



Yancoal Australia Ltd

More than Mining

Sydney Mining Club

4 February 2021

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Dispelling Common Misconceptions about Yancoal

- Yancoal is an Australian listed company (with a dual listing in Hong Kong)
- Yancoal only has Australian assets
- Yancoal product is exported to overseas markets
- Yancoal's markets are diverse (no country contributes over 25% of revenue)
- Yancoal operations support over 4,400 Australian full time jobs
- Yancoal has Australian management, head-quartered in Australia
- Yancoal pays Australian royalties and government taxes
- Yancoal profits are reinvested in Australia or paid to shareholders in dividends

Yancoal is committed to Australia and the Australian coal industry

Track record of Commitment to, and Investment in, Australia

KEY EVENTS

| | |
|------|---|
| 2020 | Acquired additional 10% of Moolarben, taking interest to 95%. |
| 2018 | Paid first dividends from profits and listed on the HKEx. Acquired additional 4% of Moolarben, taking interest to 85%. |
| 2017 | Acquired 100% of the shares of Coal & Allied (Mount Thorley, Warkworth & Hunter Valley Operations). Established HVO JV with Glencore Coal. |
| 2012 | Acquired the Gloucester Group (Stratford/Duralie, Donaldson & Middlemount). |
| 2011 | Yanzhou acquired Syntech (Cameby Downs) in August and Premier in December: both mines are managed by Yancoal. |
| 2009 | Acquired Felix mines (Moolarben, Yarrabee, Ashton & Minerva). |
| 2004 | Yanzhou Coal Mining Company Limited acquired Austar mine, creating Yancoal. |

- 16 years of investment in the Australian coal industry
- Now one of Australia's largest coal exporters: combined ROM production of ~75Mt from all operations in 2020¹
- Ongoing industry consolidation could provide further opportunities for expansion
- Also potential for organic growth from existing operations

Since 2004, Yancoal has generated over A\$10 billion of FDI into Australia

Publicly Listed in Australia & Hong Kong

- Yancoal is listed on the ASX, with a dual primary listing on HKEX
- Largest pure-play coal company on ASX by market capitalisation (~\$3 billion)
- Over 3,300 shareholders
- Majority shareholder is Yanzhou Coal Mining Company (~62%), which is listed on HKEX and SSE. Yanzhou is, in turn, majority owned by Shandong Energy Group, a Chinese SOE and Fortune 500 company.

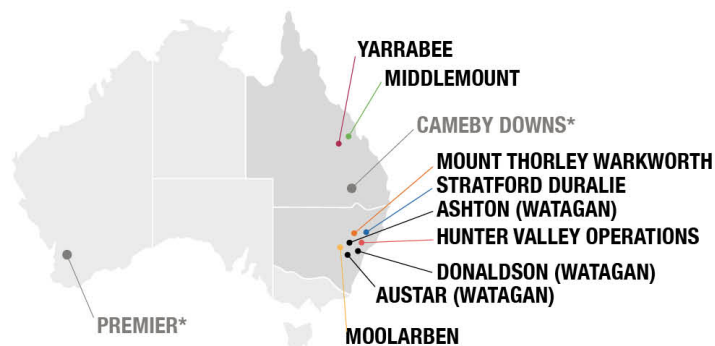


Yancoal is dual listed, with supportive and engaged major shareholders

Only Australian Assets

REVIEW OF OPERATIONS

On 100% basis, Yancoal-associated operations produce a total of 57 million tonnes of saleable coal

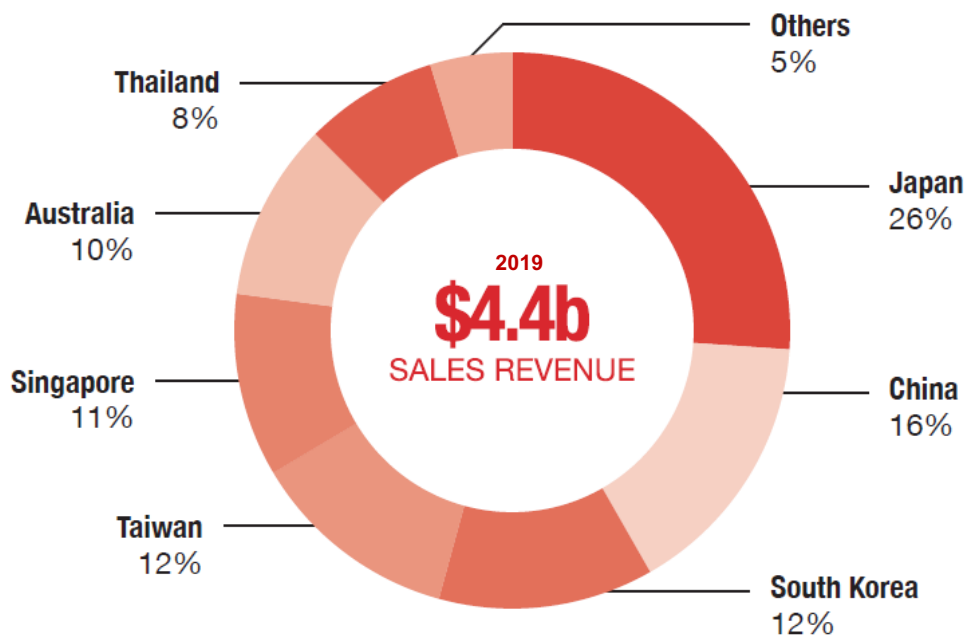


*MANAGED, NOT OWNED, BY YANCOAL

| | MOOLARBEN NSW | MOUNT THORLEY WARKWORTH NSW | HUNTER VALLEY OPERATIONS NSW | YARRABEE QLD | WATAGAN NSW | MIDDLEMOUNT QLD | STRATFORD-DURALIE NSW | PREMIER* WA | CAMEBY DOWNS* QLD |
|---------------------------|--|---|---|---|--|---|---|---|--|
| ECONOMIC INTEREST | 95% | 82.9% | 51% | 100% | 100% | ~50% (EQUITY ACCOUNTED) | 100% | 0% MANAGED BY YANCOAL | 0% MANAGED BY YANCOAL |
| 2020 SALEABLE COAL OUTPUT | 18.7 ^{Mn} TONNES (ATTRIBUTABLE) | 9.9 ^{Mn} TONNES (ATTRIBUTABLE) | 6.1 ^{Mn} TONNES (ATTRIBUTABLE) | 3.0 ^{Mn} TONNES (ATTRIBUTABLE) | 1.8 ^{Mn} TONNES ¹ (ATTRIBUTABLE) | 1.4 ^{Mn} TONNES (EQUITY ACCOUNTED) | 0.5 ^{Mn} TONNES (ATTRIBUTABLE) | 3.1 ^{Mn} TONNES PRODUCTION | 2.0 ^{Mn} TONNES PRODUCTION |
| EMPLOYEES & CONTRACTORS | ~710 | ~1,300 | ~1,300 | ~400 | ~450 | ~600 | ~100 | ~400 | ~130 |
| MARKETABLE RESERVES | 192 ^{Mn} TONNES (ATTRIBUTABLE) | 176 ^{Mn} TONNES (ATTRIBUTABLE) | 332 ^{Mn} TONNES (ATTRIBUTABLE) | 42 ^{Mn} TONNES (ATTRIBUTABLE) | 89 ^{Mn} TONNES (ATTRIBUTABLE) | 31 ^{Mn} TONNES (EQUITY ACCOUNTED) | 11 ^{Mn} TONNES (ATTRIBUTABLE) | 31 ^{Mn} TONNES MARKETABLE RESERVES | 123 ^{Mn} TONNES MARKETABLE RESERVES |

Yancoal owns, operates or has an interest in 11 mines across Australia


Our Product is Valued Across a Range of Export Markets



- Export markets across the Asian Basin
- Over the past 5 years, on average, China has generated 16% of revenue
- Diverse customer base assisted in addressing China import restrictions
- Our high-quality coal is valued by a broad range of customers and will remain an important part of the Asian energy mix

Yancoal is not reliant on any one national market for a majority of sales revenue

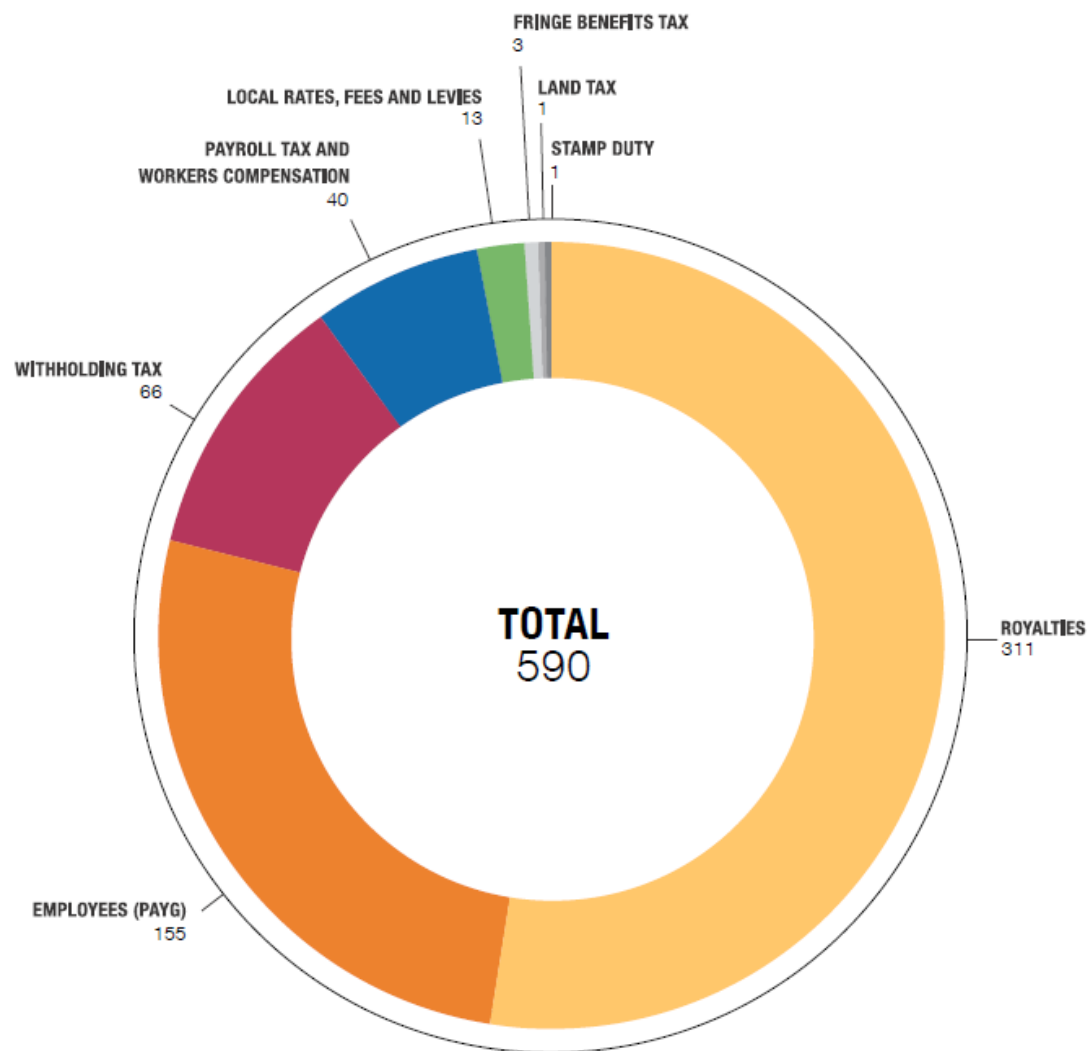
Major Employer for Regional Australia

| | | MOOLARBEN | MOUNT THORLEY WARKWORTH | HUNTER VALLEY OPERATIONS | STRATFORD-DURALIE | ASHTON (WATAGAN) | AUSTAR (WATAGAN) | CORPORATE | YARRABEE | MIDDLE-MOUNT | CAMEBY DOWNS | PREMIER | 2019 TOTALS |
|--|-------------|--|--|---|--|---|---|--|---|---|--|--|-----------------|
| | DESCRIPTION | Truck and shovel open-cut and longest underground mining complex producing thermal coal, operated by Yancoal | Dragline, Truck and shovel open-cut mine producing semi soft coking coal and thermal coal, operated by Yancoal | A multi pit mine using dragline, truck and shovel operations to produce semi soft coking coal and thermal coal, operated by Hunter Valley Joint Venture | Truck and shovel open-cut mine producing thermal coal, operated by Yancoal | Underground mine located in the Upper Hunter Valley region of NSW producing semi soft coking coal for export through the Port of Newcastle, operated by Yancoal | Underground mine that produced a premium semi-hard, low ash coking coal, which was placed on 'care and maintenance' in March 2020 (figures represent 2019 contribution data), operated by Yancoal | Yancoal has three corporate offices located across NSW in Sydney, Newcastle and Abel | Truck and shovel open-cut mine producing ultra low volatility pulverised coal injection (PCI) coal, operated by Yancoal | Truck and shovel open-cut mine producing low volatility pulverised coal injection (PCI) coal, operated by Middlemount Joint Venture | Truck and shovel open-cut mine in Surat Basin producing low ash thermal coal for export through the port of Abbotston, operated by Yancoal | Truck and shovel open-cut mine producing sub-bituminous, low ash and low sulphur coal for power generation and metallurgical applications, operated by Yancoal | |
|  Fulltime Employees | | 605 | 1,053 | 988 | 96 | 237 | 141 | 212 | 327 | 261 | 119 | 325 | 4,364 |
|  Wages And Salaries | | \$59 MILLION | \$124 MILLION | \$90 MILLION | \$13 MILLION | \$70 MILLION | \$20 MILLION | \$46 MILLION | \$41 MILLION | \$30 MILLION | \$15 MILLION | \$43 MILLION | \$551 MILLION |
|  Local Businesses Supported | | 803 | 798 | 680 | 358 | 499 | 467 | | 488 | 284 | 384 | 43 | 4,804 |
|  Purchases Of Goods And Services | | \$604 MILLION | \$527 MILLION | \$528 MILLION | \$89 MILLION | \$63 MILLION | \$61 MILLION | | \$285 MILLION | \$567 MILLION | \$180 MILLION | \$159 MILLION | \$3,065 MILLION |

- ~4,400 full time employees across 3 states, earning salaries of \$551 million
- ~4,800 service providers and suppliers supported across Australia
- Yancoal operations, on direct and value-add basis, support over 43,000 jobs

Yancoal employees are predominantly located in regional Australia

Significant Contributor to All Levels of Australian Government



- ~\$590 million paid to governments in 2019
- Released first Tax Transparency Report in 2020
- Anticipated that future operating profits could recoup tax losses and put Yanco in a corporate tax payable position, which would only increase government contributions

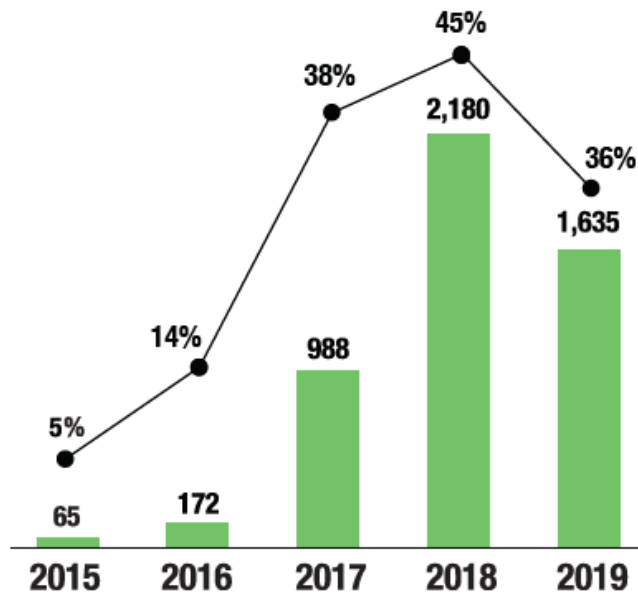
Yancoal will be a contributor to Australian Governments for years to come

Generating Prosperity For Australia and Profits for Shareholders

Operating EBITDA

A\$ MILLIONS / MARGIN %

EBITDA remained robust in 2019, despite lower international coal prices.



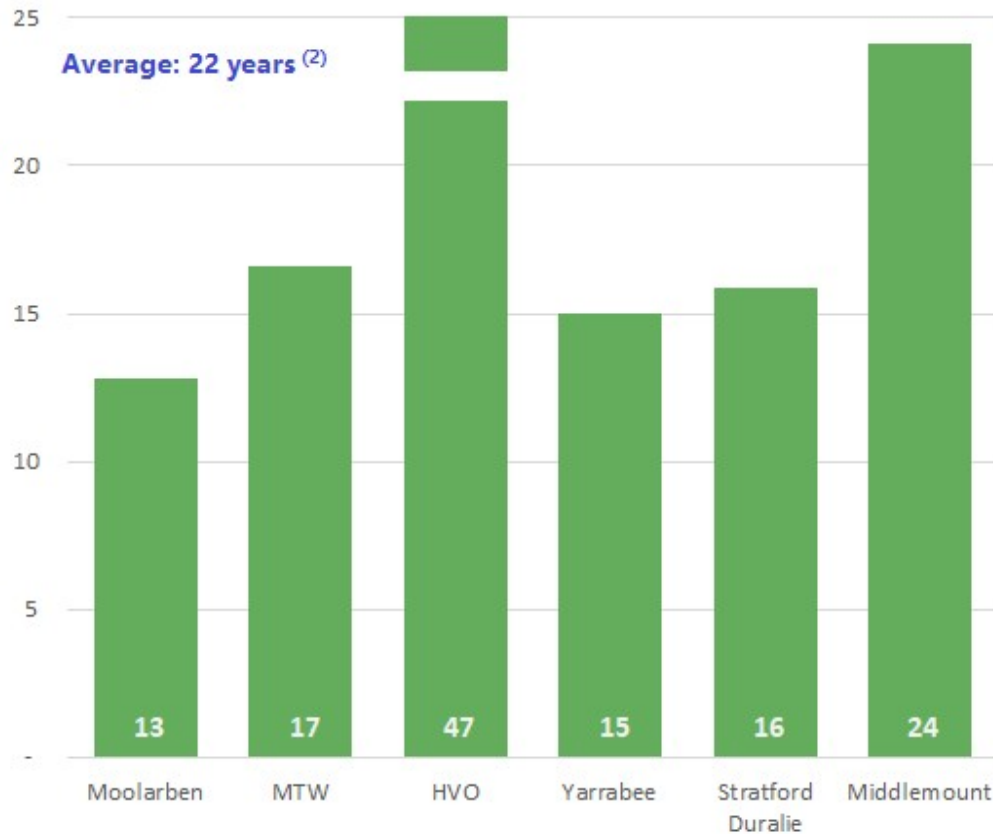
- Since 2004, Yancoal has generated +\$10 billion in FDI for Australia
- In 2019, on a direct and value-add basis, contributed ~\$8.6 billion to the Australian economy
- Yancoal has paid dividends to shareholders of almost \$1 billion over the past 2 years

Yancoal exemplifies successful Chinese investment and partnership in Australia

Well Positioned for Further Australian Expansion

Large-scale and long-life asset base...

Yancoal Owned and Operated Assets Only Reserve Life (Years)



- Strategy of expansion through combination of organic growth and acquisitions
- Growth underpinned by existing tier-one/long-life assets and supportive shareholders
- Yancoal is willing to invest in the Australian coal industry (as others exit and domestic funding declines)

Yancoal could be ongoing source of FDI and capital for the Australian coal industry

Expansion Opportunities

- MTW: Coal resource identified that could support an underground operation with potential annual production of saleable coal of around 5Mt
- Moolarben: Approvals received to increase annual ROM production from 21Mt to 24Mt (16Mt open cut + 8Mt underground). Ability to increase open-cut production dependent on CHPP investment decision
- Open to acquiring additional coal assets or diversifying into other minerals, energy or renewable energy projects
- Yancoal has good track record of integrating acquired assets (Coal&Allied and Felix)

Lake Kepwari: A Benchmark Example of Responsible Mining

- Transformed former open-cut mining pit into a landmark water sports attraction, which will diversify Collie's economy and provide jobs
- Importantly, Yancoal fully relinquished part of the mining lease on completion of this +30 year project
- Lake Kepwari is a powerful story which reflects positively on the industry:

Reinforces that mining companies are temporary stewards of the land; and that mining can leave beneficial long term legacies for communities and the environment after resource extraction has ended





Questions
Welcome



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