight years. Overall, environmental performance appears sound, with no material risks identified from current operations.

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15.8.2. WHS Performance

The Asset operates within Queensland's mining health and safety regulatory framework and has undertaken independent review of its Safety and Health Management System. Safety performance has generally compared favourably with industry averages, particularly for serious accidents and high-potential incidents, although some indicators declined in 2025 following improvements achieved in 2024. No material health and safety risks have been identified, and current workers' compensation and personal injury claims are not considered financially material.

15.8.3. Workplace Conditions/Exposure Limits

The Company has verbally confirmed to employ approximately 500 permanent employees, with the total workforce, including contractors across all operational and service areas, reaching up to approximately 1,200 personnel.

Based on information provided by the Company, there have been no fatalities at the Operation and no outstanding liabilities associated with workers' compensation claims or reportable injuries.

15.8.4. Hazardous Chemicals Management

Although no specific information on hazardous materials management was provided, contamination risks are not considered material and are expected to be managed in accordance with industry standards.

15.8.5. Fire Safety/Explosion Protection

A frictional ignition event on 19 December 2024 led to a temporary suspension of production, which has since resumed. The site maintained strong engagement with Resources Safety and Health Queensland, including weekly reporting. No ongoing enforcement action has been taken by the Queensland regulator in relation to the incident.

15.8.6. Emergency Planning

Based on discussions with the Company, emergency response and preparedness arrangements are in place and aligned with Queensland regulatory requirements. While detailed documentation was not reviewed, no material emergency management risks have been identified.

15.8.7. Waste Management

General waste management

Waste management is understood to be undertaken in accordance with the waste hierarchy prescribed under the *Waste Reduction and Recycling Act 2011 (Qld)*, prioritising avoidance, reduction, reuse, recycling, recovery, treatment, and disposal as a last resort. Existing site practices, including the engagement of licensed contractors and the recycling of materials where practicable, are expected to continue for the Kestrel West operation.

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Tailings waste management

No material risks have been identified in relation to tailings waste management.

Tailings management transitioned from a wet co-disposal storage facility (CDSF) to dry stacking in 2020, with ongoing trials to improve dewatering and water recovery. Although most tailings were classified as potentially acid forming as a result of 2017 static geochemical testing, no acid generation has been observed in groundwater or surface water runoff. Geochemical testing of co-disposed materials indicates a low Acid Rock Drainage (ARD) risk for the co-disposed tailings and rejects due to the buffering capacity of carbonates and other salts. Consequently, saline drainage is considered a more likely risk than ARD.

Also, previous geochemical and geotechnical assessments have identified no material risks associated with tailings storage.

Brine Management

No material risks have been identified in relation to brine management.

The Reverse Osmosis (RO) plant treats saline groundwater from underground operations, with waste brine managed through reuse, evaporation and disposal within the CDSF. Brine management is supported by monitoring of brine volumes and the presence of excess brine accumulation within the CDSF as well as engineered controls to minimise seepage and environmental impacts. Whilst no monitoring results have been provided to assess the effectiveness of brine management, no material risks have been identified to date based on the available information.

15.8.8. Biodiversity

Biodiversity related risks, and regulatory obligations in respect to biodiversity impacts are understood to have been satisfactorily addressed. Future material risk associated with currently approved activities is not anticipated.

Much of the area within which mining activities are undertaken has been previously cleared for agricultural use, reducing the conservation significance of much of the remaining vegetation. However, several conservation significant flora and fauna species remain. Biodiversity impacts are regulated through relevant environmental approval conditions. The potential impacts associated with the Kestrel West operation are to be assessed through the Environmental Impact Statement approval process by both the Commonwealth and Queensland Governments.

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15.8.9. Environmental Offsets

No material financial risks associated with environmental offsets are currently anticipated; however, this risk assessment may need to be revised following the outcome of the Kestrel West Extension approval process.

Environmental offsets are required in general when significant environmental impacts cannot be avoided or mitigated. No environmental offsets are required for existing operations. While environmental offsets may be required for the proposed Kestrel West due to potential impacts on threatened ecological communities and habitat for threatened species, the Company has confirmed that no offsets are currently proposed. However, if substantial areas of land are required for environmental offsets for the Kestrel West, this could potentially present a material financial risk.

15.8.10. Rehabilitation

No material rehabilitation risks have been identified.

The Operation undertakes a progressive rehabilitation approach in accordance with its approved PRCP, focusing on subsidence-affected areas and surface infrastructure disturbance. Rehabilitation performance is monitored through a Rehabilitation Monitoring and Maintenance Plan.

The Company's current PRCP was approved on 21 November 2025 by DETSI. The PRCP is valid for the entire life of the mining activities and can be amended at any time to reflect any changes. To date, approximately 570.5 hectares have been progressively rehabilitated and certified (since 2012).

Based on the information available, the performance of existing rehabilitated areas cannot be fully assessed. Key rehabilitation risks relate to the long-term stability, erosion performance, potential contamination and achievement of the agreed post-mining land use for the Co-disposal Storage Facility. However, there is an opportunity to further evaluate those risks through a review of the final landform and drainage design required under the PRCP within five years of the PRCP Schedule approval.

15.8.11. Mine Closure Liability

The budgeted rehabilitation and closure costs seem reasonable and are not considered to be a material risk for the purpose of evaluation of the Asset.

The total estimated rehabilitation cost (ERC) for all current activities undertaken within the tenements is $99.2 M (this includes activities undertaken on MDL 182 and MDL 3050). The approved ERC decisions are presented in **Table 15-3** below.

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Table 15-3 ERC Decisions

ERC Decision Number	Associated EA	Latest Decision Date	Expiry Date	Amount
ERC100969640	EPML00693413	03/12/2025	31/12/2028	$99,196,213
ERC100145603	EPSX00035513	29/11/2021	N/A	$10,000
ERC100272101	P-EA-100207898	24/06/2022	N/A	$20,000

SLR has not reviewed the versions of the ERC calculator submitted to DETSI. However, available information indicates the approved ERC of $99.2 M is sufficient to cover the best-case minimal rehabilitation liability. In comparison, the financial model includes a substantially higher rehabilitation provision of $216 M, representing a conservative allowance that is likely to capture rehabilitation and closure costs associated with the proposed Kestrel West operation. Accordingly, no material funding shortfall for rehabilitation liabilities is currently anticipated.

It is noted that a re-application for the ERC decision will be required to align with updated PRCP requirements for Kestrel West.

16. MINE RISKS AND OPPORTUNITY ASSESSMENT

16.1. Opportunity

SLR considers there are several opportunities within the Asset. These include:

- Based on coal washing simulation (Limn modelling), it is anticipated that there will be opportunities to further improve Kestrel's CHPP Organic Efficiency with future optimisation work. Operational changes such as standardisation of flotation circuit equipment and mitigating size degradation from rehandle, are likely to generate yield improvements and/or higher recovery of the primary product by improving the coking to thermal washed product splits.

- Several opportunities also exist to improve operating outcomes through targeted upgrades to coal handling and processing infrastructure. Opportunities to improve raw coal and rejects handling facilities to support the processing of Kestrel West production has the potential to improve materials handling efficiency, reduce operational constraints, reduce product coal moisture and improve primary coking coal product yield. These initiatives are consistent with the broader opportunity set identified in relation to processing optimisation, infrastructure adequacy and future throughput reliability.

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- The current coal washability datasets are in a range of different size fractions, and not all are consistent with current washery size splits. This impacts on the ease and reliability of yield projections. New exploration testing is to be in a format consistent with current and future CHPP configurations, and the existing data should undergo data unification. The data unification process establishes a methodology for converting different washability and size configurations into a uniform dataset that facilitates the estimation of practical yield.

- The current methodology for estimating yields can be improved once the coal quality washability database has been unified. The projection of product tonnages should also consider the estimation of blended product grades. This will provide more certainty in the planning process, including the formulation of final export products, particularly in the later part of the mine life. Of note is the opportunity to increase the quality of the semi-soft coking coal forecast to a soft-coking coal.

- Integration and synergies within Yancoal's existing asset portfolio: The Asset offers the potential to unlock significant value through integration with Yancoal's existing operations, particularly Yarrabee, via blending optimisation and shared rail and port infrastructure. These synergies could enhance product flexibility, improve logistics efficiency, and reduce overall operating costs.

- Schedule optimisation: Introducing a walk-off, walk-on approach to longwall relocations presents an opportunity to materially reduce longwall move durations and minimise production downtime. This has the potential to increase annual coal production and improve overall asset productivity.

- Bord and pillar mining: There is potential to develop additional reserves through bord and pillar mining within the 400-series and 600-series areas. This could increase resource recovery, provide greater operational flexibility and access to high quality HCC.

- Production rate uplift due to improved mining conditions: Recent studies indicate potential for production rates to exceed current Reserve assumptions as mining advances to the north and west. More favourable geological and mining conditions in these areas may support improved equipment utilisation and higher productivity outcomes.

- Optimisation of ground support: As mining progresses into shallower, lower-stress areas, there may be opportunities to optimise ground support requirements, particularly by reducing "code green" support density where appropriate. This could deliver meaningful cost savings and improved productivities while maintaining safe operating standards.

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- Fugitive Emissions (FE) Reductions by Implementing FE Projects: Implementation of emissions abatement initiatives, including Ventilation Air Methane (VAM) and Coal Mine Waste Gas (CMWG) projects, could significantly reduce fugitive emissions. In addition to improving environmental performance, these projects may create value through emissions reduction incentives and enhanced ESG outcomes.

- There is an opportunity over the next four years to strengthen rehabilitation outcomes by refining landform design and drainage through the required PRCP review by a qualified expert. SLR outlines this opportunity in **Section 15**.

- There is an opportunity to improve subsidence management by refining predictive models as new geological and monitoring data become available, alongside proactively addressing any potential community concerns through targeted engagement during the Kestrel West Extension approval process. SLR outlines this opportunity in **Section 15**.

16.2. Risk

Mining is a relatively high-risk business when compared to other industrial and commercial operations. Each mine has unique characteristics and responses during mining and processing, which can never be wholly predicted. SLR's review of the Asset indicates mine risk profiles typical of large-scale mines at similar levels of resource, mine planning and development in Australia. Until further studies provide greater certainty, SLR notes that it has identified risks and opportunities with the Asset as outlined in **Table 16-2**.

SLR has attempted to classify risks associated with the Asset based on Guidance Note 7 issued by The Stock Exchange of Hong Kong Limited. Risks are ranked as **High**, **Medium** or **Low**, and are determined by assessing the perceived consequence of a risk and its likelihood of occurring using the following definitions:

Consequence of risk:

- **Major:** the factor poses an immediate danger of a failure, which if uncorrected, will have a material effect (>15% to 20%) on the Asset cash flow and performance and could potentially lead to Mine failure;

- **Moderate:** the factor, if uncorrected, could have a significant effect (10% to 15% or 20%) on the Asset cash flow and performance unless mitigated by some corrective action, and

- **Minor:** the factor, if uncorrected, will have little or no effect (<10%) on Asset cash flow and performance.

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Likelihood of risk occurring within a 7-year timeframe:

- **Likely**: will probably occur;
- **Possible:** may occur, and
- **Unlikely:** unlikely to occur.

The consequence of a risk and its likelihood of occurring are then combined into an overall risk assessment as shown in **Table 16-1** to determine the overall risk rank.

Table 16-1 Risk Assessment Ranking

	Consequence		
Likelihood	**Minor**	**Moderate**	**Major**
Likely	Medium	High	High
Possible	Low	Medium	High
Unlikely	Low	Low	Medium

SLR notes that in most instances it is likely that through enacting controls identified through detailed review of the Mine's operation, existing documentation and additional technical studies, many of the normally encountered Mine risks may be mitigated.

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Table 16-2 Risk Assessment

Risk Ranking	Risk Description and Suggested Further Review	Potential Mitigant	Area of Impact
M	**Approvals** Approvals in place to execute the LOM plan. The Kestrel West Extension requires multiple approvals (e.g. new Mining Lease over an area of MDL 182, EA amendment, EPBC Act approval). Failure or delay in obtaining these approvals could prevent or delay commencement of operations in Kestrel West and the execution of the LOM plan.	MDL 182 renewal application has been lodged. ML and EA amendment applications are to be lodged in Q3 2026.	Kestrel West
L	**Frictional Ignition (FI)** The Asset has previously experienced frictional ignition events, causing short-term production stoppages.	The mine has developed a series of controls to support future operations. These have been implemented through mine planning scheduling, mine design parameters and operational controls. These will remain in focus during mining in thinner seam areas.	Mine production
L	**Third-party agreements** Uncertainty regarding the status of landholder agreements, other third-party consents and compensation arrangements due to lack of information. Failure to reach agreement may lead to Land Court referrals and approval delays for Kestrel West and LOM schedule delays.	The Company has confirmed verbally that all agreements are in place, however, this information was not able to be independently verified. Staged ML application approach will be adopted. Review current third-party engagement plan to gain further insight into potential risks and ensure adequate planning. Undertake legal verification of all agreements. Maintain ongoing engagement with relevant stakeholders. Adopt early escalation and mediation strategies, if required.	Life of Asset

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Risk Ranking	Risk Description and Suggested Further Review	Potential Mitigant	Area of Impact
L	**Mine Water Management** Historical incidents of unauthorised or poor-quality water discharges indicate ongoing challenges, particularly during high rainfall periods.	Improve wet-weather contingency planning.	CAPEX OPEX
L	**Tailings Storage** The current tailings/rejects storage facility has capacity until approximately 2031. Potential impact on operations if replacement storage is delayed. Extension incorporated into the Kestrel West approvals.	Confirm permit approval timeline. Continue to investigate alternate tailings dewatering methods.	CAPEX and Life of Asset production
L	**Coal Quality and Yield** Coal quality data for Kestrel West's 600-series and 700-series panels is wide-spaced. Uncertainty in coal quality and yield estimates.	Complete infill drilling and metallurgical testwork.	Product tonnes and revenue
L	**Geological Structures in Kestrel West** Structural confidence is lower in the 600- and 700-series panels due to reduced drilling density, limited seismic coverage. Structural features are incorporated into the geological model and reflected in the Coal Reserves estimate through localised derating and mine design adjustments.	Complete 3D seismic and infill drilling in the Kestrel West area.	Local Variation of Resource and Reserve estimate, panel layout and LOM plan.

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16.3. Conclusions

The Kestrel deposit is well explored with exploration drilling programs having been conducted since the 1960's. SLR considers that the geological model is based on adequate geology, structural and coal quality data that has been sufficiently reviewed and verified.

The Operation is an established underground mine that employs industry-standard conventional longwall operations. SLR considers the mining assumptions to be reasonable when benchmarked to industry standards and historical performance. The Competent Person is of the opinion that the Coal Reserves and associated mining equipment are reasonable to achieve the forecasts and reflect an appropriate level of accuracy for the purposes of this CPR.

The geological model, detailed mine plans, and technical studies that underpin the LOM plan are supported by historical performance, well-documented systems and processes, and reconciliation and review activities. Where available, SLR has reviewed this data and the Competent Persons have determined it to be adequate to support the Statements of Coal Resources and Coal Reserves reported in this CPR.

Tenure and approvals that are material to the declared Coal Resources, Coal Reserves, associated infrastructure and current operations are currently in good standing and are subject to routine renewal processes. Additional approvals are also required to achieve the full LOM plan, primarily for Kestrel West. The surface area of the existing operation is almost wholly owned by the Company, and SLR is of the opinion that there are no material surface rights and easement issues.

All permits and approvals required to support mining operations are currently in place through to 2029 from a regulatory approval timeframe perspective. The existing approved mine layout provides for mining activities that are forecast to continue until 2035 under the current LOM plan.

While the current approval framework supports the LOM plan in the near term, receipt of further approvals required for operations beyond 2029 remains a key risk to achieving the full LOM plan (which includes the remainder of Kestrel South beyond 2029, and Kestrel West). Documentation associated with these future approvals is planned to be submitted in Q3 2026. SLR is of the opinion that there are good prospects that the required approvals will be granted within the necessary timeframe to support the continuation of operations. However, if there are delays in obtaining these approvals, the LOM plan presented in this CPR may need to be revised. SLR has determined that the Statements of Coal Resources and Coal Reserves reported in this CPR, based on the above conclusions, have been classified in accordance with the definitions in the JORC Code and the Listing Rules.

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Appendix A Important Information About this Document

Hong Kong Competent Persons Report

SLR Project No.: 610.033521.00001

November, 2026
Revision: Final

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IMPORTANT INFORMATION ABOUT THIS DOCUMENT

Our Client

This report has been produced by or on behalf of SLR Consulting Australia Pty Ltd (SLR) solely for Yancoal Australia Ltd (the Client).

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3. Independence

SLR provides advisory services to the mining and finance sectors. Within its core expertise, it provides independent technical reviews, resource evaluation, mining engineering, environmental assessments and mine valuation services to the resources and financial services industries.

SLR has independently assessed the subject of the report (the Project) by reviewing pertinent data, which may include Resources, Reserves, existing approvals, licences and permits, manpower requirements and the life of mine plans relating to productivity, production, operating costs and capital expenditures. All opinions, findings and conclusions expressed in this report are those of SLR and specialist advisors.

Drafts of this report were provided to the Client, but only for the purpose of confirming the accuracy of factual material and the reasonableness of assumptions relied upon in this report.

SLR has been paid and has agreed to be paid, professional fees for the preparation of this report. The remuneration for this report is not dependent upon the findings of this report. SLR does not have any economic or beneficial interest (present or contingent), in the Project, in securities of the companies associated with the Project or the Client.

4. Inputs, subsequent changes and no duty to update

SLR has created this report using data and information provided by or on behalf of the Client. Unless specifically stated otherwise, SLR has not independently verified that data and information. SLR accepts no liability for the accuracy or completeness of that data and information, even if that data and information have been incorporated into or relied upon in creating this report (or parts of it).

The conclusions and opinions contained in this report apply as at the date of the report. Events (including changes to any of the data and information that SLR used in preparing the report) may have occurred since that date which may impact on those conclusions and opinions and make them unreliable. SLR is under no duty to update the report upon the occurrence of any such event, though it reserves the right to do so.

5. Inherent Mining Risks

Mining is carried out in an environment where not all events are predictable.

Whilst an effective management team can identify the known risks and take measures to manage and mitigate those risks, there is still the possibility for unexpected and unpredictable events to occur. It is not possible therefore to totally remove all risks or state with certainty that an event that may have a material impact on the operation of a mine, will not occur.

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The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond SLR's control and that SLR cannot anticipate. These factors include but are not limited to, site-specific mining and geological conditions, management and personnel capabilities, availability of funding to properly operate and capitalize the operation, variations in cost elements and market conditions, developing and operating the mine in an efficient manner, unforeseen changes in legislation and new industry developments. Any of these factors may substantially alter the performance of any mining operation.

6. Limitations and Exclusions

SLR's report is based on data, information reports, plans and tabulations, as applicable, provided by the Client or on behalf of the Client. The Client has not advised SLR of any material change, or event likely to cause material change, to the operations or forecasts since the date of assets inspections.

The work undertaken for this report is required for a technical review of the information, coupled with such inspections as SLR considered appropriate to prepare this report.

Unless otherwise stated specifically in writing, the report specifically excludes all aspects of legal issues, commercial and financing matters, land titles and agreements, except such aspects as may directly influence technical, operational or cost issues and where applicable to the JORC Code guidelines.

SLR has specifically excluded making any comments on the competitive position of the relevant assets compared with other similar and competing producers around the world. SLR strongly advises that any potential investors make their own comprehensive assessment of the competitive position of the relevant assets in the market.

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Appendix B JORC Table 1

Hong Kong Competent Persons Report

SLR Project No.: 610.033521.00001

November, 2026
Revision: Final

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JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report.	• Sample data is collected through drilling and underground channel samples • No underground channel samples were used in the geological model. These are collected for use in reconciliation, quality verification, and to support resource classification, but they are excluded from the model dataset due to their limited spatial representativity and mining-induced bias. • The two drilling techniques used to capture sample data include chip drilling and core drilling. • Chip drilling can be one of three hole types: vertical open holes, surface-to-in seam (SIS) drilling and underground in-seam (UIS) drilling.

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Criteria	JORC Code Explanation	Commentary
	• In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• Chip drilling involves the collection of rock cuttings (chips) from 1 m intervals down the hole. At times, ground conditions such as high water flows, loose or soft sediments, clay bands, faulting, intrusions etc. affect the chip return, and drilling muds are used to improve hole stability and sample recovery. However, drilling muds can bias coal recovery and moisture/ash results. Therefore, chip samples are not analysed for coal quality as they do not provide a reliable, representative, or uncontaminated sample of in situ coal. Chip holes are instead drilled to provide information about the coal seam geometry or heat affected coal, to inform structural interpretation, identify base of weathering and base of Tertiary, support resource classification and generate targets for core drilling. o The German Creek (GC) seam roof intercepts (roof touches) from SIS and UIS holes are used as model roof control points to assist with structural interpretation in areas where other drilling and survey data is sparse. The full hole is otherwise not modelled.

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Criteria	JORC Code Explanation	Commentary
		• Another limitation on chip drilling is the inability for precise depth and thickness measurement of the coal seam. To improve this, holes are logged with downhole geophysical tools, primarily to obtain density and gamma contrasts between the stratigraphic layers for the interpretation of coal seam roof and floor depth (and thus thickness). Other geophysical traces (discussed under the Logging section) that are routinely collected include verticality, caliper, sonic velocity, resistivity, neutron and acoustic scanner. • Core drilling includes both partially and fully cored holes. A solid column of core is produced from top to bottom of the hole for fully cored holes; and for the target seam interval for partially cored holes (usually with some buffer for roof and floor sampling for geotechnical studies). Coring allows for representative sampling and analysis of the in situ coal quality. Geophysical logging also occurs on core holes to support lithological observations and verify interpretation in chip holes.

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Criteria	JORC Code Explanation	Commentary
		• Cored holes are typically HQ or HQ3 diamond holes, with nominal diameters of 61 mm and 63.5 mm, respectively. There are 5 PQ holes with a nominal diameter of 83 mm. In the Bowen Basin, HQ/HQ3/PQ holes are considered appropriate for achieving high core recovery while maintaining sample integrity and representivity in the friable, bright, high-vitrinite metallurgical coals of the basin. Core is extracted from an inner-tube using wireline retrieval methods, leaving the hole essentially cased from top to bottom to prevent hole stability impacts. • In selected locations, large diameter (LD) (100-200mm) holes have been drilled to maximise sample mass for washability testing and coke quality testing of the main target seam, the German Creek (GC) Seam. • All cored intervals have been sampled where coal is present at thicknesses greater than 0.1 m, with a maximum sample thickness of 0.5 m per sample. All plies are sent to the laboratory for sample preparation and testing. o Coal plies are sampled discretely on the basis of lithological characteristics and quality, and later composited to the seam boundaries to provide the full seam quality.

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Criteria	JORC Code Explanation	Commentary
		o All non-coal material and partings less than 0.1 m were included with the coal ply and noted in the lithological description. o Non-coal interburden material greater than 0.1 m and up to a maximum of 0.3 m were sampled separately. o Approximately 0.3 m of immediate roof and floor were also collected as dilution samples. As the GC seam is underground target, washability analysis was undertaken. • All coal quality samples were double bagged at the site and marked with sample number, hole and project. Chain of Custody and sample documentation were sent to the laboratory by email ahead of the samples. Coal samples are refrigerated on site for periods of no more than two weeks prior to dispatch (until hole completion) to prevent coking property deterioration. Geophysical corrections were undertaken as soon as practicable following sample collection, and these were used to confirm representative core recovery and ensure the correct sample depths are reported for reliable model compositing.

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Criteria	JORC Code Explanation	Commentary
		• A number of coal quality laboratories have been used over the years of the Operation. At present coal quality samples are being sent to Bureau Veritas Minerals Pty Ltd (BV) laboratories. BV is a NATA-accredited lab and a well-recognised organisation for coal analytics. Samples are stored in cold storage at BV until instructions are available to conduct the analytical programme. • Since 2007, geotechnical sampling has focussed on samples collected from the roof (up to 10m above the seam) and floor sections (up to 6 metres below the seam). Selected samples were analysed with testing including UCS, Young's Modulus, Poisson's Ratio, Slake Durability or Tri-axial testing. • The fast desorption method has been applied to test for measured gas content. Q1 (lost gas) measurements were performed at the drill site by the site geologist, using a GeoGAS supplied field testing kit with the remainder of the testing (Q2 desorbed gas, and Q3 residual gas) being carried out by the GeoGAS laboratory in Mackay. • Geophysical logging companies have a calibration process which takes place on a monthly basis, forming part of their standard operating procedure.

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Criteria	JORC Code Explanation	Commentary
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• A total of 3,351 drill holes are in the GDB database. 2,367 of these drill holes support the Resource estimate. 534 drill holes were used in the quality model. • Coring has predominantly been done using an HQ3-sized (63mm) bit and open hole drilling to an equivalent hole diameter size. In addition, a limited number of PQ (83 mm) and large diameter (LD) (100-200mm) holes have been drilled. o HQ/HQ3 and PQ utilise wireline core retrieval methods o LD holes, including 4-inch, 6-inch and 8-inch core, are retrieved via conventional rod tripping methods • Chip holes were drilled using either poly-crystalline diamond or blade bits. Hole size varied between a minimum of 99mm and a maximum of 450mm depending on the type and diameter of bit used.

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Criteria	JORC Code Explanation	Commentary
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Drill sample recovery is only relevant for core holes, as no sampling is completed on chip holes. • Core recovery is a predominantly linear measurement, measured in the inner splits at the drill site and compared to the drillers' core drilled length. The thickness of coal recovered is also checked against down hole geophysics for final verification. If core recovery for a coal ply is less than 95%, then that section of the hole is redrilled to ensure a representative sample is taken. Samples with less than 95% recovery by linear/volume recovery methods have been excluded from the coal quality model. o Older series of holes have recovery documented only on a full seam basis rather than plies. • Core loss is concentrated on the more friable bright coal bands, particularly when interbanded with claystone or in areas of structural deformation. Samples with losses have higher ash results than those with higher recovery. These samples are excluded from the coal quality model, and the seams redrilled to ensure seam recovery >= 95%.

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Criteria	JORC Code Explanation	Commentary
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• The entire hole is logged, but more detail is collected in the cored sections of the holes. Core is logged at a millimetre scale for lithological characteristics and geotechnical defects. • Chip samples are taken every 1 m and logged for lithological characteristics. • Logging for lithology, colour, grain size, weathering, strength and hardness is conducted using CoalLog – an industry standard data encoding system for coal lithology and geotechnical parameters. Any additional qualitative comments are also recorded. • All of the core is photographed on the core table (at 0.5 m increments) and when place in boxes (HQ boxes: 4 m or core per box; PQ boxes: 3 m core per box). Chip samples are photographed so that 20 x 1 m piles are visible per photo. • A standard suite of data for each drill hole includes: o Drill hole header (collar) file; o Lithology log; o Core recovery and reconciliation record; o Photographs (core, chip, drill site);

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Criteria	JORC Code Explanation	Commentary
		o Downhole geophysics, including: • Verticality (downhole survey, for correct spatial positioning of the coal intercepts); • Density and gamma which shows contrasts between the stratigraphic layers for the interpretation of coal seam roof and floor depth (and thus thickness) as well as non-coal partings (interpretation also aided by resistivity); • Caliper (for informing hole diameter, as changes in the hole conditions can cause false gamma and density readings); • Sonic velocity (to assess mechanical properties in support of geotechnical studies and seismic interpretation); • Neutron (for porosity/ permeability data in support of gas and groundwater modelling); • Acoustic scanner data is collected for geotechnical holes for analysis of defects and stress direction; • Water data (flow rates).

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Criteria	JORC Code Explanation	Commentary
		• For coal quality holes, testing includes pre-treatment, washability testing and raw and product proximate and composite analysis. • For geotechnical holes, testing includes defects, stress direction & magnitude, point load tests and geo-mechanical tests. • For seam gas, testing includes gas composition and content. • The detail and quality of the logging have enabled the Competent Person to be able to define appropriate domains, based on geology, appropriate for Coal Resource estimation.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	• All core within the coal seam extents were sampled and dispatched for analysis, with no sub-sampling performed on site. There are distinct lithological boundaries at the sample boundaries which ensures contamination is minimised. • Coal quality samples are double bagged at the drill site and refrigerated to minimise the potential for moisture loss prior to analysis. Samples are only transported to the laboratory for analysis once the hole is complete. • Geotechnical samples oriented, then rolled in glad wrap and aluminium foil to prevent moisture loss and breakage in transport.

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Criteria	JORC Code Explanation	Commentary
	• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Core for gas analysis is placed into canisters supplied by Geogas (the gas testing laboratory), following the supplied procedures. • Drill holes that have geotechnical or gas samples taken through the GC Seam are not used in the coal quality model. • HQ/HQ3/PQ core provides sufficient sample mass for the basic raw coal quality, washability and product coal quality analysis. A rotary splitter is used by the laboratory to divide the sample into portions for analysis. • Since 2007, all HQ & PQ coal quality samples have been weighed, air-dried and then re-weighed before being dry-sized in the sample pre-treatment process, including drop shatter (20 drops from 2 m, sized at 25, 16, 8, 4 and 2 mm) and dry tumbling (with no cubes for 3 minutes, sized at 25, 16, 8, 4, 2, 1 and 0.5 mm (wedge wire (ww))). A rotary splitter is used to subdivide (RSD) each dry-sized fraction into one-eighth and seven-eighths portions before further analysis occurs. • The one-eighth portion is then crushed to an 11.2 mm top size before being split in half using the RSD to have a portion for raw coal analysis and portion for quick coking analysis.

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		o Quick coking analysis is completed to obtain a measure of the caking properties of fresh coal as soon as possible after coming out of refrigeration, so that time-sensitive properties such as fluidity are not impacted by the lengthy analysis process. o Between 2007 and 2019, quick coke analysis was completed on densities of 1.28, 1.30, 1.325, 1.35, 1.375 with Ash, CSN, Gieseler (Fluidity), and Dilation completed on the float fraction. o Post 2019, quick coke analysis was completed on densities of 1.35 and 1.40 with Ash, CSN, Gieseler (Fluidity), and Dilation completed on the float fraction. o The results were then plotted, and using a linear trendline for fluidity and CSN, and a polynomial trendline for dilatation, values were read off for where they crossed the 6.5% ash target for the Primary Product. These results are referred to as the Fractional Quick Coke (FQC) results.

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Criteria	JORC Code Explanation	Commentary
		• The remaining seven-eighths portion proceeds through the wet tumble (sized at 25, 16, 8, 4, 2, 1 (ww), 0.5 (ww), 0.25, 0.125 and 0.075 mm), float sink (+25 mm, -25+8 mm, -8+0.5 mm at density cut points 1.275, 1.30, 1.325, 1.35, 1.375, 1.40, 1.45, 1.50, 1.55, 1.60, 1.70, 1.80, 2.00) and tree froth flotation (on the -0.5 ww fraction) testing to simulate washplant beneficiation. After the washability analysis is reviewed, clean coal composite instructions are prepared to test primary and secondary product coal properties. o Coking coal composites are prepared by combining the cumulative F1.40 material from the three float-sink fractions along with a nominated flotation concentrate in the correct ratio. o Secondary (thermal) composites are prepared by combining the S1.40 + F1.70 material from the three float-sink fractions in the correct ratio. • Large Diameter (LD) holes were drilled in selected locations to collect a bulk sample for detailed sizing and washability. This was done to capture more representative samples of the coal's natural top size to assess beneficiation properties, which may be affected by drilling slim holes through HQ/HQ3/PQ drilling techniques.

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Criteria	JORC Code Explanation	Commentary
		• All sample treatments and analysis are conducted according to procedures which adhere to Australian Standards in a National Association of Testing Authorities (NATA)-certified laboratory. • Sample depths have been reported as the geophysically corrected depths.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Only core samples are used to obtain coal quality information. • A detailed sample preparation procedure is followed for all coal quality samples which are specific for the seam and sample type (core or strip sample). The procedures follow the same general sample preparation steps including: o Sample preparation & pre-treatment, including drop shatter, dry sizing, wet tumble, wet sizing. o Float/sink Analysis: coarse and fine float sink analysis, staged froth flotation. o Clean Coal Composite preparation and analysis for both a specific primary coking coal composite and a secondary thermal coal composite. Analysis includes proximate, density, total moisture, sulphur, crucible swelling number, ash analysis, ultimate CO2, Gieseler fluidity, Ruhr Dilatometer, ash fusion, calorific value and a full petrographic analysis.

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Criteria	JORC Code Explanation	Commentary
		o All analyses are carried out to the appropriate Australian Standard or ISO equivalent. • All coal quality laboratories involved in the sample analysis since at least the year 2000 have a system in place for blind assaying and quality control. These records are maintained at the respective laboratories with an automated data loading process that includes data tolerance limits for all data types. • Coal quality laboratories used throughout the years of the Kestrel operation comply with the Australian Standards for sample preparation and coal quality testing and are certified by the National Association of Testing Authorities Australia (NATA), therefore, independent audits have not been deemed necessary. • Geophysical logging companies have a calibration process that takes place on a monthly basis, forming part of their standard operating procedure.

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Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• The verification of coal quality results and intersections were completed by Kestrel and their contractors and consultants before inclusion into the geological model and Resource estimate. • Laboratories used in the Kestrel coal quality testing comply with the Australian Standards for coal quality testing, and as such conduct the verifications for coal quality analysis outlined in the standards. • Coal quality data is received from the laboratory in stages. Once final data has been received, it is loaded electronically into the MineScape GDB database via an electronic data loader developed specifically for Operation. This data importer includes numerous data validation processes including: o Upper and lower tolerance checks of all material parameters; o Sample from/to depths match the sample thickness; o Wet and dry sizing yield adds to 100%; o Proximate analysis sums to 100%;

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Criteria	JORC Code Explanation	Commentary
		o Float/sink analysis yield adds to 100% for all size fractions; o Ash analysis total is within specified tolerance (98% to 101%); o Gieseler Plastometer & Dilatometer temperatures increase appropriately; o Check the calculation on temperature ranges matches the temperatures reported; o Petrographic analysis adds to 100%. • Expected data ranges have been established for all coal quality parameters, which flag either a warning or an error if the data is outside the prescribed range. A warning flag can be loaded into the database after review, but an error flag cannot and will need to be resolved before it can be loaded. • No adjustments have been made to the analysis results. Where sample analysis did not pass verification, these samples were excluded from the modelling process.

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		• 23 twinned holes exist within the Kestrel deposit, defined by drill holes within 5 m of one another. These exist in two forms (1) either a pilot hole (open hole) followed by a cored hole (HQ, PQ or LD), verification of geophysics and coal ply thicknesses by coring methods and coal quality testing or (2) a smaller diameter core hole (HQ or PQ) twinned with a Large Diameter hole used primarily for washability. Slim core (HQ or PQ) twinned with a Large Diameter drill holes are further apart due to site constraints (amount of equipment required to drill Large Diameter hole) and the size of the drill hole. Seam thickness varies by less than 2%. • Data transfer from the site is covered by an agreed protocol. This system documents primary data, data entry procedures, data verification and data storage (physical and electronic) into a geological database.

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Criteria	JORC Code Explanation	Commentary
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Airborne LiDAR data and aerial photography were acquired over Kestrel Mine on 17th February 2019 by AAM Pty Ltd. The LiDAR data has a nominal vertical accuracy of ± 0.10 m in clear areas. This dataset was incorporated into the existing topographical surface (made up previously of a combination of aerial survey data and drill hole collars). The 2019 LiDAR data replaces the existing topographical dataset, except for where mining has occurred (LW 100 – 407 panels), and the existing topographical surface provides the best unmined/subsided surface. • All surveyed coordinates are within Australian Map Grid 1984 (AMG84) Zone 55 projection using datum AGD84. • Drill hole collars were surveyed post drilling by licensed surveyors using differential global positioning system with an accuracy of ± 0.01 m. • Downhole surveying has been undertaken using downhole verticality and caliper tools since 2007, including attempted resurvey of earlier drill holes. Overall, 73% of the drilling metres have been surveyed downhole over the entire drill hole length.

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Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Drill hole spacing has been dictated by the characteristics and consistency of the target seams within the deposit. • Exploration drilling has been conducted on different drilling patterns depending on the nature of the programme. Fault delineation and igneous delineation, for example, require closely spaced drill holes (10-20 m apart). This closely-spaced drilling is usually done immediately ahead of production, so not all faults and igneous intrusions have been mapped in high detail. • Structural drilling is generally on 150 m centres, and coal quality drilling is located on approximately 250 m centres. These spacings are sufficient for establishing seam and quality continuity due to the low variability of the coal seam, as confirmed by Drill Hole Spacing Analysis (DHSA). o However, the coal quality dataset for Kestrel West is relatively sparse compared with the current operating areas. As a result, uncertainty remains around product quality continuity, washability performance, yield forecasts and the distribution of HCC and SSCC products in the future mining areas, resulting in the downgrade of Resources to Indicated. There is still sufficient information to classify the coal as a coking product, consistent with the current operating areas, albeit with potential deterioration in metallurgical coal quality. Additional product quality and washability data is required for Kestrel West, which will be collected through future exploration campaigns.

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		• The deposit has low structural complexity and has allowed for the interpretation of the location of major faults. Refinements will be made as further data is collected. • All coal quality samples are composited within defined seam boundaries to provide a coal quality result for each seam at each drill hole location. However, additional sampling and test work are required to improve confidence in CHPP performance and product quality assumptions in Kestrel West.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Exploration drill holes were oriented and drilled vertically to intersect horizontal coal seams, which is an industry standard practice. • The coal measures show a relatively consistent layering and are not subject to steep dips. The orientation of drilling is, therefore, suitable for flat lying stratified deposits. • Geological structures such as faults are relatively well defined by a combination of underground exposures and drill holes. The features are linear and laterally continuous. The spacing of data is generally more closely spaced in close proximity to these features, which assists in their definition. • The method used to check drill hole verticality is downhole verticality logs, which are run on all holes and are utilised in the geological model.

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Sample security	• The measures taken to ensure sample security.	• Core/chip samples are taken at the drill site and core is then refrigerated. Once the hole has been completed, the samples are transported to the laboratory via a dedicated courier service, again under refrigeration. • Coal is a bulk commodity so no high level security measures are deemed necessary since it is very unlikely to be subject to systematic material impact from sample tampering, theft or loss. • The sample security procedure requires a ticket for each sample during initial sampling. An excel sheet sample register is maintained for each drill hole, this is then loaded into the main Sample Register that is maintained within the database that tracks/monitors each sample. • Samples are sent to the laboratory with instructions regarding the appropriate analytical procedure. • The analysis report complete with sample reconciliation advice is received from the laboratory. • Samples are retained at BV laboratories until such time as specific instructions are given to discard. This usually occurs only once an area has been mined through.

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Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Kestrel has had 6 external and 1 internal audit completed in the past 19 years; a brief summary is provided below: o An external audit of the structural and coal quality databases, and models completed by Xenith Consulting in 2007. No material errors were noted in the model; only a few minor discrepancies were identified. The model was considered to be fit for the purposes of Resource and Reserve estimation and mine planning. o An external audit of the coal quality database completed by McMahon Coal Quality Resources in 2007. This audit concluded that the level of errors detected was unlikely to significantly affect modelled quality values. o An internal technical evaluation group (TEG) by Rio Tinto Coal Australia (RTCA) peer review of the coal quality estimate of coking coal grade (fluidity and rank), and Kestrel Mine Extension (KME) Project valuation in 2007 found sufficient confidence in coal quality estimates for the KME Project to be approved in December 2007.

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		o An external audit by Xstract Group on Resources and Reserves in 2016. No issues found. o An external audit by SLR on Resources and Reserves in June 2021 on the 2020 Competent Person report. SLR found that the detail within the 2020 Competent Person Report indicates that sound exploration techniques have been employed. Records are thorough and follow industry standards. The records are suitable for the evaluation of potential Resources. SLR believe the geological model is adequate for the definition and delineation of Resources. o An external audit by SLR on Resources in June 2023 on the 2022 Competent Person report. SLR believes the geological model is adequate for the definition and delineation of Resources. In SLR's opinion, the available data, particularly coal quality, can be improved northwest of the maintenance roads adjacent to LW701/601. SLR believes this would be a requirement of typical mine planning over the next five years. SLR independently verified the Resource numbers reported in the 2022 CPR. SLR attained the same numbers when allowing for rounding. SLR found that the processes were replicable, and the logic applied to the accumulation of Resources is sound. In SLR's opinion, they are slightly conservative and readily repeatable. SLR has found that the Resources calculated from the available geological data follow industry standards. SLR has not found any factors that should be seen as a material risk to the veracity of the reported Resources.

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		o An external Resource Process audit was completed in June 2025 on the 2024 Resource model and Report. The modelling process at KCR follows industry standards and is largely robust. Documentation reviewed includes the 2024 JORC report and the EM_GEO_DBGM_01 Database and Modelling Standard. Modelling is performed using MineScape, with cross-validation conducted during the audit in Minex to confirm accuracy. Validation processes indicate strong alignment between drill hole data and modelled grids. • These reviews concluded that fundamental data collection techniques are appropriate. • Due to the limited timeframes around the recent transaction, the confidentiality imposed on the due diligence process and the volume of geological data for the deposit, SLR has not had the opportunity to review the original field logs, core photos, exploration processes or laboratory reports to confirm that the data in the geological database is representative of the data collected. SLR has relied upon the work completed by previous owners and contractors, has made reasonable enquiries and exercised professional judgement on all information provided and found no reason to doubt the accuracy or reliability of the information or data that was supplied.

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Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>• Type, reference name/ number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.

• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td><td>• The Kestrel mine is operated under a joint venture agreement. The joint venture partners are listed below:

o EMR Capital and Adaro Energy (80% share) – announcement on 14 April 2026 that Yancoal Australia Ltd (Yancoal) has entered into a binding agreement to purchase this share of the joint venture.

o Mitsui Kestrel Coal Investment Pty Ltd (20% share).

• Kestrel contains the following leases and licences, shown below, the JV partners are the authorised holder of all tenements.

<table>
<tr><th>Permit Number</th><th>Grant Date</th><th>Expiry Date</th><th>Area (Ha)</th><th>Native Title Status</th></tr>
<tr><td colspan="5">Mining Leases</td></tr>
<tr><td>ML 1978</td><td>12/04/1990</td><td>30/04/2041</td><td>5,839</td><td>Granted before 01/01/1994</td></tr>
<tr><td>ML 70301</td><td>25/09/2003</td><td>30/09/2033</td><td>3,579</td><td>100% exclusive land</td></tr>
<tr><td>ML 70302</td><td>22/11/2004</td><td>30/11/2034</td><td>79.77</td><td>100% exclusive land</td></tr>
<tr><td>ML 70330</td><td>11/06/2009</td><td>30/06/2039</td><td>9.353</td><td>Section 31 Agreement</td></tr>
<tr><td>ML 70481</td><td>21/03/2016</td><td>31/03/2041</td><td>2,467</td><td>Section 31 Agreement</td></tr>
<tr><td colspan="5">Mineral Development Licences</td></tr>
<tr><td>MDL 182</td><td>25/11/1996</td><td>30/11/2026</td><td>11,619</td><td>100% exclusive land</td></tr>
<tr><td>MDL 3050</td><td>24/06/2022</td><td>30/06/2027</td><td>5</td><td>100% exclusive land</td></tr>
</table>
</td></tr>
</table>

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Criteria	JORC Code Explanation	Commentary
		Source: GeoResGlobe (20/05/2026) • There are currently no overlapping tenures. • With regards to Native Title Status in the table above: o Tenements granted prior to 1 January 1994 (i.e. ML 1978) have no native title rights associated with the lease, as this was before the introduction of the Commonwealth's *Native Title Act 1993.* However, renewal of the lease may trigger native title processes. o Where a Section 31 Agreement is in place, native title mineral rights have been extinguished under Section 31 of the *Native Title Act 1993 (Cth),* which is part of the "right to negotiate" process for the Project. o A native title status of "100% exclusive" means that the native title holders have rights that are equivalent to full possession of the land. o There is a Cultural Heritage Management Plan (CHMP) in place for MDL 182, and negotiation rights have been established under Section 31 of the *Native Title Act 1993 (Cth)*.

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		• Conversion of MDL 182 to a Mining Lease is required to access the Resources declared in Kestrel West, and this process carries regulatory uncertainty in Queensland. Given the West represents approximately 206.2 Mt (~50% of the total JORC Resource), failure to secure ML approval could be materially significant. It is also noted that MDL 182 expires on 30 November 2026, making timely renewal and ongoing monitoring important for the Project. It is understood that a renewal of MDL 182 has been lodged and the Mining Lease Application process has commenced. • Kestrel is the owner for all but four Lots on the proposed ML, being Lot 7 on RP613596, Lot 2 on SP197536, Lot 11 on RP864580 and Lot 12 on RP864580. While Kestrel is permitted to conduct preliminary activities on this private land, land compensation discussions are progressing with these landowners for the longer-term Project mining activities. From an approvals perspective, the land compensation agreements (LCAs) are key to mitigating potential objections being lodged by these landowners in relation to the Environmental Authority (EA), the ML and the Regional Interests Development Application (RIDA) approval processes. LCAs are currently being negotiated with all four property owners. Where LCAs are not able to be reasonably negotiated in terms of compensation payments to landowners, the matter(s) would be referred to the Land Court; the proceedings could add 12-18 months to the approvals timeline.

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		• Parts of the Kestrel mining area are freehold land that was granted prior to 1 March 1910. This means that the royalty is payable to the owner of the land, rather than to the government for these lots (though the calculation of royalties is per the *Minerals Resources Act 1989*). Therefore, royalty payments are apportioned between the government and the private royalty holders based on where the coal is extracted. Kestrel Coal Resources (KCR) (ownership being transferred to Yancoal) and Mitsui (amongst others) are entitled to a portion of these royalty payments. Other recipients of the private royalties include Ecora Royalties (a London-listed company). • SLR has not completed a comprehensive review of land acquisition, land compensation, statutory or legal verification of the Mining License status. SLR has made reasonable enquiries and exercised professional judgement on all information provided and found no reason to doubt the accuracy or reliability of the information or data that it was supplied.

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Criteria	JORC Code Explanation	Commentary
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	The points below summarise historic exploration and studies completed by other parties. Information generated from these activities has not been used to inform the reported 2025 JORC Coal Resources and Coal Reserves. • The first documented reports of coal in the Gordonstone district date from 1964 and were based on water bore records. Regional exploration for open cut coking coal commenced in the mid to late 1960s. The Bellambi Coal Company, in 1966, conducted a small, unsuccessful, exploration programme within Authority to Prospect (ATP) 27C, part of which covered Gordonstone. In 1968, Mount Isa Mines Ltd was granted ATP 42C. They drilled two holes in the Gordonstone area, but with its significant cover of basalt and post Permian sediments, it was not considered prospective as a potential open cut mine at the time. • From 1971 to 1975, the Queensland Department of Mines conducted a drilling and Resource evaluation programme in the Gordonstone area. Of the 37 holes drilled, 29 intersected the German Creek Seam. Subsequently, the Resource was let out to tender as Gregory South. The Denham Coal Associates Joint Venture, with Kennecott Explorations (a BP subsidiary at the time) as the major shareholder, was awarded ATP 389C in 1982.

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		• Exploration from 1982 to 1984 included 280 drill holes and was followed in March 1985, by a Feasibility Study which confirmed the technical and economic feasibility of a single longwall operation, producing a low ash, high fluidity, hard coking coal and a medium ash, high energy thermal coal. • A Pre-Feasibility Study began in 1985 for the current Kestrel Mine area and included an Environmental Impact Assessment (McIntyre and Associates/ Winder Barlow), Mining (Fawcett Mining Consultants) and Surface Infrastructure (Sedgman & Associates). The exploration drift was commenced in January 1988 and completed in January 1990. • In February 1985, Denham Coal Associates applied for a Mining Lease (ML) over an area of 26,189 ha (Application No. 2251 Clermont), which included a surface lease of 1,040 ha for infrastructure and reject disposal. In July 1986, the Mining Warden recommended that the Mining Lease be granted for the entire area sought. However, Special Conditions of the lease negotiated in October 1987 resulted in a reduction of the application area to 5,840 ha. • During this period, a number of ownership changes occurred in the Joint Venture. Atlantic Richfield Company (ARCO) acquired the management company in 1987, and in 1989, purchased a pro rata share of Kennecott's interest.

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		• Mine construction commenced on 1 August 1990. The initial underground development began in March 1991, with the first longwall (100-series) commencing on 19 April 1993. The second longwall (200-series) commenced production in April 1996. • Pacific Coal Pty Ltd (PCPL) commenced management of the Gordonstone Mine in February 1999 after purchasing the mine from the original developer ARCO. By the end of 1999 operations had been re-started and the mine was successfully established under its new operating regime. Mining in the 300-series panels commenced in January 2004. • Following development and early operations under Pacific Coal, ownership transitioned to Rio Tinto Coal Australia (RTCA) through corporate restructuring and asset consolidation within the Rio Tinto Group. • Exploration undertaken by RTCA represents a significant component of the drilling and dataset underpinning the current Kestrel Mineral Resource. RTCA conducted extensive exploration programs across the Kestrel lease between the late 1990s and 2018, building on earlier work by previous operators. These programs were designed to support ongoing mine operations, resource expansion, and longer-term mine planning.

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		• Between 2001 and 2006, RTCA completed Expansion/Development Studies to support continued production from Kestrel North and development planning for mine extensions, including optimisation of underground operations. Between 2010 and 2013, the Kestrel South Feasibility Study was completed, and mining in the 400-series panels commenced soon after. • Rio Tinto continued to own and operate Kestrel until 2018, when it divested its coal assets, including selling its 80% interest in Kestrel to the EMR Capital/Adaro consortium (Kestrel Coal Resources Pty Ltd) as part of its exit from the coal sector. • Exploration undertaken since 2018 has comprised extensive surface drilling, coal quality sampling, geophysical logging, an aeromagnetic survey and 2D/3D seismic acquisition. These programs have focused on infill and extension drilling to support ongoing mine planning and JORC Resource updates, with particular emphasis on structural definition and coal quality in current 500-series and future (Kestrel West) mining areas (600- and 700-series). Exploration data are integrated with underground observations and are regularly incorporated into updated geological models. • Approximately 664 drill holes were completed during the 2021-2025 period alone, with development in the 500-series panels commencing in 2024.

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		• Kestrel West is currently the subject of ongoing evaluation and feasibility work programs (2025-2027), with a Feasibility Study in progress at the time of reporting. • In April 2026, it was announced that Yancoal would acquire Kestrel Coal Resources Pty Ltd and its interest in Kestrel Mine. This transaction is in progress.
Geology	• Deposit type, geological setting and style of mineralisation.	• The Kestrel Mine is located in the central Bowen Basin, Central Queensland. The Basin covers an area of approximately 200,000 km² and consists of north-northwest to south-southeast trending tectonic platforms separated by sedimentary troughs formed through extensional and compressional events. Reactivation of basement structures during the Permian influenced the development of the coal measures, including east-west fault sets that cause seam splitting. A major compressional event in the Triassic created north-northwest striking low-angle thrust faults. Later, Cretaceous uplift and extension reactivated older faults without forming new major structures. • Stratigraphically, the area comprises Permo-Triassic sediments overlain by Quaternary and Tertiary deposits. The key coal-bearing sequence is the Permian Blackwater Group, which comprises the Rangal Coal Measures, the Burngrove Coal Measures, and the German Creek Coal Measures, overlain by the Triassic Rewan Formation, with the Back Creek Group forming the underlying basement.

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Criteria	JORC Code Explanation	Commentary
		• The Kestrel deposit is located on the Comet Platform on which deformation is limited to broad, low amplitude basin and dome structures. The Kestrel Resource is located on the western limb of the gently south-westerly plunging Talagai Syncline which defines the prevailing southerly to south-easterly regional dip in the mine area. The sequence at the Kestrel deposit comprises the German Creek Formation overlain by the Macmillan and Fair Hill Formations. o The Fairhill Formation averages 100 m in thickness and comprises lithic sandstones and includes the thick (~20 m), banded, high ash coal seams. These seams are presently of no economic interest due to their washed products, not meeting market requirements. o The marine Macmillan Formation averages 45m in thickness and comprises marine siltstone with minor sandstone. o The Upper German Creek Formation is approximately 120 m thick and contains fine to medium grained quartz-lithic sandstone with siltstone and claystone interbeds and up to seven coal seams. The GC Seam is the lowermost seam of the Formation and is the only seam of economic thickness and quality. It is overlain by the Pleiades, Aquila, Tieri and Corvus Seams (stratigraphically).

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		• Coal is mined from the German Creek Seam which is hosted in the German Creek Formation, which is a marine sequence that interfingers with and is the equivalent of the terrestrial Moranbah Coal Measures of the northern Bowen Basin. • The GC Seam is also characterised by sharp roof and floor contacts. Floor strata are often weaker than the roof, particularly where basal splits of the GC Seam are present (in mined out areas and in the far south-west of MDL 182 (Kestrel West) beyond the current mine plan). The immediate floor is comprised of a siltstone/ sandstone unit. • The GC Seam has a maximum thickness of 3.4-3.6 m, in the northwestern portion of the 300-series panels. The seam thins to the south and south-east in the 400-series panels ranging from 2.6-3.2 m. Seam thickness in the 500-series panels, is typically 2.7 m and thickens to 3 m in the central 500 panels and thins to less than 2.3 m east of panel LW501. Seam thickness in the proposed 600- and 700-series longwalls ranges from 2.8 – 3.2 m. • The upper 1 m of the seam contains up to 5 thin claystone bands from 2cm – 7cm thick, some of which are consistent marker bands. These bands vary in carbonaceous matter, siderite and pyrite content. When operating as the Gordonstone Colliery, analysis of in-seam claystone bands indicated a kaolinitic or flint clay composition.

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		• The GC Seam reaches a depth of 490 m below the topographic surface within the Kestrel leases. • The Kestrel Resource is characterised by low amplitude dome and basin folding. The four dominant structural features are: o 1) An anticline, (dome structure) centred on the 100 and 200 panels. o 2) A syncline centred on the 300 and 400 panels. o 3) Anticlinal and synclinal features in and around LW501 – 503 panels. o 4) Synclinal and anticlinal structures centred on the proposed mains of the 600- and 700-series panels in Kestrel West. • The GC Seam is affected by faulting. Faults of seam height displacement (> 2-3 m) affect longwall operations, impacting the economics of the production through slow productivity. Faults are interpreted as steep-angled, with dips between 70° to 80° in two major orientations consistent with the regional geological setting, as follows: o Four major northerly striking fault zones: o 1) On the eastern limb of the Kestrel anticline, the Boundary Fault is a normal fault, trending north south and is downthrown greater than 25m to the west.

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		o 2) Between the Kestrel anticline and syncline, the TiTree Fault Zone consists of eleven thrust faults, trending northwest to South with the sense of displacement downthrown 2-15m predominantly to the east, but with some western dipping faults. o 3) On the western limb of the Kestrel syncline, the Windmill Fault zone consists of seven thrust faults trending northwest-southeast with displacement downthrown 1-3m to the west. o 4) The Woolshed fault zone is divided into a northern and southern zone. The northern zone consists of nine thrust faults which trend north-south, with 8 faults downthrown 1-11 m to the east and one to the west. The southern zone consists of two normal faults and six reverse faults with displacement from 0.5-2.0 m. o One major east-west striking fault zone: o On the western edge of the syncline identified in the 400 and 500 panels. The 400-500 fault series consists of more than 80 faults (the majority of these have displacement less than 0.1m), dominated by normal faults that dip to the east at 60-65° and a strike of 70°. Minor normal faults dipping to the west are also encountered, as well as rarer reverse faults dipping to the west.

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		• The faulting in Kestrel West is poorly understood. The drill hole spacing is generally too large to detect faults with less than 10 m displacement. 3D seismic acquisition is critical for this understanding. • There are widespread surficial Tertiary basalt flows in the area; however, no igneous intrusions have been encountered in boreholes or during mining operations to date. There is a possibility that volcanic plugs may intrude the coal measures in localised areas, consistent with other operations in the Bowen Basin with similar features. • A regional rank gradient exists across the Bowen Basin, and where the GC Seam occurs, the trend is for a declining rank to the west-southwest. The highest rank coal (Rv Max 1.60) occurs at Norwich Park and the lowest (Rv Max 0.85-1.00%). Coal rank places the GC Seam within the high-volatile coking coal range. • As coal rank decreases in Kestrel West, coking properties degrade, characterised by reductions in CSN, fluidity and dilatation, and an increase in volatile matter. This results in reduced coke strength and a shift from hard coking coal characteristics toward weaker coking behaviour. • Average ash and yield characteristics are relatively consistent across the deposit; however, increased variability in ash content and corresponding uncertainty in yield in Kestrel West are expected due to lower data density, greater structural complexity, and limited coal quality control.

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Criteria	JORC Code Explanation	Commentary
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar; o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar; o dip and azimuth of the hole; o down hole length and interception depth; and o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• The geological model is informed by 2,367 drill holes comprising cored and open-hole drilling. A subset of 534 of these drill holes, meeting recovery and data quality criteria, is used for coal quality modelling, while the full dataset supports geological and structural interpretation. • Detailed drill holes information, including location and seam intercepts are stored in GDB and locations are shown in Figures in the main body of this Report.

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Criteria	JORC Code Explanation	Commentary
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• All coal seams intersected have been correlated on a ply-by-ply basis throughout the deposit using geophysics and drill hole graphic logs. • Ply coal quality samples were weighted on the thickness and relative density (RD) and composited on a per ply basis. • Non-coal partings within the seam are included within the composites. • No cut-offs for coal quality have been applied. • A small number of fluidity samples were top-cut due to an inability to find the original records. The maximum fluidity of seven (7) samples was reduced to 6,000 ddpm. These holes are in mined-out areas and have no impact on the Resource estimation. • There are no metal equivalents used to report Coal Resources.

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Criteria	JORC Code Explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• The geometry of the deposit is well understood and is based primarily on the drill hole data and other geological information (regional geology, aeromagnetic survey, 2D & 3D seismic surveys). • All thicknesses in the drill hole data are apparent thickness. Given the deposit's shallow seam dip, the differential between apparent and true thickness in a vertical drill hole is not considered material to the Resource estimate. • All drill holes have been drilled vertically. Verticality data on drill holes have been routinely collected since 2007 and applied to the drill holes in the model so that true thickness can be represented in the geological model.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Plan view of drill hole collars within the body of the report. • Representative contours, geological features and cross-sections for the deposit within the body of the report.

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Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• All geological data provided by Kestrel's geologists has been reviewed by Kestrel and their contractors and consultants, including detailed coal intercepts and barren holes for all hole types. This report references all available exploration results from the Kestrel up to the commencement date of the Resource estimation. • Some exploration holes have not been included in the geological model, as they do not contain sufficient information for valid resource interpretation. o Holes not supported by downhole geophysics; o Holes drilled too shallow to intersect the GC seam; o Large diameter holes are excluded from the coal quality modelling process as they are twinned at the same location as a slim core hole; o Selected coal quality holes have been excluded from the coal quality model due to under-representation of the coal quality as a result of core loss or faulting. • However, sufficient coverage of drill holes has allowed JORC resources to be reported for Kestrel, owing to the collection of valid data for the majority of holes drilled.

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Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• Apart from surface exploration drilling, data has been collected from: o Underground drilling and channel sampling. o Large Diameter drill holes have been drilled and tested extensively for washability analysis. o Extensive geotechnical testing has occurred across the deposit, including but not limited to defect logging, point load testing, Uniaxial Compressive Strength, Triaxial and slaking tests. o Spontaneous combustion and gas testing have occurred at consistent spacing across the deposit. o An extensive surface to in seam system exists from the latter 400-series to the early 500-series, that have provided roof touches and seam profiles and samples for gas testing. o 2D and 3D Seismic covers the 500-series. 34 km of 2D Seismic lines are spread over the Kestrel West including the 600- and 700-series mining domains.

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		• Surface basalt can impede the collection of high-quality seismic data. Surface basalt occurs across areas of Kestrel West, therefore impacting the data available for structural interpretation and a higher Resource classification according to the criteria defined for Kestrel. o An aeromagnetic survey was flown in 2019 to investigate the extent of the basalt cover across the deposit.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Targeted brownfield Kestrel West supported by intensive geological, environmental, and gas-management investigations in support of life of mine planning: o Major exploration and resource development for the Kestrel West area, including additional coal quality drilling, geotechnical analysis, gas testing, fault delineation and 3D seismic, with the intent to uplift Resource classification to Measured status. o Hydrogeological and environmental investigations to support the Mining Lease Application for Kestrel West. o On-going gas drainage and geotechnical drilling ahead of production for remaining 500-series panels.

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Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• Drillhole data from within Kestrel has been collected under different mining companies, eras of mining, technology and standards of practice. Over time, the data has been stored in different mining packages and formats. o For exploration completed by RTCA, data was entered in the field by the field geologist into LogCheck Data Entry software designed specifically for coal exploration. o Recent drilling by Kestrel Coal Resources has been captured on paper logs in the field and data-entered using in-house templates and loaded into Geobank where it is verified by the site's mine geologist. • During 2006, the drill hole data was sourced, formatted and in many cases encoded from English logs (descriptive lithology logs) to build up the database into MineScape's geological database: GDB. o GDB is a relational database module of the geological modelling software that allows data to be validated against a set of rules to ensure data consistency across the project. Validation examples include ensuring data conforms to stratigraphic sequence; that depths are consistent across data types; that allowable codes and descriptions are being used for lithological observations; that sample numbers and their associated analysis are unique.

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		o GDB contains automated validation processes which are activated during data loading and prevent unvalidated data being loaded. This data gets stored in a temporary raw data table which displays error messages for any data that does not meet the validation criteria. o Once the data was loaded correctly into GDB, additional validations were performed through review of tabulated data and/or by plotting the data to a graphical format. In graphic formats, validation on interval depths and thicknesses, as well as correct seam naming can be confirmed and/or fixed through review of lithology against geophysics. o During the modelling process, anomalous seam and interburden structure and thicknesses were interrogated and errors iteratively corrected in the database. This included minor updates to coal seam depths and thicknesses; review of hole information and its effect on regional geological trends; and seam naming, and its effect on structural interpretation. o Since August 2022, geological data has been stored in Micromine's proprietary Geobank geological database software. Collar and lithology are exported out of Geobank and imported into GDB for modelling purposes. GDB is maintained as the database for the geological model, and may differ from site's Geobank database owing to modelling validations and seam interpretations.

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		• Coal quality data is validated by the laboratory under the conditions of their accreditation. Further checks have been completed by the modeller to ensure data is within normal range limits, e.g. proximate analyses add up to 100% etc. and basic statistics such as cross plots (Recovery, Energy & Ash) to ensure data consistency. Coal quality reports from the laboratory were reviewed to ensure all data entry was error-free. • Some errors may still pass through to the geological and coal quality models, however, considering that coal is a bulk commodity of relative even consistency and the large number of drill holes on which the resource is based, such errors are unlikely to have a material impact on the resource estimate. • All drill hole data is securely stored in a database which is duplicated on multiple servers and is backed up daily. • It is highly unlikely that there is significant corrupt data in the database, given the validation procedures above.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• Mr Shaun Ayshford of SLR has represented Mrs Danique Gerber (Competent Person) at a site visit in June 2026, to review and discuss drilling, logging and sampling procedures; examine recently drilled chips and core. Mr Ayshford is a Principal Resource Geologist and a full-time employee of SLR with over 25 years of experience working on coal projects. • No issues were encountered.

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Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• Geological interpretation is primarily based on the drilling data with the majority of the holes being supported with geophysical log information. • All coal seams have unique geophysical signatures that enables seam correlations to be made consistently and confidently. • Fault locations and orientations are supported by seismic data, except for in Kestrel West where seismic acquisition has not yet been completed. o In Kestrel West, faulting is primarily interpreted where seam elevation displacements are apparent between drill holes. Further refinement of the fault locations will be possible with additional drilling and seismic data acquisition in the future. The Resource classification for Kestrel West has been downgraded to Indicated to reflect this confidence. • Changes in coal rank across the deposit are consistent with the regional coal rank changes, and there is sufficient support for this from the coal quality analysis data in the available drilling.

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		• The deposit is well known and stratigraphic, with all major structures and coal seam continuity (including coal quality) and limits (i.e., LOX, sub-crop and igneous intrusions) grossly defined. Infill drilling, mining exposure and mapping have supported and refined the model, which will continue to occur through future iterations of the exploration and modelling. • Alternate interpretations are considered limited and would have a negligible effect on reported Resource estimation. • Geostatistical analyses provide the basis for guiding and controlling the Resource classification and estimation. Those studies have supported the interpretation that the most critical variables, including seam thickness, raw ash, volatile matter, CSN and yield, are laterally continuous.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The deposit trends 17.5 km northeast to southwest and is 10 km in width. The deposit extends to a depth of 490 m below the topographic surface. • The average total coal thickness ranges from 2.6-3.6 m in various parts of the deposit.

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Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).	• The geological model used for resource estimation is the kes_2509_lom model, and was developed using Datamines's Stratmodel module of MineScape geological modelling software (v10.5.143.0), and directly referenced data stored in the GDB database module (on an Oracle platform). • The model was constructed by third-party consultants for Kestrel. • Structural and coal quality grids have been generated with a grid cell size of 20 x 20 m. This compares with a general sample spacing of 150m (Structure) and 338m (Raw Quality). • The structural model utilises numerous datasets in addition to the drill holes, including fault data, seam thickness and level data from underground mapping, and roof and floor touches from SIS and UIS drilling. • Interpolation of data points to structural grids occurs through Finite Element Method (FEM) interpolation for all thickness, surface (first order FEM) and trend surface assignment. • All seam and plies intersected in drill holes have been modelled, and no selective mining unit assumptions have been applied. • All seams have been set to pinch where data limits are reached. • No extrapolation distances have been set.

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	• In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• No thickness restrictions have been set. • A base of weathering grid was developed from drill hole intersections, and all final structure grids used for Resource estimations were clipped to the base of weathering to ensure oxidized coal was excluded from the calculations. • A GDB drill hole template was created using model flags to determine the valid structural and coal quality holes for use in the geological model. • Four coal quality models are produced for Kestrel: o 1) Raw Quality; o 2) Primary Coking "Product A": target 6.5% Ash for the GC Seam (100-500 area); o 3) Primary Coking "Product B": target 9.5% Ash for the GC Seam (600-700 area in Kestrel West); o 4) Secondary "Product C": high ash coking/thermal quality model – target 12 – 15 % Ash for the GC Seam. • Sample compositing ensures that all samples are within the seam boundary. Any unsampled lengths (e.g. core loss) within the seam result in no composite being created for that location.

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		• Regression relationships have been developed from site-specific datasets to infill data gaps for certain properties with known relationships to allow coal quality composites to be created: o Determination of Relative Density (RD) from raw ash where RD was missing. The equation used is: RD = 1.20 +(0.0128 x Ash). o in situ density was calculated using the Preston-Sanders equation: RD2= [RD1*(100-M1)]/ [100+RD1*(M2-M1)-M2], where RD1 is RD (ad), M1 is moisture (ad), and M2 is the in situ moisture. o Determination of Specific Energy (SE) (dry basis) from ash. The equation used is: SE (dry basis) = -0.3452 x Ash (dry basis) + 33.754. o Determination of Volatile Matter (VM) (air-dried) from ash. The equation used is: VM = 37.07- (0.33 x Ash). • Default values have also been inserted for samples where specific parameters are missing: o Inherent Moisture (IM): 2.3%, calculated as the average of the analysed inherent moisture raw coal (% ad), for a raw coal with a raw ash of 15%. o in situ moisture of 6%, as discussed in the "Moisture" criteria below.

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		• The "Product A" CSN, Dilatation and Fluidity values are sourced from the Fractional Quick Coke (FQC) results as first preference, however, if there are no FQC results for the sample, then the product composite testing (PCT) result is used. o There is a positive bias in the results obtained via the FQC method for both dilatation (average difference +26.9) and fluidity (average difference +949) with little to no change seen in CSN values (average difference -0.04). This is expected, given the freshness of the FQT sample compared with the PCT, where PCT may be affected by sample degradation due to time lag between sample collection and testing. • The modeller derived all "Product B" grids primarily from calculated values rather than analysis data to model the product quality in Kestrel West, as follows: o Ash & Yield: simulated result from the Kestrel Composite Recipe maker at a target ash of 9.5% or where the max. parameters have been reached (inputs: Max Bath Cut 1.45, Max DMC Cut 1.8, Max Floatation T1). o Fluidity & Dilatation: from Product A FQC analysis, recalculated for a 9.5% ash.

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		o CSN: From where either FQT CSN, or an actual Product B PCT. o Total Sulphur (TS): Where Product A TS exists x 1.05. o Phosphorus (P): Where Product A P_2O_5 exists x 0.72 and calculated back to P. o Vitrinite Reflectance (RoMax): Carried straight across from Product A results. o Vitrinite: Where Product A vitrinite exists x 0.957. o Inherent Moisture: Where analysed Product B inherent moisture exists otherwise default of 2.3%. o SE & VM are calculated using the regression equations listed above. • The modelled primary and secondary product yields are the product mass yield (theoretical washability test yield) reported from the laboratory. They do not include dilution or other modifying factors such as plant efficiency factors, sizing adjustments etc. and should not be relied upon as such. • Coal quality grid creation takes the table data and uses inverse distance cubed (ID3) interpolation with a power of 1 and search radius of 2,500m (for raw coal), 3500m (for product coal), rotated to 070 to interpolate the coal quality composites onto grids.

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		• Each of the grid surfaces (for structure and coal quality) are contoured and validated against the geological data prior to model publication. • There are no deleterious elements that are considered economically significant. Fluorine and Phosphorus are modelled in the Raw and Product Quality Models, and show no elevated levels, any above average are able to be blended if required. • All Resource estimations are reconciled against previous estimates, usually from 12 months prior. All changes are quantified and reported. This technique is deemed appropriate for this style of mineralisation. • New model grids generated have contours and cross-sections created to compare against previous models, and to search for any inconsistencies in stratigraphy, fault orientations, etc.. All differences seen from previous models are identified and fully quantified. • The percentage difference between drill holes and the model are reported as a check against raw data. • Once a model has been validated in adherence to the procedures all inputs, outputs, model specs, and a record of validations made throughout the process are stored.

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Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Resource estimates are on an in situ moisture basis, calculated using the Preston-Sanders (1993) method. Estimating in situ moisture is very difficult as any sampling removes the coal from its in situ state and therefore alters the in situ moisture. The Moisture Holding Capacity (MHC) test is used to estimate this. • Kestrel coal in situ moisture is estimated at 6% based upon regional analogues and historical testing using the following indicators: o in situ moisture is typically 2 times greater than air dried moisture. The GC Seam raw coal air-dried moisture averages 2.95% (grid average). o in situ moisture is typically 25-35% higher than equilibrium moisture (or moisture holding capacity (MHC)). MHC is between 2.7% and 9.7%. The average of 103 MHC tests produces a result of 3.99%.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• In the early 1990's when the Kestrel mine was in its development phase, there was a push to lower ash levels in the primary coking coal product. This, coupled with the need for new, high volatile high fluidity coals to compete with similar USA coals at ash levels as low as 4%, drove the owners of Kestrel at the time to produce a low ash coal as its primary product. Overall yield was maintained by the production of a secondary product at a higher ash level.

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Criteria	JORC Code Explanation	Commentary
		o The coals produced by the Kestrel Mine back in the 1990's and 2000's were: o Primary Product – 6.5% ash high volatile coking coal. o Secondary Product – 13% high ash coking coal. o The coals now produced by the Kestrel mine are: o Primary Product – 6.5% ash high volatile coking coal (Product A), or o Alternative Primary Product – 7.5-9.5% ash high volatile coking coal (Product B), which is the likely product from Kestrel West, and o Secondary Product – 15% ash thermal coal (Product C). • Raw ash quality cut-offs of 45% has been applied to the Coal Resource estimation. • Barrier pillar width 50m (buffer) to recent workings, and 120m to old workings (same distance as the LW300s to LW400s).

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Criteria	JORC Code Explanation	Commentary
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• The initial Pre-Feasibility Study for Kestrel (Kestrel North -100 series) was undertaken in 1985 by ARCO and Mitsui, which confirmed the technical and economic feasibility of single longwall operation. An exploration drift was completed in 1988-1990 and mine construction commenced in 1990. Mining finished in the 100-series in March 2001. Mining commenced in the 200-series in November 1994; mining ceased in December 2003. • An internal Strategic Review was undertaken by Rio Tinto in 2001, to evaluate what is now the 300 and 400 series longwall panels. The 300 series was mined in the period 2004-2014. An additional Feasibility Study was undertaken by Rio Tinto in 2006 to evaluate Kestrel South (400 & 500 series). The decision to invest in Kestrel South was made in 2007 and drift construction commenced in 2009. In-seam development occurred in 2011 with the first longwall coal mined in June 2013. • For the remaining Resources declared in ML 1978, there is precedence that Crinum South dewatered the old workings and commenced bord and pillar so, given coal price and availability of Resources, one could reasonably assume to dewater and recommence mining operations with the assumed 120 m barrier to old workings (this is the same distance between the end of 300-series & 400-series). Alternatively, possibly use the old workings for transport/ventilation and a newly constructed surface to seam drift access for coal clearance/ventilation/egress.

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Criteria	JORC Code Explanation	Commentary
		• The main assumptions from these studies and the ongoing active mining are that the deposit will be mined via underground longwall method in addition, bord and pillar style extraction has been considered. The longwall method is the method currently being used by the operation and it has a long operational history in the region as being an effective and economic mining method. • A Pre-Feasibility Study for the Kestrel West resources in 2020 identified a mine plan that represents the continuation of current methods, practices and productivities using the 2020-cost base projected forward. Extraction of the reserves was estimated to extend the mine life to 2046 at projected rates which range between 7.6 Mtpa and 10.5 Mtpa. A Feasibility Study is currently underway. • The GC Seam roof is described as a typically interlaminated sandstone/ siltstone trending upwards to interbedded sandstone/siltstone. The laminations can be quite variable over a small area. Results from borehole testing in the area indicate the Coal Mine Roof Rating (CMRR) ranges from 34.8 to 52.7, with a mean of 44.4 and standard deviation of 3.65. These values suggest the coal has a propensity towards a moderate strength roof while occasionally encountering moderately weak to weak roof conditions. An observed trend is that roof strength improves with depth; however, Kestrel West resources are shallower than the existing operating environment, therefore, roof conditions may deteriorate as the operation progresses westward.

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Criteria	JORC Code Explanation	Commentary
		• The GC Seam floor comprises interlaminated carbonaceous mudstone, siltstone and sandstone. There is a strong correlation between improved floor conditions and increasing UCS strength, and floor conditions can manifest into floor heave when the UCS of the immediate floor is < 10 MPa and predominantly siltstone/mudstone lithology. Very poor floor conditions have been experienced historically in most locations, and management of the weak floors has included leaving a coal floor and roadway water management to protect the integrity of the floor. Some improvements have been experiences in the 500-series, but it is expected to deteriorate again when mining progresses westward. • There is a high risk of water inflow from Tertiary sediments and basalts at interburden distances less than approximately 130m. This interburden condition will only present at the western extremities of the 600- and 700-series in Kestrel West. • For the Resource estimation: o A minimum seam thickness of 2 m is set for the GC Seam. o A maximum interburden between plies is 0.2 m. o The limit of fresh Permian cover is a minimum of 40 m for longwall mining. This decreased to 20 m below fresh Permian cover for Bord and Pillar mining.

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Criteria	JORC Code Explanation	Commentary
		o Depth of coal to the GC floor is 600 m, which are depths deemed achievable by underground mining techniques.
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Coal quality testing has focussed on testing for a 6.5% ash primary coking product and a 12.5-15.0% ash secondary thermal product as a result of the following results from laboratory analysis of drill cores: o Low Ash: one of the lowest available in the market. o High Fluidity: Kestrel's brand of coal is well-known for its fluidity compared to other products in the market; combined with its low ash attributes, it is an attractive blending coal for use in coke ovens. o Low phosphorous: important to produce high steel quality. o Medium coke strength: Coke strength combined with benign trace elements supports Kestrel coal's good coke performance. o CSN: The range of product CSN values are 6.0 – 9.5. • While yield and product quality data for the German Creek seam is available and modelled, this is not a criterion when defining the Coal Resource.

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Criteria	JORC Code Explanation	Commentary
		• The Primary and Secondary product yields modelled are the product mass yield (theoretical washability test yield) reported from the laboratory. They do not include dilution or other modifying factors such as plant inefficiencies, sizing adjustments etc. • The coal in main Kestrel deposit washes to a high primary yield of low ash product. In Kestrel West, washability properties deteriorate, with a lower primary yield achieved. Additional washability data is required for Kestrel West. • A combination of density separation (magnetite/water) and fines flocculation processes are used for the processing of Kestrel coal. • Washability characteristics of the seam are well understood through operational experience. • Kestrel's coking coal products historically have achieved 78 – 86% of Platts Premium Low Volatile (PLV) index pricing.

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Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• Kestrel is compliant with its Environmental Authority. • From 1992 to 2019, tailings were stored in co-disposal earthen landform (CDSF) to proactively address acid rock drainage. There is ongoing monitoring of surface and groundwater undertaken to monitor its effectiveness. A Rejects Return Water dam receives runoff and seepage from the CDSF, decant water and water pumped from underlying aquifers and underground workings. The dam is expected to be decommissioned upon closure and will be rehabilitated as soon as practicable once mining is completed. • Tailings are now managed as a dry stack method within a Dry Disposal Area (DDA), commissioned in 2020. The process flow sheet was modified to add solid bowl centrifuges to dewater fine tailings, and coarse rejects are mixed with the dewatered fine tailings at the CHPP. The waste is then transported by dump trucks to a DDA founded on top of the former co-disposal area. This minimises the environmental footprint and water quality impact. • The current DDA has capacity to the end of the 500-series. A Concept Study was commissioned in 2022 to examine options for further waste management capacity requirements for Kestrel West with works since being progressed.

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		• Kestrel is currently trialling a secondary flocculated fines deposition strategy. • The open pits associated with the neighbouring mines could potentially accommodate future storage volume (depositing both wet and dry material into the open pits). • Deleterious or trace elements were assessed and not deemed to have any environmental impact (low phosphorus and benign trace elements). • Experience has shown the goaf caves readily with little periodic weighting, and subsidence on the surface can be expected to be around 50 to 60% of the seam extraction height. • The Company has an extensive environmental and heritage approval and compliance process. No issues are expected that would impact on the Mineral Resource estimate. o In 2023, Kestrel submitted an Initial Advice Statement and Voluntary environmental impact statement (EIS) application for Kestrel West extension project. Studies for Kestrel West are in progress, including Social Impact, Surface Water, Air and Noise assessments. o In 2024, the Western Kangoulu People accepted the technical impact assessment reports for Policeman's Lagoon, and a Mining Agreement was provided for legal review.

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Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• in situ density (RD_{is}) has been estimated using the Preston-Sanders (1993) equation, as follows: $RD_{is}= RD_{ad}\times(100-IM_{ad})/(100+RD_{ad}\times(M_{is}-IM_{ad})-M_{is})$, where RD_{is} is in situ density, RD_{ad} is air-dried laboratory Relative Density, IM_{ad} is air-dried moisture (Inherent Moisture) and M_{is} is the in situ moisture, assumed to be 6%. • Relative density (RD) is derived from pycnometer analysis at the laboratory for each sample within the coal seam, and composited on a length-basis for each seam where multiple samples cover the interval. • In approximately one quarter of samples (201/811), the RD was calculated through regression with ash. There is at least one regression result in 176 of the 534 holes (approx. one-third of the modelled holes) in the coal quality model; all of these are historical holes drilled prior to 1998. The majority of these holes are in mined out areas, however, some exist ahead of mining and have a widespread coverage at Kestrel West. The Resource classification in Kestrel West takes this uncertainty into consideration.

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Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• The classification of Coal Resources into varying confidence categories is based on a standardised process of utilising points of observation (PoO) according to their reliability. The PoO are used to categorise quantity and quality continuity (or both) or support continuity, and consider various criteria, namely drill hole spacing which forms the most fundamental requirement, quality of drill hole data (reliability) and the coverage of either seismic, or SIS flanking data used to identify structures (or lack of) which is critical to the economic viability. • Five (5) data types have been identified to support the classification of JORC Resources, and flagged each hole according to the criteria below: o Type 01: A core hole intersecting the seam with geophysical support (caliper, density, gamma and verticality) and analysed for ash, IM and RD. o Type 02: A core hole intersecting the seam that is missing geophysical support but has been analysed for ash. o Type 03: A chip hole intersecting the seam with geophysical support (caliper, density, gamma and verticality). o Type 07: A chip hole intersecting the seam that is missing geophysical support.

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Criteria	JORC Code Explanation	Commentary
		o Type 08: Supporting data, including roof intersections from UIS & SIS holes or seismic surveys (2D or 3D). • Quality and Quantity PoO are classified as follows: o Quality: Type 01 & Type 02 holes, with raw ash as the key quality attribute to defining Coal Resources. o Quantity: Type 01 & Type 03 holes, with geophysical support for seam occurrence and thickness to be confirmed for the definition of Coal Resources. • Radii of influence have been determined through a geostatistical study undertaken in 2015. This study included Exploratory Data Analysis (EDA) and domain analysis, Drill hole Spacing Analysis (DHSA) and variography. Eight variables were assessed in this study, including thickness, raw ash, product yield, Relative Density, Product CSN, Product Phosphorus, Product Total Sulphur, and Product Volatile Matter (dry ash free). For the classification of Resources, raw ash was selected as the property for defining radii for Quality PoO and thickness for Quantity PoO. The radii for each attribute is tabulated below:

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<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Commentary</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th rowspan="2">Point of Observation Type</th><th rowspan="2">Attribute</th><th colspan="3">Radii of Influence (m)</th></tr>
<tr><th>High</th><th>Medium</th><th>Low</th></tr>
<tr><td>Type 01 & Type 02</td><td>Quality – Raw Ash</td><td>600</td><td>1,175</td><td>2,600</td></tr>
<tr><td>Type 01 & Type 03</td><td>Structure – Thickness</td><td>1,425</td><td>2,450</td><td>4,650</td></tr>
</table>

It is noted that the DHSA study identified greater variability in the analysis of phosphorus which resulted in smaller radii being recommended for the Resource classification if the characterisation of phosphorus could not be appropriately managed on site. However, phosphorus is not considered by Kestrel to be the key quality for the classification of Coal Resources, nor is it considered to be a deleterious element, with its occurrence well-managed through grade control drilling and product blending. The DHSA study recommended that the radii for raw ash be used if phosphorus was excluded. This is the approach that was adopted for the Resource classification.
The 2014 Coal Guidelines discuss that Coal Resources should reflect the type and style of minable product, and therefore Kestrel's Resources should be classified and tested based on a coking product. The DHSA spacings for product qualities such as yield, CSN, Total Sulphur and Volatile Matter were all much larger than the raw ash radii, providing additional support for the classification of the deposit as a coking coal resource beyond the coal quality characterisation. Raw ash was selected as the key Quality variable to ensure that Quality Resource polygons would be constrained to the most variable quality (after phosphorus).

</td></tr>
</table>

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		• Final Resource polygons were constrained to the most variable attribute of Quality and Structure, being Quality, using the following criteria: o Measured Resources are applied the High Confidence Level radii (in the table above) when Type 01 PoO exist and either SIS holes flank the longwall panel or 3D seismic present. • The absence of 3D seismic data in Kestrel West means that Coal Resources here have been downgraded to Indicated Resources. o Indicated Resources are applied the Medium Confidence Level radii when Type 01 and Type 02 PoO exist. o Inferred Resources are applied the Low Confidence Level radii when Type 01 and Type 02 PoO exist. • Coal Resources are classified within the tenure boundaries only. • No Resource was classified west of the KW_N _02 fault in Kestrel West (MDL 182). Only a small area meets the above definition requirements but does not meet the economic test for an underground Coal Resource.

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		• Due to the potential size and uncertainty of the faults picked up by 3D seismic, and displacement potentially greater than 4m, a buffer around the faults of the Windmill and 400_500 fault systems has been created and the coal within the buffer remains an Indicated Resource. • A precedence has been established at Crinum South (Kestrel's northern neighbour) that mining operations can recommence in proximity to dewatered workings, utilising a 120 m barrier to the old workings. This was also done between the 300- and 400-series. This supports the inclusion of the remaining Resources on ML 1978 in the Resource estimate. • A 50 m barrier has been excluded between recent workings and the remaining Resource. • The Competent Person is satisfied that the stated Coal Resource classification reflects the geological interpretation and the estimation constraints of the deposits.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• Kestrel has had 6 external and 1 internal audit completed in the past nineteen years; they include: o An external audit of the structural and coal quality databases, and models completed by Xenith Consulting in 2007. No material errors were noted in the model; only a few minor discrepancies were identified. The model was considered to be fit for the purposes of Resource and Reserve estimation and mine planning.

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Criteria	JORC Code Explanation	Commentary
		o An external audit of the coal quality database completed by McMahon Coal Quality Resources in 2007. This audit concluded that the level of errors detected was unlikely to significantly affect modelled coal quality values. o An internal technical evaluation group (TEG) by RTCA peer review of the coal quality estimate of coking coal grade (fluidity and rank), and Kestrel Mine extension (KME) Project valuation in 2007 found sufficient confidence in coal quality grade estimates for the KME Project to be approved in December 2007. o An external audit by Xstract Group on Resources and Reserves in 2016. o An external audit by SLR on Resources and Reserves in June 2021 on the 2020 Competent Person report. SLR found that the detail within the 2020 Competent Person Report indicates that sound exploration techniques have been employed. Records are thorough and follow industry standards. The records are suitable for the evaluation of potential Resources. SLR believe the geological model is adequate for the definition and delineation of Resources.

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Criteria	JORC Code Explanation	Commentary
		o An external audit by SLR on Resources in June 2023 on the 2022 Competent Person report. SLR believes the geological model is adequate for the definition and delineation of Resources. In SLR's opinion, the available data, particularly coal quality, can be improved northwest of the maintenance roads adjacent to LW701/601. SLR believes this would be a requirement of typical mine planning over the next five years. SLR independently verified the Resource numbers reported in the 2022 CPR. SLR attained the same numbers when allowing for rounding. SLR found that the processes were replicable, and the logic applied to the accumulation of Resources is sound. In SLR's opinion, they are slightly conservative and readily repeatable. SLR has found that the Resources calculated from the available geological data follow industry standards. SLR has not found any factors that should be seen as a material risk to the veracity of the reported Resources.

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		o An external Resource Process audit by Raine & Associates was completed in June 2025 on the 2024 Resource model and Report. The modelling process at KCR follows industry standards and is largely robust. Documentation reviewed includes the 2024 JORC report and the EM_GEO_DBGM_01 Database and Modelling Standard. Modelling is performed using MineScape, with cross-validation conducted during the audit in Minex to confirm accuracy. Validation processes indicate strong alignment between drill hole data and modelled grids. The resource estimation methodology complies with the JORC Code, including appropriate classification of Points of Observation and disclosure standards. The reference report advocates for the adoption of shorter distance thresholds, particularly those derived from the observed variability of phosphorus, a key compositional parameter within the deposit (refer to Classification above). • SLR considers the Kestrel Resource estimation process to be robust, transparent and repeatable. A summary of the key findings of the 2026 review process are as follows:

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Criteria	JORC Code Explanation	Commentary
		o The most material Project risk relates to tenure uncertainty affecting ~50% of Resources, where Resources lie on a Mineral Development Licence (MDL 182), not an approved Mining Lease. The MDL expires 30 November 2026, making renewal and future conversion essential considerations. o The geological model for Kestrel is a very good representation of the geological data, with some minor issues identified around a drill hole collar elevation discrepancy, seam corrections (mostly behind mining) and a single model parameter refinement to assist with data honouring when hole deviations are experienced, but these have no material impact on the Resource estimate. o Some misclassifications were identified across PoO Types 01, 02, 03 and 07; however, none are expected to materially affect the Resource classification due to surrounding data coverage. o Classification radii and methodology follow industry guidelines and are considered appropriate for the deposit, with Quality-based polygons used as the primary constraint.

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Criteria	JORC Code Explanation	Commentary
		o There are deposit-specific criteria for the Resource classification, including the downgrading of Resources not supported by 3D seismic data or SIS drilling, even when drillhole density would typically support a higher classification. o Reasonable Prospects for Eventual Economic Extraction (RPEEE) criteria applied are considered appropriate and well-reasoned, including minimum seam thickness, ash limits, depth constraints, and mining feasibility considerations. o SLR replicated the 2025 JORC Resource estimate using the documentation provided within the model files and 2025 JORC Resource Report.
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.	• The Coal Resource data collection and estimation techniques used for the Kestrel deposit are consistent with those applied at other deposits being mined in the Bowen Basin. • The data management and validation procedures employed for the development of the Kestrel geological model are sound. • The geological model appears to be an accurate reflection of the data collected through exploration: o Model seam thickness is appropriately reflecting the drill hole thickness;

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<table>
<tr><th>Criteria</th><th>JORC Code Explanation</th><th>Commentary</th></tr>
<tr><td></td><td>• The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.

• These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</td><td>o Seam roof and floor elevation in the drill holes compared with the model were within ±0.4 m, which is considered an acceptable level of accuracy;

o The interpreted location of faults is supported by changes in seam elevation in the drill holes; however, further refinements may be possible with the integration of seismic interpretation into the geological model, particularly for Kestrel West, where no 3D seismic data has been collected to date, and

o Modelled coal quality is reflective of the drill core analysis completed.

• Resource confidence categories and criteria selected for PoO follow methods utilised across the industry, and reflect the views of the Competent Person.

• The specific global precisions at 95% confidence level for each Resource category are listed the table below, as determined in the DHSA in 2015. The global estimation precisions are based on an annual mined area of 810,400 m^2 over a ten-year period.

<table><tr><th>Resource Category</th><th>Global Estimation Precision at 95% Confidence Level</th></tr><tr><td>Measured</td><td>< 10%</td></tr><tr><td>Indicated</td><td>> 10% and <20%</td></tr><tr><td>Inferred</td><td>>20% and <50%</td></tr></table></td></tr>
</table>

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Criteria	JORC Code Explanation	Commentary
		• While there has been a substantial volume of additional data collected, and mining rates may have changed since the 2015 DHSA, reconciliation of actual production against the Coal Resource estimates for the existing operational area is generally within 1% for tonnes. This result is indicative of a robust process. • Accuracy and confidence of Mineral Resource Estimate have been accepted by the Competent Person.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. • Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	• The Coal Reserve estimate is based on the 2026 Mineral Resource Statement for the German Creek Seam (effective 30 June 2026) as outlined in the HKEx CPR, reporting approximately 397 Mt of Coal Resources, predominantly Measured and Indicated, prepared under the supervision of Competent Person Danique Gerber. The estimate has been reviewed by BOYD and is considered sufficient for conversion to Coal Reserves in accordance with the JORC Code (2012) requirements. • The Coal Resource reported is inclusive of the Coal Reserves. • A site visit was undertaken by Competent Person Jack Steenekamp during the week commencing 8 June 2026, including inspection of underground operations, confirming that the applied Modifying Factors are appropriate for the Coal Reserve estimate.

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Criteria	JORC Code Explanation	Commentary
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• A site visit was undertaken by Competent Person Jack Steenekamp during the week commencing 8 June 2026, including inspection of underground operations, confirming that the applied Modifying Factors are appropriate for the Coal Reserve estimate.
Study status	• The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. • The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	• The Coal Reserve estimate is based on a LOM plan and supporting studies, reporting at least at a pre-Feasibility Study level, incorporating detailed mine design, production scheduling, and economic evaluation. The Kestrel Mine is an established operating underground longwall operation, and the study reflects current operating practices and demonstrated mineability. • The Coal Reserve estimate is supported by studies at least at a pre-feasibility level, including a LOM plan prepared by BOYD to at least the same level, demonstrating a technically achievable and economically viable mine design. These studies incorporate all relevant Modifying Factors and reflect current operating practices at the Kestrel Mine. • The LOM plan incorporates all relevant Modifying Factors, including mining, processing, infrastructure, environmental, economic, and marketing considerations, and has been updated where required to reflect current operating practices.

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Criteria	JORC Code Explanation	Commentary
Cut-off parameters	• The basis of the cut-off grade(s) or quality parameters applied.	• Cut-off parameters are defined through mineable seam thickness, coal quality, geotechnical, and economic constraints applied within the LOM plan. • Minimum extractable seam thickness of approximately 2.55 m has been applied, with Resource constraints including minimum seam thickness of approximately 2.0 m, maximum raw ash of about 45%, and practical depth limits generally up to 600 m, reflecting established underground mining conditions. • Minimum competent Permian cover of approximately 40 m is applied for longwall extraction and 20 m for bord and pillar mining, based on geotechnical criteria. • Economic cut-off parameters are supported by discounted cash flow analysis using current cost and price assumptions, confirming that the reported Coal Reserves are economically viable and net cashflow positive under the adopted LOM plan.
Mining factors or assumptions	• The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).	• Mining is based on a proven underground retreat longwall method targeting the German Creek Seam, supported by continuous miner development and conveyor systems. The LOM plan incorporates detailed longwall panel layouts, development drives, and production sequencing developed in XPAC, reflecting established operating practices and site-specific constraints, with conversion of Mineral Resources to Coal Reserves based on detailed mine design and scheduling rather than optimisation.

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Criteria	JORC Code Explanation	Commentary
	• The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. • The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling. • The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). • The mining dilution factors used. • The mining recovery factors used. • Any minimum mining widths used. • The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.	• Access to the underground workings is provided via drifts, including a dedicated inclined transport drift (1 in 8 gradient) for personnel and materials, and a second inclined drift (1 in 6 gradient) equipped with a high-capacity conveyor (5,200 tph) for coal clearance, together with shaft infrastructure for ventilation and services. • Geotechnical parameters applied reflect established underground longwall conditions at Kestrel, including minimum extractable seam thickness (2.55 m), depth of cover up to 460 m, and minimum competent Permian cover (40 m) to ensure stable extraction. Ground conditions comprise competent roof strata (~30 MPa to 40 MPa UCS) and locally weaker floor conditions in the 600- and 700-series panels, with potential for floor heave. No explicit floor coal loss has been applied; potential retention of floor coal in weak conditions may be required based on ongoing geotechnical assessment. Structural constraints, including avoidance of major faults (>4 m displacement), are incorporated to mine design, with geological confidence supported by drilling, underground development, and production reconciliation.

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Criteria	JORC Code Explanation	Commentary
	• The infrastructure requirements of the selected mining methods.	• Mining factors appropriate for an underground longwall mining operation have been applied, including loss and dilution, diluent material properties, in situ relative density, and coal quality adjustments accounting for inherent moisture and adopted in situ, ROM, and product moisture conditions. • Mining dilution factors reflect underground longwall extraction, with typical dilution of 50 mm roof material and 50 mm to 65 mm floor material, applied in mine scheduling based on operating practice and equipment cutting tolerances. (see Section 7.5) • Mining recovery factors reflect underground longwall extraction with typical panel recovery of approximately 90% to 95%, after allowance for chain pillars, barrier pillars, and exclusion of fault-affected zones, consistent with mine design constraints and historical longwall performance at Kestrel. • Minimum mining widths are governed by underground longwall design constraints, with panel widths typically in the order of 400 m to 420 m, reflecting equipment capability, geotechnical conditions, and operational performance at Kestrel. Minimum development drivage widths are determined by continuous miner and conveyor requirements, ensuring safe access, ventilation, and efficient coal clearance consistent with established underground mining practices.

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Criteria	JORC Code Explanation	Commentary
		• Inferred Mineral Resources are not included in the mine plan and are excluded from the Coal Reserve estimate, with no material impact on reported Reserves or economic outcomes. • The underground longwall mining method is supported by established infrastructure, including drift access for personnel and materials, conveyor-based coal clearance, shaft systems for ventilation and services, and surface facilities such as coal handling, rail loadout, power, and water systems, all integrated within the LOM plan to support sustained operations.
Metallurgical factors or assumptions	• The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. • Whether the metallurgical process is well-tested technology or novel in nature. • The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.	• The metallurgical process applied comprises conventional coal handling and preparation through an established Coal Handling and Preparation Plant (CHPP), utilising standard dense media, spiral, and flotation circuits appropriate for processing metallurgical coal from the German Creek Seam. The process is well-proven and widely used in the Bowen Basin, with performance supported by extensive historical test work, production data, and operating experience at Kestrel, confirming its suitability and reliability for the style of mineralisation.

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Criteria	JORC Code Explanation	Commentary
	• Any assumptions or allowances made for deleterious elements. • The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. • For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	• Metallurgical test work comprises extensive laboratory analysis of drill core samples, supplemented by long-term production sampling and CHPP performance data, providing a representative dataset for the German Creek Seam. Metallurgical domaining is based on coal quality modelling and validated through operational performance, with recovery factors derived from CHPP processing results, typically reflecting stable yields consistent with established plant performance and historical operating experience at Kestrel. • Allowances for deleterious elements are incorporated through coal quality modelling and CHPP processing, ensuring product specifications are met. • No dedicated bulk sampling or pilot-scale test work has been undertaken; metallurgical performance is based on extensive production data and CHPP operating history, which are considered representative of the German Creek Seam. • The Coal Reserve estimate is based on metallurgical characteristics of the German Creek Seam, with coal quality modelling and CHPP performance applied to ensure that product specifications are consistently achieved.

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Criteria	JORC Code Explanation	Commentary
Environmental	• The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	• Environmental impacts of the mining and processing operations have been assessed through established management systems and regulatory approval processes, with Kestrel operating under an approved Environmental Authority (EA EPML00693413) and supported by a Progressive Rehabilitation and Closure Plan (PRCP), defining LOM rehabilitation objectives and closure outcomes. • Comprehensive environmental management systems are implemented to identify, assess, and mitigate risks associated with mining, water management, and waste handling, ensuring compliance with statutory requirements and ISO-aligned frameworks. • Waste material, including CHPP rejects, is managed through an existing co-disposal storage facility with sufficient approved capacity until about 2031, following which additional disposal capacity or an alternative long-term tailings management solution will be required to support continued operations. Engineering design and rehabilitation studies will be required to achieve a safe, stable, non-polluting, and self-sustaining post-mining landform.

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Criteria	JORC Code Explanation	Commentary
		• Estimated Rehabilitation Cost (ERC) assessments provide financial assurance for closure obligations, and subsidence modelling, water management planning, and environmental monitoring programs have been completed and incorporated into mine design and operational controls. • For future mining areas, including Kestrel West, environmental studies are being undertaken through a formal EIS process to support approvals, with no environmental or culturally significant constraints identified that materially impact the Coal Reserve estimate.
Infrastructure	• The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	• The Kestrel underground longwall operation is supported by established infrastructure, including existing plant, CHPP, rail loadout, and access to power, water, and transportation networks. • With the exception of the co-disposal storage facility (third dot point in paragraph above), the required infrastructure is largely in place for LOM production, with only incremental upgrades (e.g. ventilation and underground services) planned, and no material infrastructure constraints identified in support of the Coal Reserve estimate.

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Criteria	JORC Code Explanation	Commentary
Costs	• The derivation of, or assumptions made, regarding projected capital costs in the study. • The methodology used to estimate operating costs. • Allowances made for the content of deleterious elements. • The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products. • The source of exchange rates used in the study. • Derivation of transportation charges. • The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. • The allowances made for royalties payable, both Government and private.	• Projected capital costs are derived from the LOM plan and reflect current operating practice, historical performance, and forward-looking engineering estimates. Capital is modelled as sustaining capital, comprising ongoing longwall and development capital and periodic longwall equipment replacement, capitalised development expenditure, and growth capital associated with the Kestrel West extension. The estimates are considered to be at a pre-feasibility to feasibility level of accuracy. • Operating costs are estimated on an unlevered, real-term basis (2026 cost base) and are built up from the LOM plan. On-site costs comprise underground mining, site administration, and CHPP processing, expressed on a per-tonne ROM basis. Off-site costs comprise logistics and other selling costs, expressed on a per-tonne saleable basis. The estimates reflect current operating practices and are benchmarked against recent historical operating performance at Kestrel. • Allowances for the content of deleterious elements, including ash, sulphur, and phosphorus, are made through the modelled product yields and the product-specific price relativities applied to each coal product, which capture the quality of the saleable product relative to benchmark specification. No separate deleterious-element penalty is applied within the model.

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Criteria	JORC Code Explanation	Commentary
		• Commodity price assumptions are derived for the primary HCC product, and for the secondary SSCC and thermal coal products. Each product is priced off its relevant industry benchmark, with long-term price assumptions based on a combined case of independent third-party forecasts and prevailing spot pricing. A product-specific price relativity is subsequently applied to each benchmark to reflect realised product quality. • The AUD:USD industry benchmarked exchange rate has been applied consistently in the financial model, sourced from an independent third-party forecast. Transportation charges are derived from non-site cash costs, comprising above-rail and below-rail haulage and port handling, based on actual operating performance and contractual arrangements at Kestrel, and are applied on a per-tonne saleable basis. Port handling and rail haulage are modelled as a percentage of total logistics costs. These charges are incorporated within the financial model on a free-on-board (FOB) basis. • Product quality, specification, and any quality-related discounts are captured through the product-specific price relativity applied to each benchmark, with processing costs recognised within operating costs through the CHPP costs. • Allowances for royalties are made for Queensland Government coal royalties, and are applied in accordance with the prevailing tiered ad valorem regime.

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Criteria	JORC Code Explanation	Commentary
Revenue factors	• The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. • The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	• Revenue is derived for each saleable product as the product tonnage multiplied by the realised product price, converted to Australian dollars. Product tonnages are a function of the modelled CHPP yield and the product split, which reflect coal quality. Realised prices are derived by applying a product-specific price relativity to the relevant industry benchmark for each product. • The revenue assumptions are based on a premium low-volatile (PLV) hard coking coal (HCC) benchmark price that transitions across the life of the mine, with a product-specific price relativity of 88% applied for Kestrel HCC. Benchmark prices for the secondary products are each derived from their relevant industry benchmarks, with separate product-specific relativities applied to reflect realised product quality. Long-term price assumptions are based on a combined case of independent third-party forecasts and prevailing spot pricing, expressed in real terms. • Revenue is converted at an AUD:USD industry benchmarked exchange rate, sourced from an independent third-party forecast and applied consistently across the model. Prices are modelled on a free-on-board (FOB) basis, for transportation and logistics charges to be treated within operating costs, rather than deducted from revenue.

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Criteria	JORC Code Explanation	Commentary
Market assessment	• The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. • A customer and competitor analysis along with the identification of likely market windows for the product. • Price and volume forecasts and the basis for these forecasts. • For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	• Demand for metallurgical coal is primarily driven by global steel production and industrial activity, with Kestrel's coal supplied into established export markets. Supply is influenced by the availability of high-quality coking coals and logistics capacity, while consumption trends reflect economic growth and steel demand in key regions. Future demand is expected to remain linked to steelmaking requirements, with product quality, blending flexibility, and market positioning influencing supply competitiveness and pricing assumptions adopted in the LOM model. • Kestrel's coal is marketed to international steel producers, with competitiveness against global metallurgical coal suppliers. Market windows are defined by coal quality and blending flexibility, enabling placement across hard coking, non-prime coking, and semi-soft coking coal segments, supported by established export logistics. • Price and volume forecasts are based on LOM production schedules and forward metallurgical coal price forecasts from industry benchmarks, reflecting expected production rates, product quality, and prevailing market conditions. • No industrial minerals are produced at Kestrel Mine.

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Criteria	JORC Code Explanation	Commentary
Economic	• The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. • NPV ranges and sensitivity to variations in the significant assumptions and inputs.	• The economic analysis is based on an unlevered, real-term DCF model aligned to the LOM plan, with cash flows modelled annually across the remaining mine life. The inputs to the analysis comprise production schedules, product yields, and operating and capital costs derived from the LOM plan, together with product pricing, price relativities, exchange rates, inflation, corporate taxation, and Government royalties. Production and cost inputs are derived from the LOM plan and benchmarked against historical operating performance and are considered to be at a pre-feasibility to feasibility level of confidence. Pricing and macroeconomic inputs are sourced from independent third-party forecasts, providing reasonable grounds for the assumptions applied. • A real discount rate has been applied to the projected cash flows, consistent with the real-term basis of the model, and long-term inflation has been applied where nominal conversions are required. On the basis of these inputs, the DCF model returns a positive net present value, supporting the classification of the quantities and grades reported as economically extractable Coal Reserves. • Sensitivity to variation in the significant assumptions has been considered, with product price and process yield identified as the inputs to which the economics are most sensitive. The Coal Reserves are assessed as remaining economically viable across the range of variation tested and are therefore considered economical. The detailed NPV ranges and the full sensitivity analysis are presented in the Competent Valuer's Report contained within the Circular.

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Criteria	JORC Code Explanation	Commentary
Social	• The status of agreements with key stakeholders and matters leading to social licence to operate.	• Formal agreements and engagement processes are in place with regulators, landholders, and relevant stakeholders, supported by structured Health, Safety, Environment, and Quality (HSEQ) management systems and environmental and compliance policies and procedures. • Cultural heritage is managed through formal agreements and statutory controls, with identified heritage values incorporated into mine planning to ensure protection and compliance. • No material stakeholder, land access, or social licence constraints have been identified that would impact the Coal Reserve estimate.
Other	• To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: • Any identified material naturally occurring risks. • The status of material legal agreements and marketing arrangements.	• Material naturally occurring risks for Kestrel Mine relate to geological variability, faulting, gas content, and geotechnical conditions, including locally weak floor conditions and thinner seams, typical of underground and in particular longwall mining. • These risks are well understood and incorporated into mine design and Modifying Factors, with no material impact, if implemented and managed as planned, on Coal Reserve viability. • Coal marketing and offtake arrangements reflect an established export operation, with metallurgical coal products sold into international markets through existing rail and port infrastructure, supporting reliable product delivery and revenue realisation.

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Criteria	JORC Code Explanation	Commentary
	• The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	• All required mining tenements, regulatory approvals, and associated legal agreements for current operations are in place, with future extensions (e.g., Kestrel West) progressing through defined approval pathways – no material legal or marketing constraints have been identified that could impact the Coal Reserve estimate. • Mining operations are conducted under granted mining leases and an approved Environmental Authority (EA EPML00693413), with all key statutory approvals in place to support current operations. • The Coal Reserve estimate includes areas such as Kestrel West (MDL 182), with a reasonable expectation that conversion to ML tenure will be achieved within required timeframes, supported by established regulatory pathways and ongoing approvals processes. • Environmental and project approvals for future mining areas are progressing through a formal EIS process, providing a structured pathway to secure necessary government approvals. • No material unresolved third-party or approval-related issues have been identified that could impact the viability or scheduling of Coal Reserve extraction, and all approvals are considered achievable within the LOM planning timeframe.

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Criteria	JORC Code Explanation	Commentary
Classification	• The basis for the classification of the Ore Reserves into varying confidence categories. • Whether the result appropriately reflects the Competent Person's view of the deposit. • The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	• Coal Reserves are classified in accordance with the requirements of JORC (2012), with Proved Reserves derived from Measured Resources (67 Mt ROM) and Probable Reserves derived from Indicated Resources (142 Mt ROM), for a total of 209 Mt ROM Coal Reserves – no Inferred Resources are included in the Coal Reserve estimate. • The classification reflects a high level of geological confidence supported by dense drilling, extensive underground exposure, and longwall production history, providing strong validation of seam continuity, structure, and coal quality. • Confidence is further supported by detailed mine design, panel layouts, and LOM scheduling, with Proved Reserves predominantly associated with well-planned and adjacently mined areas, and Probable Reserves associated with no previous mining experience and requiring further study work as part of the LOM plan. • Yes, the result appropriately reflects the Competent Person's view of the deposit. • No Probable Coal Reserves have been derived from Measured Coal Resources.

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Criteria	JORC Code Explanation	Commentary
Audits or reviews	• The results of any audits or reviews of Ore Reserve estimates.	• The Coal Reserve estimate has been subject to multi-level internal and external review, including assessment of the LOM scheduling model completed by various parties, including Kestrel, BOYD, and SLR. • A two-level peer review process has been completed, providing independent verification of mine design, scheduling assumptions, and application of Modifying Factors. • Cost assumptions and economic inputs have been reviewed, audited, and agreed between BOYD, Yancoal, and SLR, confirming consistency with current operating and financial parameters. • These reviews and audits confirm the applicability and validity of the methodology, inputs, and assumptions applied, and support the reliability of the Coal Reserve estimate.

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Criteria	JORC Code Explanation	Commentary
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	• The Coal Reserve estimate is considered to display a relative high level of confidence, supported by a well-defined geological model, sufficient drilling, extensive underground exposure, and validation through historical longwall production and LOM planning. • The estimate is global for reporting purposes and at a representative standard, with local variability in confidence influenced by geological and geotechnical factors; however, no formal statistical analysis has been undertaken, and confidence is assessed qualitatively based on geological understanding, operational performance, and application of Modifying Factors, including economic viability of the operation over the LOM. • Key Modifying Factors influencing confidence include geotechnical conditions (e.g. weak floor strata and faulting), mining loss and dilution, gas management and ventilation capacity, all of which are incorporated into the mine design and LOM scheduling. While these factors are well understood from historical operations, they introduce local uncertainty in recovery, dilution, and productivity. Economic assumptions, CHPP performance, and future infrastructure requirements also impact confidence and have been assessed within the LOM model, with remaining uncertainties managed through conservative mine design, exclusion of higher-risk areas, and ongoing optimisation as additional data becomes available.

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Criteria	JORC Code Explanation	Commentary
	• Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• Relative accuracy and confidence of the Coal Reserve estimate are supported by comparison with actual underground development and longwall production performance, with reconciliation demonstrating good alignment between geological model predictions and mined outcomes. • The operation's extensive production history and ongoing reconciliation processes provide validation of seam continuity, coal quality, recovery, and dilution assumptions, confirming that the adopted Modifying Factors and mine design are representative of expected mining performance.

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The following is the text of a report received from Censere Group Limited, the independent valuer engaged by the Company in respect of the Kestrel Coal Mine, for the purpose of incorporation in this circular.

Private and Confidential

Independent Valuation Report

For SLR Consulting Australia Pty Ltd
on behalf of Yancoal Australia Ltd
pertaining to a 100% Equity Interest in Kestrel Coal Group Pty Ltd
as at
30th June 2026

Censere Reference S00116-1-r1

23 November 2026

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Letter of Transmittal

Our reference: S00116-1-r1

23 November 2026

The Directors
SLR Consulting Australia Pty Ltd
Suite 16.01, Level 16,
201 Miller St, North Sydney NSW 2060,
Australia

Dear Sirs/Madams,

In accordance with our engagement, on behalf of Yancoal Australia Ltd ("**Yancoal**" or the "**Company**"), Censere has undertaken an analysis to determine the Market Value of a 100% equity interest in Kestrel Coal Group Pty Ltd ("**KCG**" or "**the Target**"), which indirectly owns 100% of Kestrel Coal Resources Pty Ltd ("**KCR**"). KCR holds an 80% participating interest in Kestrel Joint Venture ("**KJV**"), which in turn owns the Kestrel mine. The remaining 20% interest in KJV held by Mitsui Kestrel Coal Investment Pty Ltd ("**Mitsui**"). Therefore, KCG indirectly owns an 80% beneficial interest in Kestrel mine and receives a 1% management fee for providing management services to KJV. The 80% beneficial interest in Kestrel mine, together with the management fee, are referred to as the "Mineral Asset". KCG has no other material assets or liabilities.

Yancoal, headquartered in Sydney, Australia, operates a portfolio of mining operations across New South Wales, Queensland and Western Australia. Yancoal is dual listed on the Australian Stock Exchange (stock code: YAL.AX) and Hong Kong Stock Exchange (stock code: 3668.HK). Yancoal has entered into a share purchase agreement to acquire 100% equity stake in KCG, which holds a 100% interest in the coal mining operation of KCR, conditional upon approvals from shareholders in relation to the acquisition, regulatory approvals from various Government regulatory agencies and other transaction specific conditions.[14]

[14] In accordance with the announcement released by Yancoal Australia Ltd (3668.HK) on Hong Kong Stock Exchange (HKEx) dated 14th April 2026.

Yancoal is required by Chapter 18 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**") to prepare a valuation report which is part of the Competent Person's Report ("**CPR**") for any major mineral assets acquisition that must form part of the relevant circular to shareholders. The purpose of our analysis is to determine the value of the Mineral Asset – in accordance with the Listing Rules. In that regard, Censere has been engaged as Competent Evaluator and have adopted VALMIN Code (as defined herein) in arriving at our valuation assessment.

Our date of valuation is 30th June 2026 ("**Valuation Date**") and our report which follows is dated 23 November 2026 ("**Report Date**"). The Effective Date of our report is the same as the Valuation Date.

This valuation has been undertaken on a Market Value basis. For the purposes of this exercise, Market Value is defined as the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset (as defined herein) should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion.

The value of the Mineral Asset is determined in accordance with Chapter 18 of the Listing Rules; specifically, Rule 18.30(3) states that:

"Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted".

Note that the scope of this report is an analysis to determine the Market Value of a 100% equity interest in KCG. However, in this situation, KCG holds no other material assets or liabilities and therefore a 100% equity interest in KCG is equivalent to the value of its holdings in the Mineral Asset.

Based on the analysis outlined in the report which follows, Censere is of the opinion that the Market Value of a 100% equity interest in KCG as at the Valuation Date is within the range of US$2.149 billion and US$2.512 billion, with the mid-point value at US$2.319 billion.

The following pages outline the factors considered, methodologies and assumptions employed in formulating our opinions and conclusions. Any opinions are subject to the assumptions and limiting conditions contained therein.

Yours faithfully
For and on behalf of
Censere Group Limited
Brett Shadbolt , MAusIMM
Chief Executive Officer

1. VALUER'S BIOGRAPHY

Censere was established in 2002 and offers comprehensive technical asset, intellectual property and business valuation and advisory services to major corporates and leading SME's throughout the world. Censere's offices are located in Auckland, Beijing, Frankfurt, Hong Kong, Kuala Lumpur, Shanghai, Shenzhen, Singapore, Sydney and Tokyo. This engagement has been principally undertaken by Brett Shadbolt, Chief Executive Officer of Censere.

Brett Shadbolt is the Chief Executive Officer and Founder of Censere. He holds an MSc in Global Finance jointly conferred by NYU Stern and HKUST and an eMBA conferred by the Quantic School of Management. Brett is a Professional Member of Royal Institute of Chartered Surveyors, Registered Business Valuer (HK), Member of the Hong Kong Securities Institute, Energy Risk Professional of GARP and Professional Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Brett has over 30 years experience in the valuation of mineral resources and mining operations and substantially more than the 5 years experience required in the type of mineral assets outlined in this report. Brett meets the requirements outlined in the Listing Rules to be a competent evaluator.

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3. DEFINITIONS AND GLOSSARY

For the purpose of this report, the following terms have, where appropriate, the following meanings:

"%"	Percent
"A$"	Australian Dollar, the lawful currency of Australia
"Adaro"	Adaro Energy Indonesia Tbk, a holding company that oversees subsidiaries engaged in coal mining, mining services, holds equity stakes in KCG of 48%
"AFY"	The Australian government/industry reporting period starts on 1 July and ends on 30 June of the following year
"CAPM"	Capital asset pricing model
"Comparables"	Comparable listed companies
"Competent Person"	SLR Consulting Australia Pty Ltd
"Competent Person Report" or "CPR"	Competent Person Report dated 23 November 2026 prepared by SLR Consulting in relation to the Operation (as defined herein)
"DCF"	Discounted cash flow
"Effective Date"	Also referred to as "Valuation Date"
"EMR"	EMR Capital, a private equity manager and operator focused on resources, holds equity stakes in KCG of 52%
"EV/EBIT"	Enterprise value to earnings before interest and taxes multiple
"EV/EBITDA"	Enterprise value to earnings before interest, taxes, depreciation and amortisation multiple
"EV/Reserves"	Enterprise value to total marketable reserves multiple
"FCFF"	Free cash flow to firm
"FY"	The financial accounting year of the Company ended/ending 31st December

"HKEx"	Stock Exchange of Hong Kong Limited
"Indicated Mineral Resource"	Part of a mineral Resource (as defined herein) for which quantity, grade, (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of economic viability of the deposit
"JORC Code"	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition), as published by the Australasian Joint Ore Reserves Committee, as amended from time to time
"KCG" or "the Target"	Kestrel Coal Group Pty Ltd
"KCR"	Kestrel Coal Resources Pty Ltd
"Kestrel" or "the Operation"	Kestrel underground mine operated by KCG
"Listing Rules"	Rules governing the Listing of Securities on the Hong Kong Stock Exchange
"LOM"	Life of Mine
"Management"	Management of the Company
"Market Value"	Estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion.
"Measured Mineral Resources"	Part of a mineral Resource (as defined herein) for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit
"Mineral Asset"	Mineral asset or the equivalent as defined in the VALMIN Code

"Mitsui"	Mitsui Kestrel Coal Investment Pty Ltd
"Mt"	Million tonnes
"p.a."	Per annum
"Probable Reserve"	Economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the modifying factors applying to a Probable Reserve is lower than that applying to a Proved Reserve
"Proved Reserve"	Economically mineable part of a Measured Mineral Resource. A Proved Reserve implies a high degree of confidence in the modifying factors
"Report Date"	23 November 2026
"Reserves"	Economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors
"Resources"	Concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction
"ROM"	Run-of-mine
"Technical Value"	Technical Value is an assessment of a mineral asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a practitioner, excluding any premium or discount to account for market considerations
"US$"	US dollar, the lawful currency of United States of America

"VALMIN Code"	Code for the technical assessment and valuation of mineral and petroleum assets and securities for independent expert reports (2015 edition), as prepared by the VALMIN Committee, a joint committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Mineral Industry Consultants Association as amended from time to time
"Valuation Date"	30th June 2026
"WACC"	Weighted Average Cost of Capital
"Yancoal" or "the Company"	Yancoal Australia Ltd, a company with limited liability incorporated under the laws of Australia in 2004 and approximately 62.26% owned subsidiary of Yankuang Energy Group Co. Limited. The shares of Yancoal are traded on the Australian Stock Exchange and Hong Kong Stock Exchange

4. PREAMBLE

4.1 Brief Description of the Operation

In this report, "Mineral Asset" is defined according to the VALMIN Code as: "all property including but not limited to real property, intellectual property, mining and exploration tenements held or acquired in connection with the exploration of, the development of, and production from those tenements together with all plant, equipment, and infrastructure owned or acquired for the development, extraction, and processing of minerals in connection with those tenements." The Mineral Asset relevant to the tenements considered in this valuation are those being operated by Kestrel Coal Group.

The Mineral Asset is located in Bowen Basin of Queensland, Australia and consists of 5 Mining Leases and two Mineral Development Leases covering a combined area of 23,598 ha. The Bowen Basin contains several large-scale coal deposits, which are geologically well-understood and explored and have been in operation for several decades. The Mineral Asset has a long operating history with construction commencing in 1990 and the first longwall in 1993. Coal production is undertaken using a conventional single longwall system supported by three continuous miner development units. Run-of-mine ("**ROM**") coal is conveyed 8 km from the mine portal to the onsite coal handling and processing plant. The saleable coal product, which currently consists predominantly of hard coking coal, is then loaded onto trains at a dedicated train loading point and transported 367 km by rail to export terminals at the Port of Gladstone.

Current operations focus on mining the German Creek seam, which is separated into two mining areas: the current mining area at Kestrel South and the future Kestrel West area. Development at Kestrel West is planned to commence in 2031 ahead of longwall production in 2035. The Mineral Asset is forecast to produce 8.2 Mt ROM coal and 6.2 Mt of saleable coal in 2026. The Life of Mine ("**LOM**") plan presented in the CPR forecasts the Mineral Asset to produce an average 8.0 million tons per annum (Mtpa) ROM Coal and 6.0 Mtpa of saleable coal product at an average yield of 75%, through to 2052.

In addition to the underground mining infrastructure, surface processing facilities and office infrastructure, significant regional and local infrastructure provides support to the Mineral Asset and its forecast production requirements. SLR's review of the regional and local infrastructure indicates that the area has suitable logistics infrastructure connecting the Mineral Asset to local and international markets for both the supply of consumables and the transport of product to market. The Mineral Asset is located close to regional sealed roads, highways and water sources, with power provided under a long-term agreement with an electricity utility provider servicing the region.

The Mineral Asset operates under the following permits and approvals:

Environmental Permits

Environmental Authority	Take Effect Date	Project Location	Holder(s)
EPML00693413	21-Nov-25	ML1978, ML70330, ML70301, ML70302 and ML70481	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited
EPSX00035513	18-Feb-19	MDL182	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited
P-EA-100207898	29-Jun-22	MDL3050	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited
P-EA-100738699	18-Mar-26	11/SP178401	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited

Source: CPR & the Company

Planning approvals

Permit Number	Grant Date	Expiry Date	Authorised Holders	Area (Ha)	Native Title Status
Mining Leases					
ML 1978	12/4/1990	30/04/2041	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	5,839	Granted before 01/01/1994
ML 70301	25/09/2003	30/09/2033	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	3,579	100% exclusive land
ML 70302	22/11/2004	30/11/2034	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	79.77	100% exclusive land
ML 70330	11/6/2009	30/06/2039	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	9.35	Section 31 Agreement
ML 70481	21/03/2016	31/03/2041	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	2,467	Section 31 Agreement
Mineral Development Licences					
MDL 182	25/11/1996	30/11/2026*	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	11,619	100% exclusive land
MDL 3050	24/06/2022	30/06/2027	Kestrel Coal Resources Pty Ltd Mitsui Kestrel Coal Investment Pty Limited	5	100% exclusive land

* *Renewal lodged in May 2026*

Source: CPR and the Company

Details on the mining permits and licenses owned by the Target are contained in the CPR. As discussed with the management of the Company, nothing has come to our attention that might suggest that the tenements cannot be renewed. However, the Kestrel West requires conversion of MDL 182 into a Mining Lease and associated approvals. Failure or delay could materially affect the LOM plan.

4.2 Purpose of VALMIN Valuation

The purpose of our assessment is to determine the Market Value of the Mineral Asset for Public Reference purposes in accordance with Chapter 18 of the Listing Rules ("**Chapter 18**"). In that regard, Censere has been engaged as Competent Evaluator and have adopted VALMIN Code in arriving at our assessment.

This report outlines the information and assumptions upon which the valuation of the Mineral Assets is based, the valuation model applied and the conclusions reached. Our report should not be used or relied upon for any other purpose other than noted herein.

4.3 Basis of Valuation

Censere has conducted the valuation on a Market Value basis. The VALMIN Code states that Market Value is "the estimated amount (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing where the parties had each acted knowledgeably, prudently and without compulsion".

The Market Value comprises a technical value plus or minus, in some cases, a premium or discount to account for such factors as market, strategic considerations or special circumstances. However, it should be recognized that some assets, such as exploration areas may not have a technical value.

The VALMIN Code contains 5 fundamental Principles:

- Competence;
- Materiality;
- Transparency;
- Reasonableness; and
- Independence.

Competence or being *Competent* requires that the public report is based on work that is the responsibility of a suitably qualified and experienced person who is subject to an enforceable professional Code of Ethics.

Materiality or being *Material* requires that a public report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the technical assessment or mineral asset valuation being reported.

Transparency or being *Transparent* requires that the reader of a public report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of material information.

Reasonableness requires that an assessment that is impartial, rational, realistic and logical in its treatment of the inputs to a valuation or technical assessment has been used, to the extent that another practitioner with the same information would make a similar technical assessment or valuation.

Independence or being *Independent* requires that there is no present or contingent interest in the mineral asset(s), nor is there any association with the commissioning entity or related parties that is likely to lead to bias.

Where the legal definition of Independence or Independent differs from the above, the legal definition takes precedence. For this assignment, Censere has not carried out any work in the nature of a feasibility study nor is Censere required to express a viability opinion on any proposed transaction. Censere has relied on information provided by the Company.

Censere has conducted the necessary checks, enquiries, analyses and verification procedures to establish reasonable grounds for establishing the soundness of the contents and conclusions of this valuation report.

Our valuation is only an indicative quantum at which interests in the Operation might be reasonably be expected to be sold at the Valuation Date and may be different from the actual transacted price.

4.4 Statement of Independence

Censere confirms that Censere have no present or contemplated interest in the assets which are the subject of the valuation and are acting independent of all parties. Further, our fees are agreed on a lump sum basis and are not contingent on the outcome.

4.5 Limitation of Circulation

This valuation report has been prepared solely for inclusion in the circular of the Company and is not intended for any legal or court proceedings without our prior written consent. Censere will assume no responsibility or liability for any losses incurred by you or any third party as a result of unauthorized circulation, publication or reproduction of this report in any form and/or if used contrary to the purpose stated therein. Censere understands that the valuation will be incorporated into the Company's circular for public disclosure purposes and have provided a letter of consent for the inclusion of the valuation report into the circular.

5. SOURCES OF INFORMATION

In preparing our report, Censere has received and reviewed information from the Company and held discussions with them. Censere has relied, in some instances to a large extent, on such information in arriving at our valuation, including, but not limited to, the following:

- Announcement made by Yancoal in relation to the major transaction dated 14th April 2026;
- The Competent Person Report prepared by SLR consulting dated 23 November 2026;
- Historical and forecast financial information for Kestrel as provided by the Company;
- Coal price forecasts from various sources including brokers, banks and industry experts, provided by the Company;
- Discussions with the management personnel of SLR consulting and Yancoal; and
- All other information and representations provided by the Company.

In addition, Censere has made reference to, and relied upon, other information such as:

- Market risk premium from Aswath Damodaran from the Stern School of Business at New York University;
- Chapter 18 of the Listing Rules;
- Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (2015 edition), as prepared by the VALMIN Committee in Australia ("**VALMIN Code**");
- The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition), as published by the Joint Ore Reserves Committee, as amended from time to time ("**JORC Code**");
- Risk-free rate of Australia 10-year government bond from Refinitiv; and
- Historical financial information of the Comparable Companies from Refinitiv.

The valuation contains calculations and forecasts based substantially on data contained in the CPR, as well as those provided directly by the Company.

Censere has inspected the sites and processing facilities where the Mineral Asset operates and also considered the information in the CPR and the specialist(s) (where applicable) who contributed to the findings in the CPR have consented to matters based on their information in the form and context in which it appears in the CPR.

Censere has no reason to doubt the truth and accuracy of the information provided to us by the Company.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and consideration of various factors that are relevant to the operation of the Company. Considerations of various risks and uncertainties that have potential impact on the businesses have also been made.

6. INDUSTRY OVERVIEW

Coal

Coal is a combustible rock, normally found in rock strata in layers, known as coal seams. Coal is mainly comprised of carbon, along with other elements, such as hydrogen, sulfur, oxygen, and nitrogen. In general, there are several types of coal: lignite, sub-bituminous, bituminous and anthracite. Peat is a precursor to coal and is the layer of vegetative material directly underlying the growing zone of a coal forming environment. The vegetative material shows very little alteration and contains the roots of living plants. Lignite, containing discernible plant material is brown and can be soft and fibrous. It also contains large amounts of moisture (around 70%) and so has low energy content. Sub-bituminous coal is a type of coal whose properties range from those of lignite to those of bituminous coal and are used primarily as fuel for steam-electric power generation. Bituminous coal is a relatively soft coal of higher quality than lignite coal but of poorer quality than anthracite. Anthracite is a hard, black, shiny form of coal that contains virtually no moisture and very low volatile content. Because of this, it burns with little or no smoke and is sold as a "smokeless fuel".

Coal has been used as an energy resource, primarily burned for the production of electricity and heat, and is also used for industrial purposes, such as refining metals. Coal is the largest source of energy for the generation of electricity worldwide. However, coal as fuel is also one of the largest worldwide sources of carbon dioxide release.

Coal Extraction

Coal is extracted from the ground by coal mining and extraction. Coal mining processes depend on whether the coal seams are near the surface or deeper underground.

Underground Mining

Kestrel is an underground operation, which employs a conventional longwall mining method supported by 'miner-bolter' continuous miner units. This system is well-known and understood in Australia and is considered a conventional mining method.

Access to the underground workings from the surface is via the portal drifts to the 'pit bottom'. From the pit bottom, the main headings mine roadways are cut by continuous miners and generally consist of five or six headings. The following points summarise the key aspects of the mining method:

- Main headings support the mining operations by holding infrastructure, coal clearance systems, ingress and egress travel roads, ventilation shafts, underground service areas, first response and emergency stations and provide fresh air and return air pathways;

- Gateroads are driven to provide access, ventilation and supporting infrastructure to longwall panels. They are formed with two or three headings and the maingate (access side of the panel) is connected to the tailgate (return side of the panel) via an installation road, which is driven perpendicular to the gateroads;

- The formation and intersection of main headings, gateroads and installation roads provide a perimeter of a rectangular block of coal (longwall panel);

- The longwall equipment is installed in the installation road and consists of powered roof supports ("**PRS**"), armoured face conveyor ("**AFC**"), shearer, and supporting equipment for operational control. The longwall face retreats back towards the main headings using the shearer, which travels back and forth across the width of the panel on the AFC, cutting a slice of coal with each pass, utilising two rotating drums on ranging arms;

- The longwall typically cuts a 1 m pass of coal (web). The shearer may cut in both directions ("**Bi-Di**") or only a single direction ("**Uni-Di**"), depending on mining conditions;

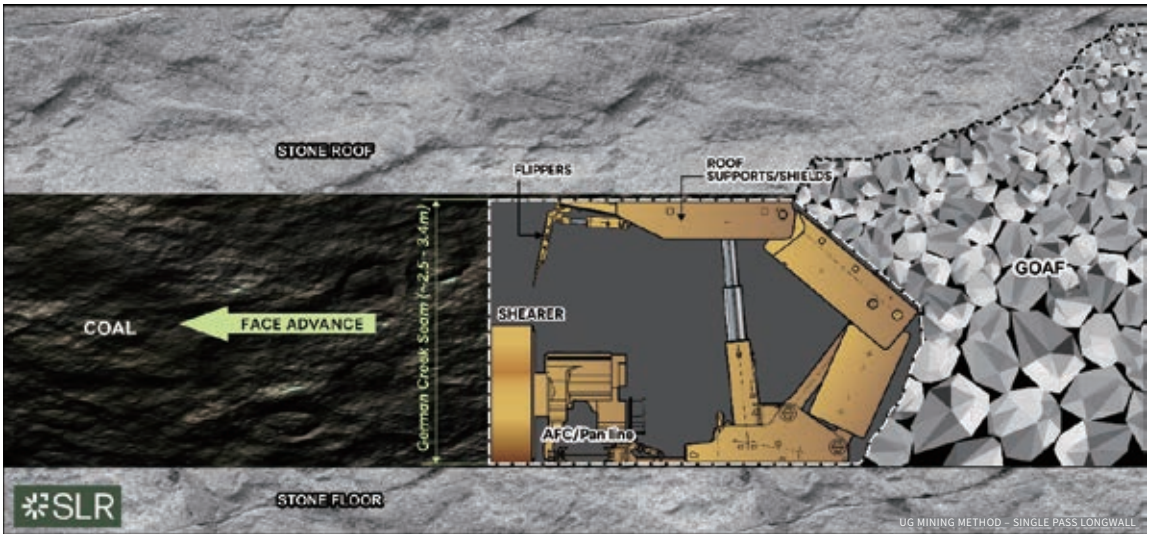
- The maingate provides travel access and services to the face (water, air, power, fresh air ventilation). The coal clearance system is installed in one of the maingate headings to transport mined coal from the face and to the surface; and

- The tailgate is a restricted access area and provides a pathway for return air and coal seam gases to be removed from the face, to be vented at the surface.

Depending on the coal seam's laterally continuity, longwall panels may be between 150 m and 400 m wide and 1,500 m and 5,000 m long. Typically, in Australia, they may be between 2 m and 5 m high, depending on the thickness of the coal seam. Coal is transferred from development and longwall working faces to the surface by a network of conveyors (coal clearance system). In Kestrel South, longwall mining extracts coal with the working section ranging from 2.5 m to 3.4 m. The remaining longwall panels at Kestrel range from 1.3 km to 5.8 km in length and are up to 414m wide.

The area at the coal face is supported by a series of large hydraulic roof supports (shields). These provide a protective area in which workers can operate safely. As each slice of coal is taken, the longwall equipment (shields and the face conveyor pan-line) is advanced behind the shearer's path. The newly exposed roof and face are thus supported by the shields. This, in turn, enables the unsupported roof behind the shields to collapse into the void (goaf). This process releases mining-induced stresses created by the removal of the coal seam, which is re-stabilised by the artificial counter-pressure provided by the shields.

Longwall mining is generally considered to be the safest underground extraction method for coal. It is also superior to other underground mining methods in terms of resource recovery, as well as being more productive and therefore more cost-effective. It is, however, less favourable where the coal seam is affected by geological structures such as faults, rolls, dykes, sills and plugs, or where there are strong inconsistencies in coal quality, seam gradients or seam thickness. The seam thickness and limited geological structure at Kestrel make it suitable for longwall mining operations.



Source: SLR

Open Cut Mining

When coal seams are near the surface, it may be economical to extract the coal using open cut mining methods. The methodology of open cut mining is summarized below:

- Removal and storage of topsoil material via draglines or truck and shovel methods;
- Drilling of a blast pattern;
- Blasting to fragment rock;
- Excavation of waste material with truck and shovel/excavator in the upper benches to uncover coal;
- Excavation of waste material in lower benches by draglines (in certain pits); and
- Digging, loading and hauling of coal via truck and shovel methods.

In Australia, Canada and South Africa, open cut mining is used for both thermal and metallurgical coals, where open cut mines in the United States mostly extract bituminous coal. In New South Wales, open cut for steam coal and anthracite is practiced. Surface mining accounts for around 80 percent of production in Australia.

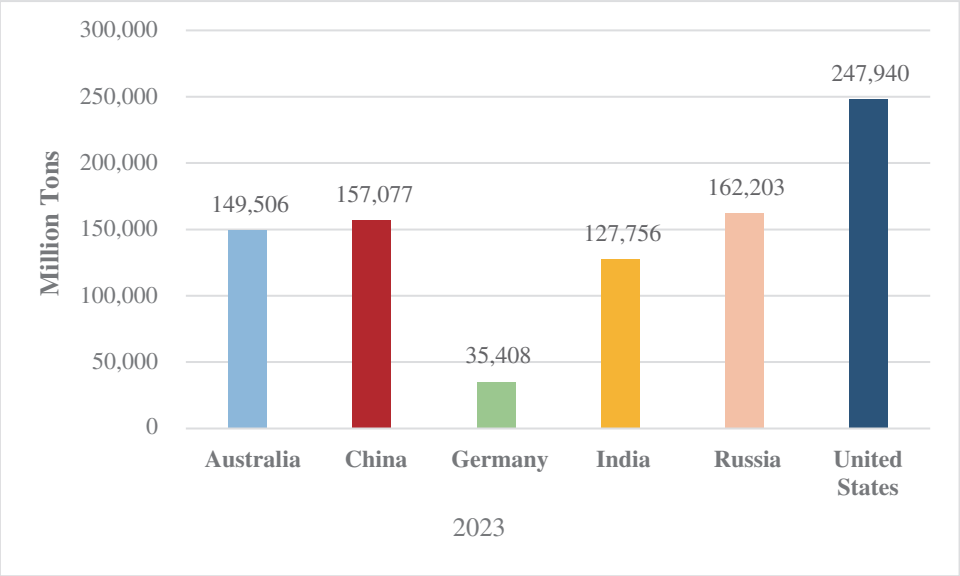
Strip Mining

Another surface mining method is strip mining. Strip mining exposes coal by removing earth above each coal seam. This earth is referred to as overburden and is removed in long strips. The overburden from the first strip is deposited in an area outside the planned mining area and referred to as out-of-pit dumping. Overburdens from subsequent strips are deposited in the void left from mining the coal and overburden from the previous strip. This is referred to as in-pit dumping.

World Coal Reserves

According to the Energy Information Administration in 2023, recoverable coal reserves amounted to 1,166 billion tons. Of those, United States has the most reserves of 250 billion tons, followed by Russia (162 billion tons), China (157 billion tons) and Australia (150 billion tons).

World Coal Reserves



Source: US Energy Information Administration (converted from short tons into metric tons)

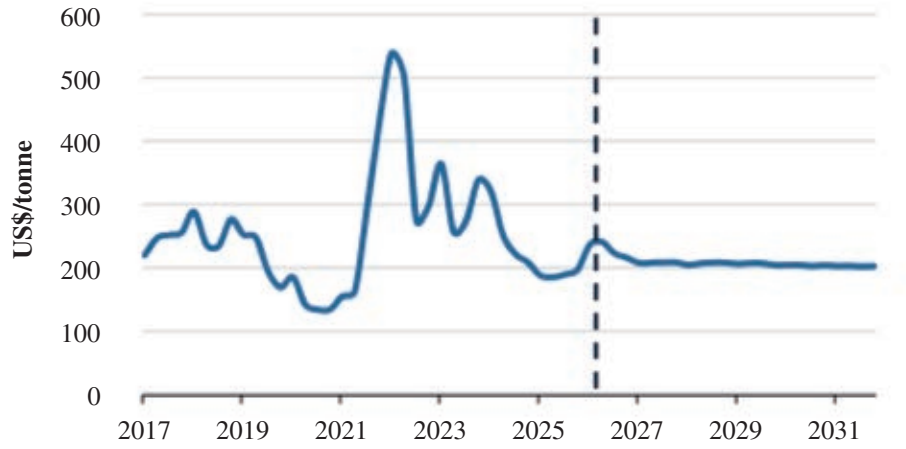
Coal Mining in Australia

Coal in Australia is mined primarily in Queensland, New South Wales and Victoria. While coal is used to generate electricity domestically, most of the coal mined in Australia is exported, primarily to China, India, South Korea and Japan. In AFY 2025/2026, coal production forecasts to 363 million tonnes are exported. Coal provides about 43% of Australia's electricity production. In 2025, Australia contained the world's fourth-largest coal reserves, after the United States, China and Russia. However, in terms of proportion of production exported, Australia is the world's second largest coal exporter, which represented 56% of Australia's total energy exports in AFY 2022/2023. For Kestrel, the coal products consist of metallurgical coal, such as hard coking coal ("**HCC**") and semi-soft coking coal ("**SSCC**") which is mainly used for steel making, and thermal coal, which is mainly used for combustive fuel.

Metallurgical Coal

Global metallurgical coal prices stabilized through 2025 and 2026, shifting away from the extreme highs seen earlier in the decade to trade relatively flat. Rather than being dictated by China, the market is now heavily driven by structural demand growth from India and Southeast Asia, offsetting a cooling Chinese steel sector. While long-term underinvestment in global coal infrastructure and occasional weather disruptions in Australia keep the broader seaborne supply chain structurally tight, rising output from competing regions like Africa and Brazil is applying downward pressure on prices. Reflecting this gradual market normalization, Australia's metallurgical coal export earnings are estimated to ease slightly to A$38 billion in AFY 2025/2026, with volumes projected to sit at 150 million tonnes before expanding slightly into 2027 to meet resilient regional demand.

Historical & Forecast Metallurgical Coal Price



Source: Office of the Chief Economist, Department of Industry, Innovation and Science, Australian Government

Australia remains the world's largest metallurgical coal exporter (the table shown below). However, the total number of active coal projects in Australia fell from 47 in 2024 down to 40 in 2025, with major operators heavily pivoting development toward low-risk brownfield expansions of existing mines rather than launching new greenfield projects. Despite supply constraints keeping international markets tight, export volumes are forecast to gradually recover to 160 million tonnes in 2027 to feed growing steel-manufacturing demands across India and Southeast Asia.

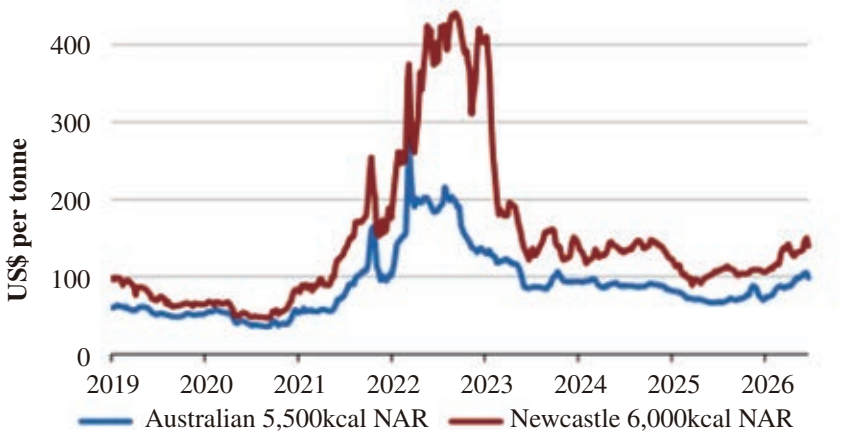
World Metallurgical Coal Imports and Exports (Mt)			
	2025 (Estimate)	2026 (Forecast)	2027 (Forecast)
Metallurgical coal imports			
China	118	111	105
India	50	53	53
Japan	36	35	34
European Union 28	29	29	28
Other Asia*	32	34	37
Metallurgical coal exports			
Australia	147	154	160
United States	46	45	45
Canada	31	31	31
Russia	38	38	38
Mongolia	51	51	51

Source: Office of the Chief Economist, Department of Industry, Innovation and Science, Australian Government

Thermal Coal

Indonesia and Australia are the main thermal coal exporters in the world (the table shown below). Newcastle 6,000 kcal thermal coal prices remained highly resilient throughout 2025 and into 2026, and forecast to average around US$135 a tonne in the third quarter of 2026. While prices are well off the historic peaks of the 2022 global energy crisis, they are supported at a high baseline due to critical geopolitical disruptions. Recent shipping blockades and Liquefied Natural Gas transport bottlenecks in the Middle East have constrained global gas supplies, triggering gas-to-coal switching across Asian utilities and keeping a strong demand floor under the commodity. While global efforts toward decarbonization are slowly reducing long-term thermal coal demand, Australia's export earnings from thermal coal remained robust, projected at A$30 billion for the 2025-26 AFY with export volumes holding steady at 209 million tonnes before commencing a gradual, managed decline toward 2031.

Historical Thermal Coal Price



Source: Office of the Chief Economist, Department of Industry, Innovation and Science, Australian Government

World Thermal Coal Imports and Exports (Mt)			
	2025 (Estimate)	2026 (Forecast)	2027 (Forecast)
Thermal coal imports			
China	365	345	341
India	174	173	171
Japan	120	117	111
South Korea	88	90	85
Thermal coal exports			
Indonesia	515	505	503
Australia	209	205	203
Russia	124	117	114
Colombia	48	46	39
South Africa	69	69	69
United States	39	39	40

Source: Office of the Chief Economist, Department of Industry, Innovation and Science, Australian Government

7. VALUATION CONSIDERATIONS

Censere has inspected the sites and processing facilities where the Mineral Asset operates and note that the facilities, in general, are in good operating condition. Dimensions, measurements and areas included in the valuation report are based on information contained in the documents provided to us by the Company. Censere has also considered the information in the CPR and the specialist(s) (where applicable) who contributed to the findings in the CPR have each consented to matters based on their information in the form and context in which it appears in the CPR. Censere has no reason to doubt the truth and accuracy of the information provided to us by the Company or SLR.

The value of the Mineral Asset is determined in accordance with Chapter 18 of the Listing Rules; specifically, Rule 18.30(3) states that:

"Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted".

8. KEY CAVEATS AND ASSUMPTIONS

In preparing our assessment, Censere has made the following key limitations and assumptions as of the Valuation Date in our valuation model and these apply throughout unless otherwise stated:

- The production schedules reflect the operational status of the Operation;
- The time period between production/processing and sales is reasonably short;
- Forecasts for capital cost throughout the forecast period have been provided. The Company is responsible for the contents, estimations, and assumptions used in the forecast;
- The Operation shall have sufficient financial liquidity and working capital to achieve the financial forecasts and projections;
- There are no other liabilities including any contingent liabilities or unusual contractual obligations or substantial commitments which would have a material effect on the value of the Mineral Asset;
- There will be no material change in the existing political, legal or regulatory (including changes in legislation, laws or regulations, government policies or rules), fiscal, market, logistic and shipping or economic conditions in Australia and elsewhere;

- There will be no material changes to inflation, interest rates or exchange rates from those prevailing as at the Valuation Date;

- There will be no material change in the bases or rates of taxation or duties in Australia and elsewhere;

- The Operation will not be severely interrupted by any force majeure event or unforeseeable factors or any unforeseeable reasons that are beyond the control of Management, including but not limited to, the occurrence of natural disasters or catastrophes, epidemics or serious accidents; and

- Other assumptions specific to a particular valuation approach or certain observations and conclusions are outlined in the ensuing sections of the report.

Any deviation from the above key limitations and assumptions may significantly vary the valuation of the Mineral Asset. Our valuation is largely based on information provided by the Company and the Company is responsible for their contents and accuracy. Notwithstanding this, Censere has conducted the necessary checks, enquiries, analyses and verification procedures to establish reasonable grounds for establishing the soundness of the contents and conclusions of this valuation report. Censere has also considered the information in the CPR and information provided by the specialist(s) who contributed to the findings in the CPR. The specialist(s) has/have consented to matters based on their information, in the form and context in which it appears in the CPR.

For this exercise, Censere has obtained, and considered, published market data and other publicly available information relating to Comparables from sources which Censere regards to be reputable and reliable. Censere makes no representations as to the accuracy of the content in such published market data and other publicly available information in deriving parameters used for the financial forecasts and valuations models, and have accepted such information without detailed verification.

9. STANDARD LIMITING CONDITIONS

Our assessment is subject to the following standard limiting conditions and these apply throughout unless otherwise stated:

- Censere shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation, with reference to the property described herein, unless prior arrangements have been made; and

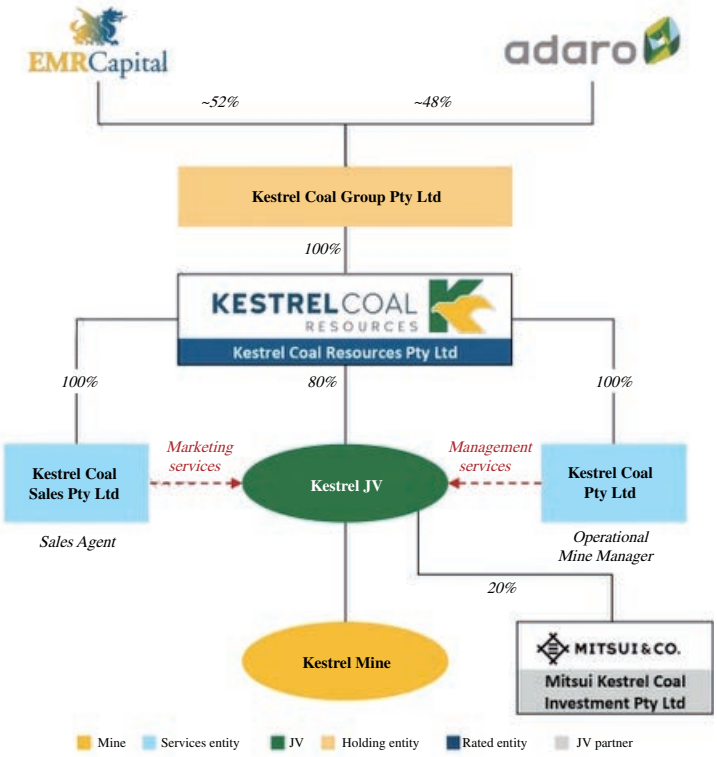
- Our report is for the use of the party to whom it is addressed and no responsibility is accepted from any third party for the whole or any part of the contents of our report.

10. THE OPERATION

10.1 Background

Censere has been engaged by SLR Consulting Australia Pty Ltd, on behalf of Yancoal to determine the Market Value of a 100% equity interest in KCG, which indirectly owns 100% of Kestrel Coal Resources ("**KCR**"). KCR holds an 80% participating interest in Kestrel Joint Venture ("**KJV**") that owns the Kestrel mine. The remaining 20% interest held by Mitsui. Therefore, KCG owns an 80% beneficial interest in Kestrel mine and receives a 1% management fee for providing management services to KJV. The 80% beneficial interest in Kestrel mine, together with the management fee, are referred to as the "Mineral Asset". KCG has no other material assets or liabilities.

The Mineral Asset is located in Bowen Basin, Queensland, Australia and, is under the operation of KCR, which is 100% held by KCG. EMR Capital ("**EMR**"), a private equity manager and operator focused on resources, and Adaro Energy Indonesia Tbk ("**Adaro**", IDX: ADMR), a holding company that oversees subsidiaries engaged in coal mining, mining services, holds equity stakes in KCG of 52% and 48%, respectively. Yancoal has entered into a share purchase agreement to acquire 100% of the total issued share capital of KCG, subject to approval from shareholders in relation to the acquisition and regulatory approvals from various Government regulatory agencies.



Source: the Company

10.2 Kestrel Operation

According to the historical financial statements as provided by the Company, saleable coal production at Kestrel from 2021 to 2025 was as follows:

Site	FY2021	FY2022	FY2023	FY2024	FY2025
Kestrel (Mt)	5.7	5.7	5.6	4.4	5.9

Source: the Company

The Operation currently produces hard coking coal and thermal coal products and is forecast to produce a semi-soft coking coal in the later years of the mine life. According to the CPR, Kestrel has 209 Mt of coal reserves as at 30th June 2026.

Underground Resources	Quantity (Mt)	Raw Ash (% ad)	Raw CSN	Raw VM (% daf)
Measured	97	15.6	6.8	39.4
Indicated	280	17.1	5.3	39.2
Inferred	20	17.9	4.4	39.6
Total	397	16.6	5.7	39.4

	Coal Reserves			Marketable Reserves		
	Proved (Mt)	Probable (Mt)	Total (Mt)	Proved (Mt)	Probable (Mt)	Total (Mt)
Kestrel (100% basis)	67	142	209	52	104	156

Source: CPR

The above information related to the quantity and quality of Coal Reserve and Coal Resources was extracted from CPR. Censere had reviewed it and Censere is of the opinion that it is reasonable. Revenue in the valuation is derived from the Marketable Reserves.

10.3 Site Visit

Mr. Brett Shadbolt from Censere conducted a site visit in June 2026 to inspect the Operation. Please refer to the map and photographs of the site in Appendices 1 and 2 respectively.

During the site visit, Mr. Shadbolt inspected the mine, the coal processing plant, the tailings storage facility, the water supply system, the power distribution system and conducted general inspections of the Mineral Asset area. The visit was also used to gain a better understanding of the Mineral Asset's status. Mr. Shadbolt had meetings and discussions with the Company's personnel on various aspects relating to the relevant issues.

11. VALUATION METHODOLOGY

11.1 Valuation Considerations

The value of the Mineral Asset is determined in accordance with Chapter 18 of the Listing Rules; specifically, Rule 18.30(3) states that:

"Indicated Resources and Measured Resources are only included in economic analyses if the basis on which they are considered economically extractable is explained and they are appropriately discounted for the probabilities of their conversion to mineral Reserves. All assumptions must be clearly disclosed. Valuations for Inferred Resources are not permitted".

Discounted Cash Flow ("DCF")

Censere has selected the net present value of future cash flows as the most appropriate method for valuing the Mineral Asset; the operations are valued as an on-going business concern, thereby representing the value of the Mineral Asset.

Kestrel is currently operating and is a well-established mining operation that has a long operating history with construction commencing in 1990 and the first longwall in 1993. Established and ongoing mining operations having long term mineral inventories are particularly suited to valuation on an income basis using discounted cash flow methodology, where the capital and operating costs are well defined and the likely revenue can be estimated with some degree of confidence.

The DCF technique is particularly appropriate for mineral properties having defined reserves. In the minerals industry it is the usual approach to the valuation of operating mines and of mineral properties having defined mineral reserves.

Multiples Methods

In this assessment, Censere has also considered several multiples methods as alternative methods that may be applied to the Mineral Asset.

KCG is solely engaged in underground coal mining activities in Australia. Researching publicly listed companies that are in the same or similar line of business and that focus mainly on the same geographies as KCG, Censere has identified the following Comparables for our analysis. Please refer to Appendix 4 for the list and brief business description of the Comparables.

No.	Company	Stock Code
1	Yancoal Australia Ltd	YAL.AX
2	Whitehaven Coal Ltd	WHC.AX
3	New Hope Corporation Ltd	NHC.AX
4	Anglo American PLC	AAL.L
5	BHP Group Ltd	BHP.AX
6	Stanmore Resources Ltd	SMR.AX
7	Rio Tinto Ltd	RIO.AX

The Comparables are not necessarily selected for direct comparability to the Company, as many are, for example, much larger in size and scale. Rather, they are chosen due to similar characteristics and reflects conditions and financial performance of companies in the Australian coal mining industry. Specifically, they demonstrate industry cycles, provide representative quantitative indicators, and reflect current stock market pricing in the industry. Thus, the comparative analysis of the Company is based on the performance and characteristics of the sample as a whole rather than on any individual company selected.

11.2 Discounted Cash Flow Method

The DCF method involves projecting a series of periodic cash flows to an operating property. A discount rate is then applied to the cash flow series to arrive at a present value of the income-producing property.

$$DCF = \frac{CF_1}{(1+r)^1} + \frac{CF_2}{(1+r)^2} + \ldots + \frac{CF_n}{(1+r)^n}$$

where:

CF = cash flow

r = discount rate

n = time period (year)

To use discounted cash flow to value the Mineral Asset, it is necessary to:

- Consider the riskiness of the Operation and estimate an appropriate discount rate reflecting the riskiness of the asset and time value of money; and

- Estimate expected cash flows for the life of the Operation.

Net Cash Flow

Cash flow refers to flow or movement of cash into or out of the asset. The DCF method is based on periodic net cash flows discounted by the discount rate. Net cash flow is defined as cash inflows minus cash outflows.

Net Cash Flow = EBIT – Tax + Depreciation & Amortization – Working Capital Additions – Capital Cost

where:

EBIT = Sales revenue – Cost of Goods Sold – total operating cost

Revenue

Sales revenue is generated from the sale of coal products.

Operating Cost

Cash outflows include mining operating costs and processing operating costs.

Discount Rate

To discount the future cash flows to their present value, Censere has used the weighted average cost of capital ("**WACC**") as the discount rate. The discount rate reflects the expected rate of return for the investment, given its risk profile.

Net Present Value

Net present value can be calculated by summing up periodic net cash flows multiplied by the respective present value factor.

To ascertain the valuation range of the Mineral Asset based on DCF, Censere has performed the following:

- Reviewed the operating, environmental and social practices including but not limited to mining and process method, quantity and quality of final products, equipment availability and performance, marketability of products, pricing forecast etc;

- Conducted comparison of historical versus proposed production plan, product quality and quantity, operating expenses and capital expenditure ("**capex**"); and

- Reviewed the proposed operating expenses and capex and of the view that the proposed services and infrastructure is adequate, realistic and achievable.

Based on the above, Censere is of the view that the financial projections, production forecast, operating, environmental and social practices adopted by the Mineral Asset are reasonable to achieve the Market Value as indicated in section 14.

Mine valuations using DCF models require assumptions in respect of the tonnage and product content of the ore that is reasonably expected to be mined and processed within a time frame which is a function of the ore reserve tonnages and the projected mining rates. Coal reserves of the Mineral Asset is maintained at more than twenty years of operation. As resources are mined they are progressively replaced as drilling, sampling and mining provide the basis for upgrading indicated and inferred resources to reserve status. This is an integral part of the mining business and a fair market valuation considers the potential value reasonably resulting from that process. But there are no inferred resources in the Kestrel mine plan.

Censere has estimated the likely years of operation at the production rates set out in the CPR based upon the present Proven and Probable Reserves. For residual Measured and Indicated Resources that are not under the mine plan, Censere has considered these to be uneconomical and immaterial in value, and hence excluded from the valuation.

12. VALUATION OF KESTREL

Based on our findings and conclusions presented in previous sections, Censere has adopted the following key parameters and assumptions for the valuation of Kestrel.

12.1 Discounted Cash Flow Method

12.1.1 Assumptions

The valuation is subject to the following assumptions:

- The mine plan from FY2026 2H to FY2052 according to the CPR;

- The time period between production and sales is reasonably short;

- Working capital forecast for the Kestrel is based on the historical trends of Kestrel from FY2021 – FY2025 which are as follows:

	Average number of days turnover
Accounts receivables	30 days
Accounts payables	60 days
Royalties payables	30 days

- Income tax rate of 30% is based on Australia's corporate tax rate as at 30th June 2026;

- Coal price projections are based on price forecast prepared by various pricing estimates from brokers, banks and industry experts;

- Production projection is based on CPR; and

- Capital cost and operating cost is based on CPR.

12.1.2 Cash Inflows

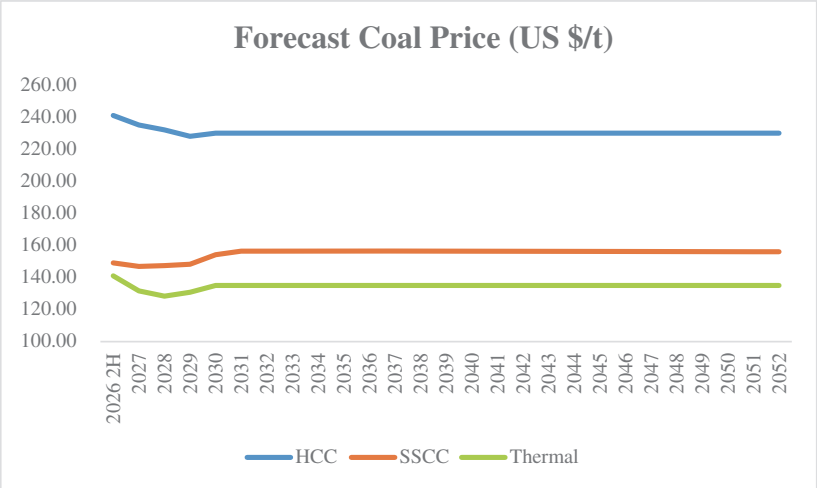
Price of Coal

Censere has reviewed forecasts from various pricing sources including Wood Mackenzie, Commodity Insight, spot price, KPMG's data and consensus from various brokers and banks. Censere has adopted forecast pricing shown on the following page. The forecasts are on a real basis for similar coal quality as that produced by Kestrel. Given the long-term uncertainty of prices associated with any commodity, Censere has assumed fluctuating prices from FY2026 2H to FY2029 with prices increasing and reaching a stable level from FY2030 to FY2052.

The primary coking product is a low ash, high fluidity, hard coking coal. This product is highly sought after as a blending coal for Asian steel mills, as its low ash and high fluidity provide blend flexibility and reduce coke-making costs. Relative to a benchmark Premium Low Volatility ("**PLV**") HCC, the high Volatile Matter ("**VM**") content and low Coke Strength after Reduction ("**CSR**") mean that the primary coking product is priced in line with second tier HCC's.

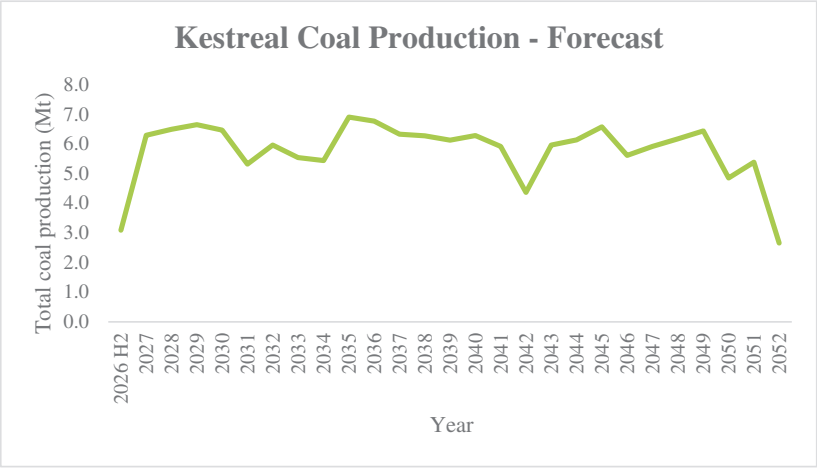
Kestrel's thermal product is of comparable quality to benchmark 6000 Net as Received ("**NAR**") Newcastle export coals. Whilst comparable, it is expected that on a 6000 NAR basis the Kestrel thermal is forecast to price at a small discount to the price benchmark.

The forecast coal price for HCC, SSCC and thermal are in the Appendix 6.



Quantity of Coal Production Forecast

In FY2025, Kestrel produced 5.9 million tonnes of saleable product coal. According to the mine plan in the CPR from FY2026 2H to FY2052, in FY2026 2H production is forecast to be approximately 3.4 million tonnes. The coal production will reach an average of 6.1 million tonnes from FY2027 to FY2035. Production will then peak at an average production of 6.4 million tonnes per year from FY2036 to FY2040, before tapering down to an average of 5.8 million tonnes from FY2041 to FY2045 and finally averaging 5.3 million tonnes annually from 2046 until the mine plan ends in 2052.



Note: Mine continues production until 2052 based on mine plan provided by CPR

Source: CPR

Quality of Coal Production in Forecast

According to CPR, coal quality is characterised by strong and consistent metallurgical performance within the established mining area, reflecting favourable coal rank and processing characteristics. In the existing operational area, coal exhibits low raw ash (~14.9%), low inherent moisture (~2.5%) and relatively low density (~1.39), together with vitrinite reflectance (~0.87) indicative of high-quality coking coal. These attributes support robust coking behaviour, including high product CSN (~7.3), strong dilatation (~66%), and high fluidity (~1,400 ddpm), enabling production of hard coking coal. Processing performance is correspondingly strong, with high primary product yields (~75.3%) and limited secondary product generation, underscoring the overall quality, consistency, and market suitability of coal products.

As mining progresses westward into Kestrel West, coal quality is expected to gradually transition to slightly lower rank characteristics, resulting in increased ash and moisture, reduced coking strength indicators, and lower primary product yields, while remaining within the metallurgical coal range and suitable for blending into coking coal products.

The overall average product coal total sulphur (<0.63%), phosphorus (<0.020%) and fluorine (<78 ppm) are all within acceptable ranges.

12.1.3 Cash Outflows

Operating Costs

Operating costs for the Mineral Asset are reported as Free on Rail ("**FOR**" or "**Onsite Costs**") and Free on Board ("**FOB**" or "**FOR plus off site costs**") cash costs. These cost metrics incorporate the following costs:

Onsite costs: include all costs to produce the product from mining either of the rail loading facilities and incorporate the following:

- Underground longwall mining of coal: This includes gate road development (using continuous miners), longwall shearer operation, hydraulic roof shield maintenance, and conveyor haulage costs to transport coal from the underground face to the surface stockpiles and production plants.

- Site Administration (G & A costs): This includes technical services and administration labour costs.

- Coal processing: All costs associated with washing of the coal and transport to the rail loading facilities.

Offsite costs: includes all costs to transport the coal products to the port for loading onto ships and subsequent transfer to customers. These costs include the following:

- Rail: Costs associated with third party rail freight from the rail loading facilities to the port terminals.

- Port: Costs associated with transfer of coal product from rail freight to boat via the coal handling terminals at the Port of Gladstone.

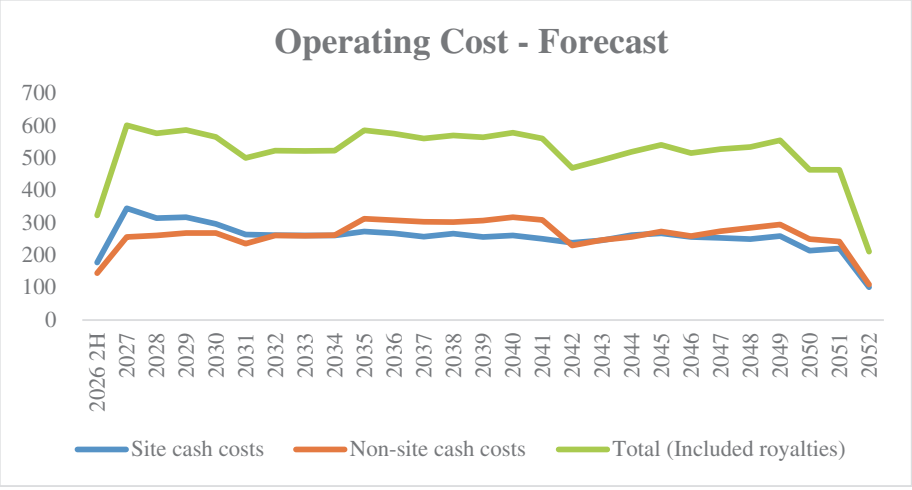
- Other costs: These include levies, corporate management, and demurrage at the port.

According to the CPR, total FOB cost (excluded royalties) is estimated at an average of A$112.0 per tonne of coal product for the life of the mine. 80% of total FOB (excluded royalties) should be an average of A$89.6 per tonne (adjusted for KCG ownership). The expected operating costs (excluded depreciation and amortization, but included royalties) from FY 2026 2H to FY2052 are as follows:

(US$ Million)	FY2026 2H	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Site cash costs	178	346	315	318	297	265	263	262	262
Non-site cash costs	145	257	262	270	269	237	261	261	263
Total (Included royalties)	323	602	577	588	566	502	524	523	524

(US$ Million)	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043
Site cash costs	274	268	258	267	257	262	251	239	247
Non-site cash costs	313	308	304	303	307	318	310	231	248
Total (Included royalties)	587	577	562	571	565	580	561	470	494

(US$ Million)	FY2044	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052
Site cash costs	263	268	257	254	250	260	215	222	102
Non-site cash costs	257	274	259	275	285	296	250	243	110
Total (Included royalties)	520	542	516	529	535	556	465	465	212



Source: CPR

QLD Mineral Royalty

In Queensland, Australia, a mineral royalty paid by miners is the price charged by the Crown for the transfer of the right to extract a mineral resource. According to Schedule 1, Section 5 of the Mineral Resources (Royalty) Regulation 2025, issued by the Queensland Revenue Office, coal royalties are calculated using a progressive, tiered rate system based on the average price per tonne of coal sold, disposed of, or used. The rates range from a base of 7.0% (for prices up to and including A$100/t) up to 40.0% (for prices exceeding A$300/t). Rather than paying monthly as a default, royalty returns to the Queensland Government must be lodged and settled on a quarterly basis, due on or before the last business day of the month following the end of each calendar quarter. The calculation of royalty rate shown below:

(1) The royalty rate for coal is—

(a) If the average price per tonne of the coal sold, disposed of or used in the return period is A$100 or less – 7% of the value of the coal; or

(b) The royalty rate applied to the value of the coal sold, disposed of or used in the return period, rounded down to 2 decimal places, worked out using the following formula—

(i) If the average price per tonne of the coal sold, disposed of or used in the return period is more than A$100 but not more than A$150—

$$RR = 7 + \left(\frac{AP\text{-}100}{AP} \times 5.5 \right)$$

(ii) If the average price per tonne of the coal sold, disposed of or used in the return period is more than A$150 but not more than A$175—

$$RR = 7 + \left(\frac{AP\text{-}100}{AP} \times 5.5 \right) + \left(\frac{AP\text{-}150}{AP} \times 2.5 \right)$$

(iii) If the average price per tonne of the coal sold, disposed of or used in the return period is more than A$175 but not more than A$225—

$$RR = 7 + \left(\frac{AP\text{-}100}{AP} \times 5.5 \right) + \left(\frac{AP\text{-}150}{AP} \times 2.5 \right) + \left(\frac{AP\text{-}175}{AP} \times 5 \right)$$

(iv) If the average price per tonne of the coal sold, disposed of or used in the return period is more than A$225 but not more than A$300—

$$RR = 7 + \left(\frac{AP\text{-}100}{AP} \times 5.5\right) + \left(\frac{AP\text{-}150}{AP} \times 2.5\right) + \left(\frac{AP\text{-}175}{AP} \times 5\right) + \left(\frac{AP\text{-}225}{AP} \times 10\right)$$

(v) If the average price per tonne of the coal sold, disposed of or used in the return period is more than A$300—

$$RR = 7 + \left(\frac{AP\text{-}100}{AP} \times 5.5\right) + \left(\frac{AP\text{-}150}{AP} \times 2.5\right) + \left(\frac{AP\text{-}175}{AP} \times 5\right) + \left(\frac{AP\text{-}225}{AP} \times 10\right) + \left(\frac{AP\text{-}300}{AP} \times 10\right)$$

where—

RR is the royalty rate, expressed as a percentage.

AP is the average price per tonne of the coal sold, disposed of or used in the return period.

Source: Mineral Resources (Royalty) Regulation 2025, Queensland Government

Capital Expenditure

Capital Costs for the project are separated into the following cost metrics:

- Growth Capital: Includes capital required for the upgrades of the coal processing plants and site infrastructure;

- Sustaining capital: Includes capital required to replace mobile and fixed plant as part of ongoing maintenance and production requirements. This includes all site infrastructure production fleets, coal processing plants and tails storage facilities; and

- Closure: Capital required for rehabilitating the site upon closure of the operation including pit and coal processing plants and tails storage facilities.

According to CPR, a total of A$3.0 billion for growth and sustaining capex is required over the mine life with an annual average of A$115 million. Annual growth and sustaining capex is forecast to range from A$186 million in 2027 to A$82 million in 2035. In addition, the LOM plan includes approximately A$468 million for mine development and A$216 million in rehabilitation and closure costs.

12.1.4 Discount Rate

To discount the future cash flows to their present value, Censere has used a real discount rate of 7.65%. The discount rate reflects the required rate of return on the investment and is based on its WACC. Please refer to Appendix 3 for details of computation of the discount rate.

12.1.5 Annuity Value

Censere has been provided with a mine plan (from CPR) consisting of a production schedule until year 2052. After that no production is planned. Therefore, no annuity value is determined beyond FY2052.

12.1.6 Net Present Value of Net Cash Flow ("NPV")

With cash flows multiplied by the present value factor for each period, Censere can derive the net present value of the cash flow for each year as at the Valuation Date. The NPV is determined by summation of all present values during the projection period plus the present value of the annuity to represent cash flow from the final projection year through to the end of mine life.

12.1.7 Marketability Discount

According to the International Glossary of Business Valuation Terms, marketability means the relative ease and promptness with which a security or commodity may be sold when desired, at a representative current price, without material concession in price merely because of the necessity of the sale. Investors will price in a discount for the additional costs and risks of liquidation when valuing equity in privately held companies. For this exercise, Censere is of the opinion that no marketability discount is applicable for the purpose of this valuation. This is an operating mine that has been in operation for many years and has been profitable. Censere believes that this asset could be listed with relative ease by itself in most markets in the world and hence Censere concluded that no marketability discount needs to be allowed.

12.1.8 Valuation Range

Censere has set the upper and lower limits of the valuation range with discount rate at 1% higher, and 1% lower against the applied WACC. For purposes stated herein and subject to the limitations and assumptions as set out in this report, the Market Value of the Mineral Asset which reflect a 100% interest in KCG, as at the Valuation Date, is within the range of US$2.149 billion and US$2.512 billion, with the mid-point Value at US$2.319 billion.

Further details of the valuation of Kestrel can be found in the Appendix 6.

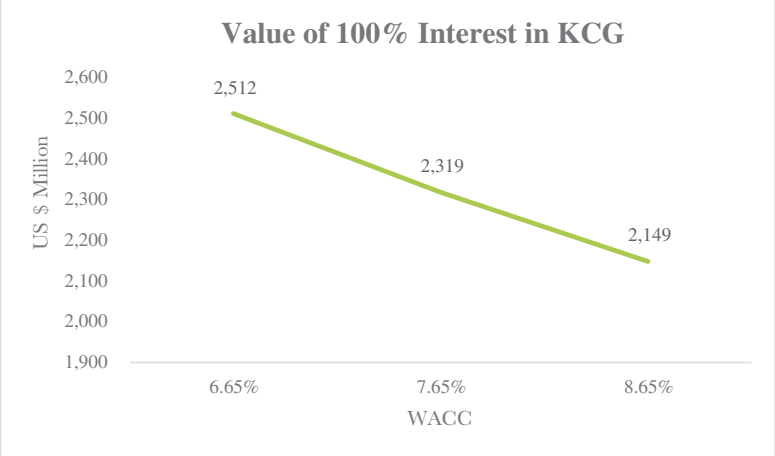
12.1.9 Scenario/Sensitivity Analyses

Sensitivity analyses have been performed to illustrate the NPV of Kestrel under various scenarios. The sensitivity analyses are meant for illustration purposes only and do not necessarily imply that the NPV of Kestrel could be as stated below. The parameters that are being considered for the sensitivity analyses are:

- Changes to the discount rate(s);
- Changes in coal prices;
- Changes in operating costs; and
- Changes in capital costs

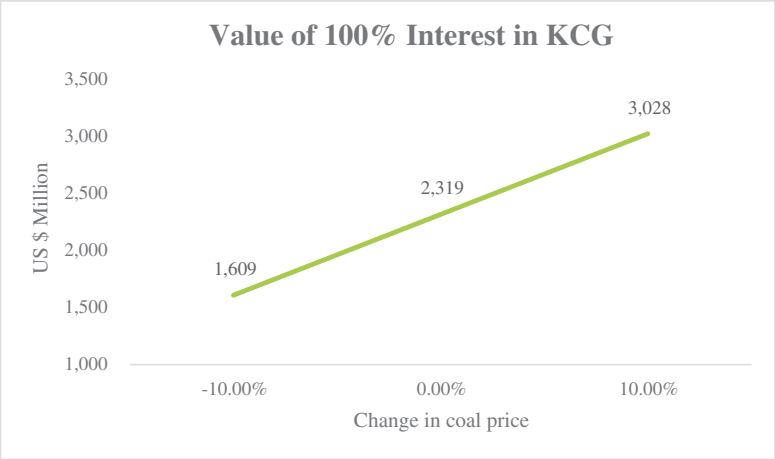
Discount Rate

Shown below is the sensitivity analysis for a 1% increase or decrease in discount rates with other parameters and assumptions remaining unchanged. The base case considered is with discount rate of 7.65%. The valuation for each scenario is computed and presented in the following chart:



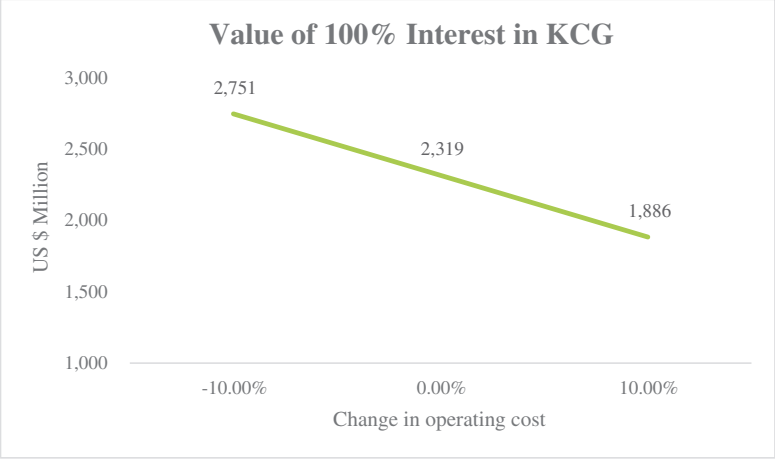
Coal Prices

Shown below is the sensitivity analysis for a 10% increase or decrease in coal prices with the remaining parameters and assumptions remaining unchanged. The valuation under each scenario is computed and presented in the following chart:



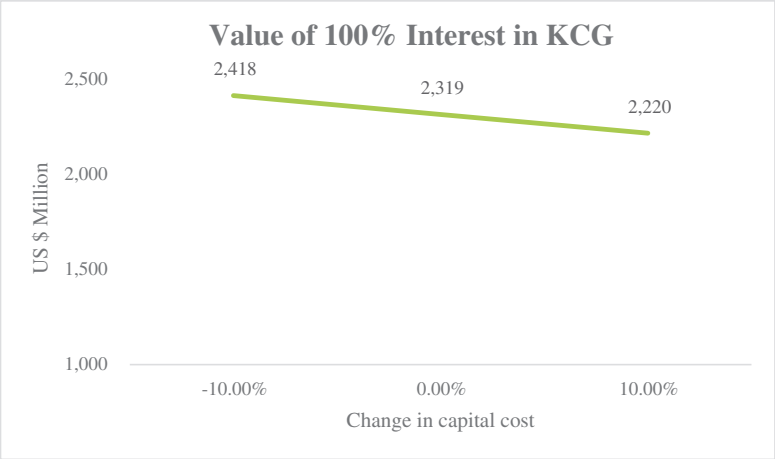
Operating Costs

Shown below is the sensitivity analysis for a 10% increase or decrease in the operating costs (excluding depreciation and amortization) with the other parameters and assumptions remaining unchanged. The valuation under each scenario is computed and presented in the following chart:



Capital Costs

Shown below is the sensitivity analysis for a 10% increase or decrease in the capital costs with the other parameters and assumptions remaining unchanged. The valuation for each scenario is computed and presented in the following chart:



12.2 Market Approach – Multiples Valuation

Censere has applied EV/EBITDA and EV/EBIT multiple valuations based on the selected Comparables. They are useful estimates of value for operating assets but depend on the availability of directly comparable companies to analyse. Censere also applied EV/Reserves multiple valuation based on the M&A transaction of Illawarra Metallurgical Coal and Anglo American's steelmaking coal portfolio.

Control Premium

According to the International Glossary of Business Valuation Terms, control premium is an amount or percentage by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest in a business enterprise, reflecting the power and anticipated economic benefits of control, the control premium is 26.2%, which is obtained from the actual coal mine transaction data, please check the Appendix 5 for details.

Market Approach (EV/EBITDA & EV/EBIT Multiples)

The trailing EV/EBITDA and EV/EBIT multiples of the Comparables are listed below:

No.	Company	Stock Code	EV/EBITDA (LTM) (As at Jun 30, 2026)	EV/EBIT (LTM) (As at Jun 30, 2026)
1	Yancoal Australia Ltd	YAL.AX	3.05	3.74
2	Whitehaven Coal Ltd	WHC.AX	2.49	7.61
3	New Hope Corporation Ltd	NHC.AX	4.20	5.09
4	Anglo American PLC	AAL.L	10.19	13.28
5	BHP Group Ltd	BHP.AX	5.56	9.63
6	Stanmore Resources Ltd	SMR.AX	4.26	7.78
7	Rio Tinto Ltd	RIO.AX	6.42	6.91
		Average (Excluded outlier)	4.70	7.40

Market Value of KCG Under EV/EBITDA Multiple

EV/EBITDA

Item	Amount (US$ Million)
EBITDA	**398**
Multiply: Selected multiple (EV/EBITDA)	4.70
Enterprise Value	**1,869**
Add: Surplus cash	-
Less: Debt	-
100% of Equity Interest in KCG	**1,869**
Control premium	26.2%
100% of Equity Interest in KCG with control premium	**2,358**

The derived Market Value of 100% equity interest in KCG is approximately US$2.358 billion under the EV/EBITDA method.

Market Value of KCG Under EV/EBIT Multiple

EV/EBIT

Item	Amount (US$ Million)
EBIT	**275**
Multiply: Selected multiple (EV/EBIT)	7.40
Enterprise Value	**2,039**
Add: Surplus cash	-
Less: Debt	-
100% of Equity Interest in KCG	**2,039**
Control premium	**26.2%**
100% of Equity Interest in KCG with control premium	**2,573**

The derived Market Value of 100% equity interest in KCG is approximately US$2.573 billion under the EV/EBIT method.

Market Value of KCG Under EV/Reserves Multiple

Censere also applied EV/Reserves multiple valuation based on the M&A transactions of Illawarra Metallurgical Coal and Anglo American PLC steelmaking coal portfolio. This is because these transactions are related to underground coal mine.

The relevant information is shown below:

S/N	Acquirer Name	Target Asset/Seller Name	Mining Method	Coal Type	Country	Completion Date
1	Golden Energy & Resources & M Resources	Illawarra Metallurgical Coal (IMC)	Underground mine	Metallurgical and thermal coal	Australia	8/29/2024
2	Dhilmar Limited	Anglo American Plc	Underground mine & Open cut mine	Metallurgical and thermal coal	Australia	

S/N	Acquirer Name	Target Asset/Seller Name	Equity Acquired	Upfront Payment US$ Million	Announced Total Value US$ Million	Reserves Acquired (Mt)
1	Golden Energy & Resources & M Resources	Illawarra Metallurgical Coal (IMC)	100%	1,300	1,650	97
2	Dhilmar Limited	Anglo American Plc	100%	2,300	3,875	283

S/N	Acquirer Name	Target Asset/Seller Name	Resource Acquired (Million tonnes)	Lower EV/reserves	Upper EV/reserves	Mid-point EV/Reserves
1	Golden Energy & Resources & M Resources	Illawarra Metallurgical Coal (IMC)	1,170	13.4	17.0	15.2
2	Dhilmar Limited	Anglo American Plc	1,952	8.1	13.7	10.9
			Weighted Average	**12.1**	**16.2**	**14.1**

It is often difficult to find sufficient number of recent and truly comparable transactions, where the assets in trading have similar type and grade to the Mineral Asset. Full details of such transactions and all relevant information are not in the public domain. Censere is not aware of any other suitable comparable transactions for this assessment.

With only two broadly comparable transactions of which the Anglo American's transaction has not yet completed, Censere would place less reliance on this method.

Mid-point EV/Reserves

Item	Amount (US$ Million)
Reserves at 100%	**156**
80% attributable to KCG	**125**
Multiply: Selected multiple (Mid-point EV/Reserves)	14.13
100% of Equity Interest in KCG	**1,763**

The derived Market Value of 100% equity interest in KCG ranges from US$1.508 billion to US$2.019 billion, and the mid-point value is US$1.763 billion under the EV/Reserves method.

13. SUMMARY OF RESULTS

The results of four methods adopted are as follows:

Market Value (US$ Million)

Valuation Approach	Market Value of KCG (100%)		
	Lower	Mid-point	Upper
Discounted Cash Flow valuation	2,149	2,319	2,512
Multiple valuation - EV/Reserves	1,508	1,763	2,019
Multiple valuation - EV/EBITDA		2,358	
Multiple valuation - EV/EBIT		2,573	

14. CORRELATION OF VALUE

As stated previously, with only 2 broadly comparable transactions, of which, the Anglo American transaction has not yet completed, Censere does not have confidence in the results of the EV/Reserves method.

The DCF method, EV/EBITDA method and EV/EBIT method all return broadly similar results. Censere has adopted the results of the DCF method as best reflecting the Market Value of the Mineral Asset since it is based on the specific operating characteristics of the Target. The result of the EV/EBITDA and EV/EBIT methods provide useful support on this occasion, but since none of the comparables analysed are pure play underground coking coal producers, Censere has not relied on the results directly.

15. STATEMENT OF VALUE

15.1 Market Value – KCG

For purposes stated herein and subject to the limitations and assumptions set out in this report, the Market Value of the Mineral Asset (also equivalent to a 100% interest in KCG) as at the Valuation Date is within the range of US$2.149 billion and US$2.512 billion, with the mid-point Value at US$2.319 billion.

16. KEY RISK FACTORS

The Operation is subject to both specific risks to its business activities and risks of a general nature. Individually, or in combination, these might adversely affect the future operating and financial performance of the Operation. This section describes some, but not all, of the risks which may be associated with the Operation.

16.1 Specific Risk Factors

16.1.1 Exploration, Development and Production

The Kestrel mine is a mature and well-established underground coal operation. Consequently, the Mineral Asset will not have exploration risk and minimal development risk. Production risk is the primary risk to ongoing operation.

Development risk and production risk for Kestrel

- Development rates & panel sequencing: Longwall mining relies on gateroad development (via continuous miners) staying sufficiently ahead of the longwall face. Delays in roadway development caused by tough ground conditions or equipment downtime can restrict longwall continuity and lead to production gaps;

- Capital cost overruns on access infrastructure: Capital expenditure for routine gateroad extension, mains development, and underground layout moves can exceed budgeted estimates if adverse geological conditions arise;

- Coal quality & seam yield variation: Variations in seam thickness, ash content, or washing yields across different panels can impact the final quality and market price of the produced coking coal;

- Equipment reliability & longwall moves: Longwall mining relies on major integrated systems (shearer, armored face conveyor, powered supports). Major mechanical breakdowns or delays during longwall panel relocations directly impact quarterly production output;

According to the CPR, other specific risks for Kestrel are shown below:

- Uncertainty in resources in Kestrel West: The Kestrel West resource is currently classified as indicated. Current studies are supported by data from current and historical operations. The confidence will not improve without further drilling (geotechnical and coal quality) and 3D seismic studies, which may influence the actual production of the coal mine;

- Tailings Storage: This tailings storage facility has storage capacity until 2031, after which a new storage area will be required. The new facility will require various approvals, if not approve, the daily operation will be impacted; and

- Frictional Ignition: The Asset has previously experienced frictional ignition events, causing short-term production stoppages.

16.1.2 Fluctuation in Coal Prices

The profitability and the value of the reserves depend upon the prices of the minerals. The contract prices it may receive in the future for coal depend upon factors beyond our control, including the following:

- The domestic and foreign supply and demand for coal;

- The quantity and quality of coal available from competitors;

- Adverse weather, climatic or other natural conditions, including natural disasters;

- Domestic and foreign economic conditions, including economic slowdowns;

- Legislative, regulatory and judicial developments or environmental regulatory changes that would adversely affect the industry;

- The proximity to, capacity of and cost of transportation and port facilities; and

- A substantial or extended decline in the prices it receives for its future coal sales contracts could materially and adversely affect the valuation by decreasing its profitability and the value of its coal reserves.

16.1.3 Funding

The funding risk for Kestrel is minimal because the Mineral Asset is already in operation and requires no significant expansion or major upcoming capital expenditure. The operation of Kestrel mine is well-positioned to fund ongoing activities from existing resources without relying on equity and debt financing.

16.1.4 Performance of Equipment and Technical Personnel

There is a risk that technical personnel may under-perform or that equipment may malfunction, either of which may affect the progress of the Operation's exploration and mining activities. Consequently, there is a risk that the Operation may not be able to source all the personnel and equipment required to fulfil its proposed exploration and mining activities included in its planned budgets.

16.1.5 Disruption to Business Operation

The Operation is also subject to a range of operational risks. Such operational risks include equipment failures, IT system failures, external services failure (including energy or water supply), industrial action or disputes and natural disasters. While the Target will endeavour to take appropriate action to mitigate these operational risks or to insure against them, one or more of these risks may have a material adverse impact on the performance of the Operation.

16.1.6 Occupational Health and Safety

Given project activities, it will face the risk of workplace injuries which may result in workers' compensation claims, related common law claims and potential occupational health and safety prosecutions. Further, the production processes used in conducting any future mining activities of the Mine can be dangerous. The Target has, and intends to maintain, a range of workplace practices, procedures and policies which will seek to provide a safe and healthy working environment for its employees, visitors and the community.

While the Target intends to maintain appropriate safeguards in its exploration activities, serious injury to an employee or another person could occur and give rise to liability under occupational health and safety laws and regulations and also under the general law.

16.2 Environmental, Other Regulations and Legal Risk

16.2.1 Extensive Environmental Regulations

The coal mining industry is subjected to increasingly strict regulation by federal, state and local authorities with respect to environmental matters such as:

- Limitations on land use;
- Mine permitting and licensing requirements;
- Reclamation and restoration of mining properties after mining is completed;
- Management of materials generated by mining operations;
- The storage, treatment and disposal of waste materials (solids and liquids);
- Remediation of contaminated soil and groundwater;
- Air quality standards;
- Water pollution;
- Protection of human health, plant-life and wildlife, including endangered or threatened species;
- Protection of wetlands;
- The discharge of materials into the environment; and
- The effects of mining on surface water and groundwater quality and availability.

The costs, liabilities and requirements associated with the laws and regulations related to these and other environmental matters may be costly and time-consuming and may delay commencement or continuation of exploration or production operations. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of clean-up and site restoration costs and liens, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits and other enforcement measures that could have the effect of limiting production from the operations. The Operation may incur material costs and liabilities resulting from claims for damages to property or injury to persons arising from the operation.

16.2.2 Mining Permits

The failure to obtain and renew permits necessary for the mining operations could negatively affect the Operation. Mining companies must obtain numerous permits that impose strict regulations on various environmental and operational matters in connection with coal mining. These include permits issued by various federal, state and local agencies and regulatory bodies.

The permitting rules, and the interpretations of these rules, are complex, change frequently, and are often subject to discretionary interpretations by the regulators, all of which may make compliance more difficult or impractical, and may possibly preclude the continuance of ongoing operations or the development of future mining operations. The public, including non-governmental organizations, anti-mining groups and individuals, have certain statutory rights to comment upon and submit objections to requested permits and environmental impact statements prepared in connection with applicable regulatory processes, and otherwise engage in the permitting process, including bringing citizens' lawsuits to challenge the issuance of permits, the validity of environmental impact statements or performance of mining activities.

Accordingly, required permits may not be issued or renewed in a timely fashion or at all, or permits issued or renewed may be conditioned in a manner that may restrict the ability to efficiently and economically conduct its mining activities, any of which would materially reduce its production, cash flow and profitability.

16.2.3 Changes in the Legal and Regulatory Environment

The conduct of the mining business is subject to various laws and regulations in Australia. These laws and regulations may change, sometimes dramatically, as a result of political, economic or social events or in response to significant events. Certain recent developments may cause changes in the legal and regulatory environment in which the Asset operates and may impact the results or increase its costs or liabilities.

Such legal and regulatory environment changes may include changes in; the processes for obtaining or renewing permits; costs associated with providing healthcare benefits to employees; health and safety standards; accounting standards; taxation requirements and competition laws.

16.3 General Risk Factors

16.3.1 Economic Conditions

The performance of the Operation may be influenced by the general economic conditions within Australia and the global economy. Changes in interest rates, employment rates, exchange rates, inflation, consumer spending, access to debt and capital markets and government fiscal, monetary and regulatory policies may affect customer's sentiment and may result in the reduction of demand for coal which will have an adverse effect on Operation's financial performance and growth.

Thus, the Operation is and will continue to be, dependent on the economic growth, foreign exchange movement, political stability and social conditions in Australia and any other countries in which it intends to operate in the future. Its growth and expansion plans may also be undermined by any labour disputes, political unrest, economic or financial crisis or disturbances occurring in Australia and any of such countries that the Operation are exposed to.

17. EXCLUSIONS AND LIMITATION OF LIABILITY

Our work has been performed in accordance with and subject to our Standard Conditions of Engagement, a copy of which has been previously provided. For your reference, Censere highlights some of the more pertinent points:

- Censere has used due skill and care in the provision of the services set out in this report;

- Censere shall not under any circumstances be liable for damages, or for losses, that are not a direct result of breach of contract, or negligence, on our part in respect of services provided in connection with, or arising out of, the engagement set out in this letter (or any variation or addition thereto), or for any consequential losses or loss of profits of whatsoever nature. In any event, the liability of Censere, its related companies, partners, directors and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed the fees paid specifically for the work in question which allegedly entailed a breach of contract or negligence on our part;

- In no event shall Censere, its related companies, partners, directors and staff be liable for any loss, damage, cost or expense arising in any form or in connection with the fraudulent acts or omissions, or any misrepresentations or any default on the part of the directors, employees or agents of the management of the Company and its subsidiaries;

- Without derogating from the aforesaid provisions, Censere shall not under any circumstances whatsoever, be liable to any third party, whether or not they are shown a copy of any work that Censere has done pursuant to the terms of our engagement, and whether or not Censere has consented to such work being shown to them, save and except where Censere specifically agreed in writing to accept such liability; and

- Except as a result of our own negligence or wilful default, in the event that Censere finds ourselves subject to a claim or incur legal costs from another party as a result of false or misrepresented information provided by Management in connection with this engagement, any claim established against us and the cost Censere necessarily incur in defending it would form part of the expenses Censere would look to recover from the Management of the Company.

- Neither Censere nor Brett Shadbolt have been provided with any indemnities other than those indicated above.

18. APPENDICES

Appendix 1 – Map

Kestrel



Source: CPR

Appendix 2 – Photographs for Site Inspection

Kestrel

















Appendix 3 – Derivation of Discount Rate

The income approach requires the application of an appropriate discount rate that reflects the inherent risks relating to the cash flows. The discount rate for the future Free Cash Flows of Kestrel operation is the return on investments required by investors.

Weighted Average Cost of Capital (WACC)

WACC is the minimum acceptable return on investments required by lenders and shareholders. It is the weighted cost of debt and equity funded capital and is the appropriate rate to discount the free cash flows of Kestrel Operation. The formula for calculating WACC is:

$$WACC = K_e * W_e + K_d * (1- t) * W_d$$

where:

K_e = Cost of equity

K_d = Cost of debt

W_e = Equity weight (value of equity divided by invested capital)

W_d = Debt weight (value of debt divided by invested capital)

t = Effective tax rate

Detailed information on WACC computation is as below:

Cost of Equity

The return on equity is the minimum acceptable return on investment required by shareholders. The Capital Asset Pricing Model ("**CAPM**") is a model which indicates what should be the expected or required rate of return on risky assets. CAPM characterises the relationship between a common stock's expected return and risk as:

$K_e = R_f + \beta[R_m - R_f] + \varepsilon$

where:

K_e	=	Cost of equity
R_f	=	Risk-free rate of return
β	=	Beta on firm that measures the co-movement of that firm's returns with those of the overall market
R_m	=	Expected return of the overall market
ε	=	Epsilon, a measure of project or company specific risk which cannot be quantified directly

Derived cost of equity is as below:

Cost of Equity	Ref:	Base case
Risk Free Rate:	a	4.73%
Equity Risk Premium:	b	4.77%
Average Unlevered Beta:	c	0.65
Relevered Beta:	d	0.79
Estimated Return of Equity	e = a + d*b	8.49%
Add: Epsilon	f	2%
Cost of Equity	g = e + f	**10.49%**

Remarks:

a: Based on 10-year reference yield on the Australian Government Bonds as at Valuation Date (Source: Refinitiv)

b: Australia market risk premium based on Damodaran Online, updated on Apr 2026

c: Average of unlevered betas from comparables

d: Relevered beta from comparables debt/equity ratio and Australia corporate tax rate

f: Epsilon is a measure of company specific risk, i.e. start up premium, operation premium, and quality of earnings discount associated with the Company which cannot be quantified directly

Beta

Beta is derived by taking the unlevered betas of the Comparables and then re-levering by the optimal debt-equity ratio and the tax rate of the Operation. Please refer to Appendix 4 for a description of the Comparables. The Comparables beta's are as follows:

	Comparable Listed Companies		30-Jun-26 Adjusted Levered Beta	Market D (%) /E (%) Ratio	Corporate tax rate	30-Jun-26 Adjusted Unlevered Beta
1	Yancoal Australia Ltd	YAL.AX	0.39	1%	30%	0.39
2	Whitehaven Coal Ltd	WHC.AX	0.68	30%	30%	0.56
3	New Hope Corporation Ltd	NHC.AX	0.52	10%	30%	0.48
4	Anglo American PLC	AAL.L	0.45	32%	25%	0.36
5	BHP Group Ltd	BHP.AX	1.14	18%	30%	1.01
6	Stanmore Resources Ltd	SMR.AX	1.07	38%	30%	0.84
7	Rio Tinto Ltd	RIO.AX	1.03	17%	30%	0.92
	Average		**0.75**	**21%**	**29%**	**0.65**

Expected Capital Structure	81.0%	19.0%

Cost of Debt

Derived cost of debt is as below:

Weighted Average Cost of Capital		
Cost of Equity		**10.49%**
Cost of Debt (Pre-tax)	h	5.41%
Debt risk premium	i	4.25%
Tax Rate	j	30.00%
Cost of Debt (After tax)		**6.76%**

h: Pre-tax cost of debt from peer companies

i: Debt risk premium: asset concentration risk, illiquidity, scale & balance sheet cushion risk, operational & offtake vulnerability

j: Statutory tax rate in Australia

Derived WACC

Capital Structure

Censere had made reference to the Comparables for estimates of the long term capital structure, which consists of 81% equity and 19% debt.

Based on the above inputs for cost of equity and cost of debt, WACC is derived as follows:

$$\text{WACC (nominal)} = K_e * W_e + K_d * (1 - t) * W_d$$
$$= 10.49\% * 81\% + 6.76\% * (1 - 30\%) * 19\%$$
$$= 9.8\% \text{ (rounded)}$$

Furthermore, in order to account for the inflation, Censere had further applied inflation factor of 2% on the WACC.

Weighted Average Cost of Capital	
WACC (Nominal)	9.80%
Inflation Factor	**2.00%**
WACC (Real)	**7.65%**

Appendix 4 – Comparable Companies

No.	Company Name	Eikon RICs	Description
1	Yancoal Australia Ltd	YAL.AX	Yancoal Australia Ltd is an Australia-based coal producer and coal exporter, producing premium thermal and metallurgical coal. It owns and operates a diversified portfolio of assets consisting of both large-scale open-cut and underground mines comprising five coal mine complexes in Australia. It owns and operates several mines and mine sites across Australia. It owns or operates eight producing coal mines across New South Wales, Queensland and Western Australia. Its mines include Moolarben, Mount Thorley Warkworth, Hunter Valley Operations, Ashton, Yarrabee, Cameby Downs, Middlemount, and Premier Coal. Its thermal coal is primarily used in electricity generation, and its end users are typically power and utility companies. Moolarben Coal Complex is located over 40 kilometers north of Mudgee in the Western Coalfields of New South Wales. Mount Thorley Warkworth is an integrated operation consisting of the open cut coal mining operations of Mount Thorley Operations and Warkworth Mine.
2	Whitehaven Coal Ltd	WHC.AX	Whitehaven Coal Limited is an Australia-based company engaged in the production of coal. It is focused on the development and operation of coal mines in New South Wales (NSW) and Queensland (QLD). Its segments include NSW Operations and QLD Operations. It operates six mines (five open-cut and one large underground mine) in the Gunnedah Coal Basin of NSW and Bowen Basin of QLD. Its assets include Maules Creek Mine, Narrabri Mine, Vickery Extension Project, Werris Creek Mine, Gunnedah CHPP, Winchester South Project, Narrabri Stage-3 Extension Project, Rocglen Mine, Sunnyside Mine, Canyon Mine, Daunia Mine, and Blackwater Mine. Its development projects include the Vickery project and Winchester South project. The Tarrawonga open cut mine produces high-quality thermal coal and semi-soft coking coal. Vickery Extension Project is a proposal to construct an open-cut coal mine and associated on-site infrastructure about 25 kilometers north of Gunnedah.
3	New Hope Corporation Ltd	NHC.AX	New Hope Corporation Limited is a coal producer with associated port, oil and gas, and agricultural operations. The Company operates the Bengalla Mine in New South Wales and the New Acland Mine in southeast Queensland, with coal primarily exported to customers in Asia. Its agricultural enterprises are located near its coal mines. Its Coal Mining in Queensland segment includes mining-related production, processing, transportation, port operations and marketing. Its Coal Mining in New South Wales segment includes mining-related production, processing, transportation, marketing, exploration. Its Other segments include coal exploration outside existing operational areas, oil and gas-related exploration, development and production, pastoral operations, treasury and administration. The Bengalla Mine is located four kilometers south-west of Muswellbrook in New South Wales. New Acland Mine is an open-cut thermal coal mine located 27 kilometers north-west of Oakey in southeast Queensland.
4	Anglo American PLC	AAL.L	Anglo American plc is a global mining company focused on the production of copper, premium iron ore and crop nutrients. The Company's copper operations include Quellaveco, Los Bronces, El Soldado, and Collahuasi. The Quellaveco copper operation is in Peru. Los Bronces is an open-pit copper and molybdenum mine in Chile. El Soldado is a copper mine located in the Cordillera de El Melon, commune of Nogales, Valparaiso Region, 125 kilometers (km) north of Santiago, Chile. The Collahuasi mine is a large copper mine located in the north of the Tarapaca Region in Chile. Its iron ore mines include Sishen, Kolomela, and Minas-Rio. Sishen is an open-pit mine in South Africa. Kolomela is located around 90 km south of its Sishen mine. Minas-Rio is a fully integrated export iron ore operation. It is developing the Woodsmith project in the northeast of England to access a known deposit of polyhalite. The Woodsmith project is located on the North Yorkshire coast, just south of Whitby.
5	BHP Group Ltd	BHP.AX	BHP Group Limited is an Australia-based resources company. The Company is a producer of commodities, including iron ore, copper, nickel, potash and metallurgical (steelmaking) coal. It is focused on offering a range of resources, which provides copper for renewable energy; nickel for electric vehicles; potash for sustainable farming, and iron ore and metallurgical coal for the steel needed for global infrastructure and the energy transition. Its segments include Copper, Iron Ore, and Coal. Its Copper segment is engaged in mining of copper, silver, zinc, molybdenum, uranium, and gold. Its Iron Ore segment is engaged in mining of iron ore. Its Coal segment is engaged in mining of metallurgical coal and energy coal. The Company is also focused on operating Olympic Dam, Prominent Hill, and Carrapateena underground copper-gold mines in South Australia. Its operations are situated in Australia, Europe, China, Japan, India, South Korea, rest of Asia, North America, South America, and others.
6	Stanmore Resources Ltd	SMR.AX	Stanmore Resources Limited is a resources company with operations and exploration projects in the Bowen and Surat basins. The Company controls and operates the South Walker Creek, Poitrel and Isaac Plains Complex metallurgical coal mines as well as the undeveloped Isaac Downs Extension, Eagle Downs, Lancewood and Isaac Plains underground projects, in Queensland's prime Bowen Basin region. It holds several additional prospective coal tenements located in Queensland's Bowen and Surat basins. South Walker Creek is an open-cut mine located approximately 35 kilometers (km) west of Nebo in Queensland's Bowen Basin. Poitrel is an open-cut mine located approximately 35 km east of Moranbah. Isaac Plains Complex is located approximately seven km east of Moranbah. Isaac Downs Extension is an undeveloped open-cut project situated immediately south of the Isaac Downs mine, across the Isaac River. Eagle Downs is a hard-coking coal development project located approximately 20 km from Moranbah.
7	Rio Tinto Ltd	RIO.AX	Rio Tinto Limited is a mining and materials company. The Company operates in over 34 countries and six continents, and its portfolio includes iron ore, copper, aluminum and a range of other minerals and materials. Its business is finding, mining, and processing mineral resources. Its Aluminium & Lithium segments include bauxite mining, alumina refining, aluminum smelting and recycling, and mining and processing of lithium. Its Copper segment includes mining and refining of copper, gold, silver, molybdenum, other by-products and exploration activities. Its Iron Ore segment consists of iron ore mining and salt and gypsum production in Western Australia; iron concentrate and pellets from the Iron Ore Company of Canada. It owns and operates an integrated portfolio of iron ore assets in the Pilbara region of Western Australia comprising a network of 18 iron ore mines, four port terminals, a nearly 2,000 km rail network and other infrastructure (Pilbara Property).

Appendix 5 – Control Premium

Date Announced	Rank Date	Target Full Name	Type of metals	Acquiror Full Name	Control premium
18/07/2019	18/07/2019	Bowen Coking Coal Ltd	Coal	Undisclosed Acquiror	7%
26/11/2015	26/11/2015	Universal Coal PLC	Coal	Coal of Africa Ltd	35%
30/06/2009	30/06/2009	Kaisun Energy Group Ltd	Coal	Kaisun Energy Group Ltd	17%
2/9/2014	2/9/2014	Universal Coal PLC	Coal	Ichor Coal NV	22%
6/12/2012	6/12/2012	Universal Coal PLC	Coal	Coal Development Holding BV	40%
8/7/2013	8/7/2013	Cokal Ltd	Coal	Blumont Group Ltd	7%
18/09/2018	18/09/2018	Universal Coal PLC	Coal	Ata Resources Pty Ltd	33%
4/10/2013	4/10/2013	Cokal Ltd	Coal	Blumont Group Ltd	27%
23/04/2012	23/04/2012	Winsway Coking Coal Holdings Ltd	Coal	Aluminum Corp of China Ltd	28%
3/5/2019	3/5/2019	Universal Coal PLC	Coal	Undisclosed Acquiror	63%
8/11/2013	8/11/2013	Henan Dayou Energy Co Ltd	Coal	Investor Group	10%
Average					**26.2%**

Source: Refinitiv

Appendix 6 –Forecast Coal Price

	Forecast Coal Price (US $/t)		
	HCC	SSCC	Thermal
2026 2H	241.00	149.00	141.00
2027	235.00	146.88	131.63
2028	232.00	147.32	128.33
2029	228.00	148.20	130.69
2030	230.00	154.10	135.00
2031	230.00	156.40	135.00
2032	230.00	156.40	135.00
2033	230.00	156.40	135.00
2034	230.00	156.40	135.00
2035	230.00	156.40	135.00
2036	230.00	156.40	135.00
2037	230.00	156.40	135.00
2038	230.00	156.40	135.00
2039	230.00	156.40	135.00
2040	230.00	156.40	135.00
2041	230.00	156.40	135.00
2042	230.00	156.40	135.00
2043	230.00	156.40	135.00
2044	230.00	156.40	135.00
2045	230.00	156.40	135.00
2046	230.00	156.00	135.00
2047	230.00	156.00	135.00
2048	230.00	156.00	135.00
2049	230.00	156.00	135.00
2050	230.00	156.00	135.00
2051	230.00	156.00	135.00
2052	230.00	156.00	135.00

Appendix 7 – Valuation of KCG

(US$ Million)			FY2026 2H	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
USD/AUD Spot rate @VD			0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
FREE CASH FLOW TO FIRM											
Revenue			635	1,274	1,249	1,262	1,241	1,017	1,138	1,062	1,042
Revenue growth (%)				*101%*	*(2%)*	*1%*	*(2%)*	*(18%)*	*12%*	*(7%)*	*(2%)*
EBIT			166	204	223	240	261	152	230	183	177
EBIT Margin			*26%*	*16%*	*18%*	*19%*	*21%*	*15%*	*20%*	*17%*	*17%*
Less:	Tax	30.0%	50	61	67	72	78	46	69	55	53
Add:	Depreciation & Amortization		26	220	207	190	174	166	164	151	140
	(% of revenue)		*4%*	*17%*	*17%*	*15%*	*14%*	*16%*	*14%*	*14%*	*13%*
Less:	Capital Spending		59	130	78	71	128	166	72	74	103
	(% of revenue)		*9%*	*10%*	*6%*	*6%*	*10%*	*16%*	*6%*	*7%*	*10%*
Less:	Working Capital Changes		23	(40)	(6)	(3)	11	29	(28)	(16)	5
Free Cash Flow to Firm			**60**	**273**	**292**	**290**	**217**	**78**	**281**	**222**	**156**

(US$ Million)			FY2035	FY2036	FY2037	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043
USD/AUD Spot rate @VD			0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
FREE CASH FLOW TO FIRM											
Revenue			1,317	1,273	1,205	1,186	1,165	1,192	1,117	758	935
Revenue growth (%)			*26%*	*(3%)*	*(5%)*	*(2%)*	*(2%)*	*2%*	*(6%)*	*(32%)*	*23%*
EBIT			342	328	296	276	260	275	239	47	164
EBIT Margin			*26%*	*26%*	*25%*	*23%*	*22%*	*23%*	*21%*	*6%*	*18%*
Less:	Tax	30.0%	103	98	89	83	78	82	72	14	49
Add:	Depreciation & Amortization		134	123	114	110	116	108	101	95	96
	(% of revenue)		*10%*	*10%*	*9%*	*9%*	*10%*	*9%*	*9%*	*13%*	*10%*
Less:	Capital Spending		56	64	90	175	61	62	67	114	110
	(% of revenue)		*4%*	*5%*	*7%*	*15%*	*5%*	*5%*	*6%*	*15%*	*12%*
Less:	Working Capital Changes		(3)	(12)	10	12	(17)	2	0	13	3
Free Cash Flow to Firm			**321**	**301**	**222**	**116**	**254**	**236**	**202**	**1**	**98**

(US$ Million)			FY2044	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052
USD/AUD Spot rate @VD			0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
FREE CASH FLOW TO FIRM											
Revenue			962	1,031	878	925	965	1,007	760	842	409
Revenue growth (%)			*3%*	*7%*	*(15%)*	*5%*	*4%*	*4%*	*(25%)*	*11%*	*(51%)*
EBIT			160	202	112	143	174	193	90	161	68
EBIT Margin			*17%*	*20%*	*13%*	*15%*	*18%*	*19%*	*12%*	*19%*	*17%*
Less:	Tax	30.0%	48	61	33	43	52	58	27	48	21
Add:	Depreciation & Amortization		96	88	81	75	69	64	58	54	51
	(% of revenue)		*10%*	*9%*	*9%*	*8%*	*7%*	*6%*	*8%*	*6%*	*12%*
Less:	Capital Spending		41	39	40	39	34	23	33	31	8
	(% of revenue)		*4%*	*4%*	*5%*	*4%*	*4%*	*2%*	*4%*	*4%*	*2%*
Less:	Working Capital Changes		8	(26)	7	(2)	4	(3)	(10)	(1)	47
Free Cash Flow to Firm			**159**	**217**	**111**	**138**	**153**	**180**	**98**	**137**	**43**

Appendix 8 – Valuer's Declaration

1. The information in the attached report that relates to the Valuation of Mineral Asset reflects information compiled and conclusions derived by Mr. Brett Shadbolt, who is a Member of The Australasian Institute of Mining and Metallurgy.

2. Mr. Brett Shadbolt is not a permanent employee of SLR Consulting Australia Pty Ltd, Yancoal or its subsidiaries.

3. Mr. Brett Shadbolt has sufficient experience relevant to the Valuation of the Mineral Asset under consideration and to the activity which he is undertaking to qualify as a Practitioner as defined in the 2015 edition of the 'Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Asset'. Mr. Brett Shadbolt consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Brett Shadbolt, MAusIMM
Chief Executive Officer

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Hong Kong Listing Rules and the ASX Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors and Chief Executive of the Company

As at the Latest Practicable Date, the interests or short positions (as applicable) of the Directors and the Chief Executive of the Company in the Shares and debentures of the Company and any interests or short positions (as applicable) in shares or debentures of any of the Company's associated corporations (within the meaning of Part XV of the SFO) which (1) have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (2) are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (3) are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange, are as follows:

The Company

Name of Chief Executive or Director	Number of Shares and Underlying Shares	Nature of Interest	Approximate Percentage
Ning Yue	159,738	Beneficial owner	0.01210%
Gregory James Fletcher	2,100	Beneficial owner	0.00016%
Debra Anne Bakker	9,000	Beneficial owner	0.00068%
Sharif Burra	732,239	Beneficial owner	0.05545%
Peter Andrew Smith	20,000	Beneficiary of a trust(1)	0.00151%

Note:

(1) These shares are held by a trust of which Mr. Peter Andrew Smith together with his spouse are beneficiaries and directors of the corporate trustee.

Associated Corporations of the Company

Name of Chief Executive or Director	Number of Associated Corporation	Number of Shares and Underlying Shares	Nature of Interest	Approximate Percentage
Jiuhong Wang	Yankuang Energy	235,560	Beneficial owner	0.00235%
Xiaolong Huang	Yankuang Energy	412,000	Beneficial owner	0.00410%
Zhiguo Zhao	Yankuang Energy	100,000	Beneficial owner	0.00100%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the Chief Executive of the Company have an interest and/or short position (as applicable) in the Shares or debentures of the Company or any interests and/or short positions (as applicable) in the shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) which (i) have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (ii) are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules, to be notified to the Company and the Hong Kong Stock Exchange.

(b) Interest of Persons Other Than Directors and Chief Executive of the Company

As at the Latest Practicable Date, the following persons (other than a Director or Chief Executive of the Company) had an interest or short position (as applicable) in the Shares or underlying Shares which were recorded in the register required to be kept under section 336 of the SFO:

Name of Shareholder	Capacity	Number of Shares Held	Approximate Percentage
Yankuang Energy	Beneficial interest	822,157,715	62.26%
Shandong Energy Group Co. Ltd1[(1)]	Interest in controlled entity	822,157,715	62.26%
Cinda International HGB Investment (UK) Limited[(2)]	Beneficial interest Investment (UK) Limited	92,343,745	6.99%
Central Huijin Investment Ltd	Interest in controlled entity	92,343,745	6.99%
China Agriculture Investment Limited	Interest in controlled entity	92,343,745	6.99%
International High Grade Fund B, L.P	Interest in controlled entity	92,343,745	6.99%

Name of Shareholder	Capacity	Number of Shares Held	Approximate Percentage
Cinda International GP Management Limited China	Interest in controlled entity	92,343,745	6.99%
Cinda (HK) Asset Management Co., Ltd	Interest in controlled entity	92,343,745	6.99%
Cinda International Holdings Limited	Interest in controlled entity	92,343,745	6.99%
Cinda Securities Co., Ltd	Interest in controlled entity	92,343,745	6.99%
China Cinda (HK) Holdings Company Limited	Interest in controlled entity	92,343,745	6.99%
China Cinda Asset Management Co., Ltd	Interest in controlled entity	92,343,745	6.99%
Cinda Securities (H.K.) Holdings Limited	Interest in controlled entity	92,343,745	6.99%

Notes:

(1) Shandong Energy is deemed to be interested in the 822,157,715 Shares which Yankuang Energy is interested in as beneficial owner as it is entitled to exercise or control the exercise of more than one-third of the voting power at general meetings of Yankuang Energy.

(2) Cinda International HGB Investment (UK) Limited, an indirect wholly owned subsidiary of China Cinda Asset Management Co., Ltd, is interested in 92,343,745 Shares which are held via various accounts and nominees. China Cinda Asset Management Co., Ltd., China Cinda (HK) Holdings Company Limited, Cinda International Holdings Limited, Cinda Securities Co., Ltd, China Cinda (HK) Asset Management Co., Ltd, Cinda International GP Management Limited, International High Grade Fund B, L.P., China Agriculture Investment Limited and Cinda Securities (H.K.) Holdings Limited are each deemed to be interested in the 92,343,745 Shares which Cinda International HGB Investment (UK) Limited is interested in as beneficial owner.

Save as disclosed above, as at the Latest Practicable Date, none of the substantial shareholders or other persons (other than the Directors and Chief Executive of the Company) had any interest or short position in the shares and/or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO.

As at the Latest Practicable Date, so far as the Directors were aware, each of Mr. Ning Yue, Mr. Gang Ru, Mr. Jiuhong Wang, Mr. Xiaolong Huang and Mr. Zhiguo Zhao held certain positions in Yankuang Energy or Shandong Energy, each of which had an interest in 62.26% of the total Shares as at the Latest Practicable Date and is deemed to be interested in such Shares under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered into any service contracts as a director with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS, CONTRACTS OR ARRANGEMENTS OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to or which were proposed to be acquired, disposed of by or leased to any member of the Group, since 31 December 2025, the date to which the latest published audited financial statements of the Group were made up.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective associates were interested in any business apart from the Group's businesses which competed or was likely to compete, either directly or indirectly, with the Group's businesses.

6. MATERIAL CONTRACT

The following material contract (not being a contract entered into in the ordinary course of the business) was entered into by members of the Group within the two years immediately preceding the Latest Practicable Date:

(a) the SPA.

7. SPECIFIC DISCLOSURE RELIEF IN RELATION TO CERTAIN INFORMATION IN THE MATERIAL CONTRACT

Pursuant to paragraph 43(2)(c) of Appendix D1B of the Hong Kong Listing Rules, in the case of a notifiable transaction circular, any contract pertaining to such transaction is required to be published on the websites of the Hong Kong Stock Exchange and the Company for a period of not less than 14 days from the date of the circular. Pursuant to FAQ 11.6 – No. 2 (June 2021 (and updated in May 2024)), if issuers do not wish certain information contained in documents on display to be disclosed, they may apply to the Stock Exchange for specific disclosure relief.

As noted below, the SPA is the material contract which is required to be made available on display on the websites of the Hong Kong Stock Exchange and the Company.

The Company has made an application for, and the Stock Exchange has granted, specific disclosure relief so that certain provisions of the SPA can be redacted from the version of the SPA which is made available on display. The provisions of the SPA which have been redacted include (i) the contact details of representatives of the parties to the SPA and their advisers, (ii) the names of certain employees of the Company, (iii) certain tax declarations and warranties which have been made by the Sellers in the SPA, (iv) details of the pre-emptive arrangements set out in the Mitsui Joint Venture Agreement, (v) certain actions which may be taken by the Company relating to certain regulatory conditions precedent, (vi) monetary thresholds for certain restricted conduct by the Target Group and for warranty claims, (vii) the list and description of the material contracts (including the names of the parties and the signing dates and (where applicable) the expiry dates of the contracts) which have been entered into by the Target Group (comprising shareholders' and joint venture agreements and ordinary course contracts of the Target Group, such as coal handling, haulage and port services agreements, labour and power supply agreements and goods and services and supply contracts with customers), (viii) certain information and assumptions used in the preparation of the completion accounts, (ix) certain definitions in the SPA which include the descriptions of facility agreements, certain monetary amounts and specific events relating to the volume of coal at Kestrel Coal Mine which would give rise to a material adverse change thereby giving rise to a right to terminate the SPA and (x) the Sellers' bank account details.

The grounds for such disclosure relief are as follows:

(a) public disclosure of transaction specific, highly confidential and commercially sensitive terms agreed by the Company for the Acquisition would prejudice negotiations with third parties on future transactions as such third parties will know the exact commercial terms which the Company had previously accepted and this would give such third parties an unfair advantage as similar information relating to such third parties is highly unlikely to have been publicly disclosed by them;

(b) certain specific disclosures relate to personal data of the relevant individuals and cannot be disclosed without their consent;

(c) this circular already contains all material information relating to the Acquisition and the SPA and the provisions of the SPA which have been redacted are not material to the Shareholders' assessment of the Acquisition; and

(d) this circular has been published following Completion and is being provided to Shareholders for their information only. In view of this, requiring the Company to place the SPA on display in its entirety would serve limited informational value to Shareholders while unnecessarily making public highly confidential and commercially sensitive details of the parties' negotiated arrangements. Accordingly, the redactions made to the SPA would not prejudice Shareholders' interests or materially detract from their understanding of the Acquisition.

8. LITIGATION

As at the Latest Practicable Date and as far as the Directors are aware, no litigation or claims of material importance was known to the Directors to be pending or threatened against any member of the Group.

9. QUALIFICATION AND CONSENT OF EXPERTS

The following is the qualification of the professional advisers who have given opinion or advice, which is contained in this circular:

Name	Qualifications
SW Audit	Chartered Accountants, Australia
SLR Consulting Australia Pty Ltd	Competent Person
John T. Boyd Company (Australia) Pty Ltd	Competent Person
Censere Group Limited	Independent Valuer

Each of SW Audit, SLR Consulting Australia Pty Ltd, John T. Boyd Company (Australia) Pty Ltd and Censere Group Limited has confirmed that as at the Latest Practicable Date, it did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

Each of SW Audit, SLR Consulting Australia Pty Ltd, John T. Boyd Company (Australia) Pty Ltd and Censere Group Limited has confirmed that as at the Latest Practicable Date, it did not have direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

Each of the above experts has given and has not withdrawn its consent to the issue of this circular with inclusion of all references to its name and opinions in the form and context in which they appear in this circular.

10. GENERAL

(a) The registered office and the principal place of business of the Company is Level 18, Darling Park 2, 201 Sussex Street, Sydney, NSW 2000, Australia.

(b) The Hong Kong share registrar of the Company is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. The Australian share registry of the Company is Computershare Investor Services Pty Limited at 6 Hope Street Ermington, NSW 2115 Australia.

(c) The company secretary of the Company is Ms. Laura Ling Zhang, a member of the Governance Institute of Australia.

(d) This circular has been prepared in both English and Chinese. In the event of inconsistency, the English version of this circular shall prevail over the Chinese version.

11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of Hong Kong Exchanges and Clearing Limited (http://www.hkexnews.hk) and the Company (http://www.yancoal.com.au) for a period of 14 days from the date of this circular (both days inclusive):

(a) the SPA;

(b) the accountants' report of the Target Group, the text of which is set out in Appendix II to this circular;

(c) the accountants' report on the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;

(d) the Competent Person's Report, the text of which is set out in Appendix VI to this circular;

(e) the Valuation Report, the text of which is set out in Appendix VII to this circular;

(f) the written consents referred to in the paragraph headed "Qualification and consent of experts" in this appendix.