



QUARTERLY REPORT

15 October 2020

September 2020 Quarter Production Report & Refined FY21 Cost Guidance

Highlights

- Maintaining strong safety performance with TRIFR at 4.74 for the twelve months ended 30 September 2020
- Strong September quarter coal sales, total managed coal sales 6.0Mt, up 13% on previous corresponding period (pcp), managed own coal sales 5.6Mt, up 15% on pcp, record total equity coal sales 5.0Mt, up 13% on pcp, record equity sales of own coal 4.6Mt, up 16% on pcp
- September quarter managed run-of-mine (ROM) production of 4.5Mt, up 4% on pcp
- September quarter managed saleable coal production of 4.9Mt, up 2% on pcp
- Managed coal stocks of 1.8Mt at period end
- On 12 August 2020 the NSW Independent Planning Commission (IPC) approved the Vickery Extension Project to operate at up to a 10Mtpa open cut metallurgical and thermal coal mine
- Refined FY21 guidance unit cost range of A\$69-A\$72/t
- Strong liquidity level which remains unchanged from 30 June 2020
- Finalising agreement with finance providers to amend ICR covenant ratio to generate enhanced headroom
- No known cases of COVID-19 have been confirmed at any of our sites to date and operations remain largely unaffected but for distancing and hygiene measures

Comments from MD and CEO Paul Flynn

“Notwithstanding COVID-19 headwinds, the September quarter saw strong sales in response to demand for our product from customers in Asia.”

“Operationally, we have continued the June quarters’ momentum by delivering on-plan mining performance of coal and overburden across all operations laying a solid foundation to much improved operational results.”

“In a more capital constrained environment we continue to cautiously progress our development projects and implement a range of business improvement measures to drive cost reductions.”

Safety

The safety outcome for the Group for the 12 months ending 30 September 2020 was a total recordable injury frequency rate (TRIFR) of 4.74. The Group TRIFR remains well below the reported New South Wales (NSW) coal mining average of 14.64.

Whitehaven Managed Totals – Continuing Operations

Thousands of tonnes	Quarter Ended			Year to Date		
	Sep 2020	Sep 2019	Change	Sep 2020	Sep 2019	Change
Managed ROM Coal Production	4,485	4,327	4%	4,485	4,327	4%
Managed Saleable Coal Production	4,857	4,752	2%	4,857	4,752	2%
Managed Sales of Produced Coal	5,613	4,874	15%	5,613	4,874	15%
Managed Sales of Purchased Coal	417	463	(10%)	417	463	(10%)
Total Managed Coal Sales	6,030	5,337	13%	6,030	5,337	13%
Managed Coal Stocks at period end	1,809	1,900	(5%)	1,809	1,900	(5%)

Note: Figures reflect continuing operations. The discontinued Sunnyside Mine and Rocglen Mine have both transitioned into rehabilitation

Whitehaven Equity Totals – Continuing Operations

Thousands of tonnes	Quarter Ended			Year to Date		
	Sep 2020	Sep 2019	Change	Sep 2020	Sep 2019	Change
Equity ROM Coal Production	3,622	3,433	6%	3,622	3,433	6%
Equity Saleable Coal Production	3,939	3,839	3%	3,939	3,839	3%
Equity Sales of Produced Coal	4,577	3,951	16%	4,577	3,951	16%
Equity Sales of Purchased Coal	397	436	(9%)	397	436	(9%)
Total Equity Coal Sales	4,975	4,387	13%	4,975	4,387	13%
Equity Coal Stocks at period end	1,510	1,577	(4%)	1,510	1,577	(4%)

Note: Year to date restated for Narrabri ownership of 77.5% effective 1 July 2019. Figures reflect continuing operations. The discontinued Sunnyside Mine and Rocglen Mine have both transitioned into rehabilitation.

Equity Coal Sales and Realised Pricing on own coal sales

		Quarter Ended				
		Sep 2020	Jun 2020	Mar 2020	Dec 2019	Sep 2019
Total Equity Coal Sales	Mt	5.0	4.7	3.7	3.9	4.5
Sales of purchased coal (thermal)	Mt	0.4	0.4	0.5	1.0	0.4
Sunnyside	Mt	-	-	-	0.1	0.1
Equity Own Coal Sales	Mt	4.6	4.3	3.2	2.8	3.9
Coal sales mix (own coal sales)						
High CV thermal Coal	%	63%	68%	64%	49%	65%
Other thermal coal	%	26%	22%	16%	29%	15%
Metallurgical coal	%	11%	10%	20%	22%	20%
Pricing						
NEWC Index	US\$/t	52	55	68	67	68
JSM Quarterly (SSCC)	US\$/t	82	95	104	98	115
Average SSCC spot price	US\$/t	63	63	82	77	86
Price achieved (own coal sales)						
Thermal coal	US\$/t	52	59	68	66	73
Metallurgical coal	US\$/t	73	76	85	87	100
Premium/Discount (own coals sales)						
Thermal to NEWC Index	%	1%	7%	-	(2%)	7%
Metallurgical to JSM Qtrly	%	(12%)	(20%)	(18%)	(12%)	(13%)
Metallurgical to Spot Price	%	16%	20%	4%	12%	16%

Note: Figures may not add due to rounding; September Quarter 2019 restated for Narrabri ownership of 77.5% effective 1 July 2019

For the September quarter Whitehaven achieved strong coal sales, with total managed coal sales 6.0Mt, up 13% on previous corresponding period (pcp), managed own coal sales 5.6Mt, up 15% on pcp, record total equity coal sales 5.0Mt, up 13% on pcp, and record equity sales of own coal 4.6Mt, up 16% on pcp

In the September quarter, the globalCoal Newcastle Index (gC Newc) price averaged US\$52/t. This historically low pricing reflects the impact COVID-19 has had on Asian industrial activity and the impact of quota restrictions in China on coal demand.

Whitehaven realised an average price of US\$52/t for sales of own thermal coal, in line with the gC Newc average price for the September quarter. This outcome reflected a sales mix where premiums in high-CV sales were largely offset by pricing realisations achieved for other thermal coal.

Other thermal coal sales at 26% of sales for the quarter reflected the production mix that included some lower quality coal from Werris Creek (impacted by legacy underground workings) and fault-affected coal from Narrabri, enabling a move into improving Korean markets.

Metallurgical coal sales, at 11% of sales for the quarter, were down on the pcp of 20% as a result of COVID-related term contract shipment deferrals (particularly in India) and the attractiveness of sales of thermal coal relative to SSCC spot prices.

Equity sales of purchased coal were 0.4Mt, 10% below the pcp. Purchased coal sales of 300-500kt per quarter will be an ongoing feature of blending coal to create additional value.

Whitehaven is on track to meet FY21 managed coal sales, excluding purchased coal, of 18.5 – 20.0Mt, as issued at the FY20 Full Year Results on 26 August.

Maules Creek Open Cut Mine

Whitehaven 75%

Thousands of tonnes – Managed	Quarter Ended			Year to Date		
	Sep 2020	Sep 2019	Change	Sep 2020	Sep 2019	Change
ROM Coal Production	1,967	1,962	0%	1,967	1,962	0%
Saleable Coal Production	2,205	2,034	8%	2,205	2,034	8%
Sales of Produced Coal	2,447	2,125	15%	2,447	2,125	15%
Coal Stocks at period end	791	441	80%	791	441	80%

The September quarter ROM production was in-line with the pcp at 2.0Mt. The June quarter record ROM production of 4.2Mt reflects mine plan sequencing which didn't access the high yielding Braymont seam in the first quarter of FY21. During the quarter, Maules Creek focused on overburden movement, developing new work areas and exposing more of the pit floor for in-pit dumping, in line with the mine plan.

September quarter saleable production of 2.2Mt was 8% above pcp. This increase in saleable production is a result of processing the ROM stock levels carried into the year and the consistent ROM coal that was produced throughout the quarter.

Sales volumes for the quarter of 2.4Mt was 15% above pcp, supported by healthy opening stocks.

Maules Creek equity sales of metallurgical coal for the quarter were 0.2Mt, or 12.8%, of sales volume, reflecting soft spot SSCC realisations relative to thermal sales alternatives. However, recent recovery in steel end-user markets has increased the volume of inbound SSCC product enquires.

As outlined in the FY21 production guidance issued on 26 August, Maules Creek managed ROM production is weighted 40:60 for the first to the second half split for the financial year. The mine plan sequencing in the December quarter includes mining the high yielding Braymont seam, which will contribute approximately a third of the coal mined during the quarter.

Maules Creek is on track to meet FY21 managed ROM production guidance of 11.3 - 12.0Mt, as issued at the FY20 Full Year Results on 26 August.

Narrabri Underground Longwall Mine

Whitehaven 77.5%

Thousands of tonnes – Managed	Quarter Ended			Year to Date		
	Sep 2020	Sep 2019	Change	Sep 2020	Sep 2019	Change
ROM Coal Production	1,646	1,793	(8%)	1,646	1,793	(8%)
Saleable Coal Production	1,630	1,800	(9%)	1,630	1,800	(9%)
Sales of Produced Coal	1,995	1,835	9%	1,995	1,835	9%
Coal Stocks at period end	449	949	(53%)	449	949	(53%)

For the September quarter, Narrabri achieved 1.6Mt managed ROM production, 8% below the pcg and 36% below the June quarter. Production decreased in the quarter as the longwall was required to move through known faulted sections of the panel. This decrease in ROM production impacted saleable production of 1.6Mt which was 9% down on pcg.

Sales of coal for the quarter were 2.0Mt, 9% above pcg reflecting the drawn down of stocks to meet customer demand. This naturally flowed through to coal stock levels at 30 September which were 53% below pcg at 0.4Mt. The September quarter also saw the return of sales of PCI coal with Whitehaven's India-based customers reinitiating receipt of shipments now that India's ports have re-opened.

The next longwall move from panel 109 to 110 is scheduled for the end of Q3 FY21.

Narrabri is on track to meet FY21 managed ROM production guidance of 6.0 - 6.7Mt, as issued at the FY20 Full Year Results on 26 August.

Gunnedah Open Cut Mines – Continuing operations

Thousands of tonnes	Quarter Ended			Year to Date		
	Sep 2020	Sep 2019	Change	Sep 2020	Sep 2019	Change
ROM Coal Production	871	572	52%	871	572	52%
Saleable Coal Production	1,023	918	11%	1,023	918	11%
Sales of Produced Coal	1,171	914	28%	1,171	914	28%
Coal Stocks at period end	569	511	11%	569	511	11%

Note: Figures reflect continuing operations. The discontinued Sunnyside Mine and Rocglen Mine have both transitioned into rehabilitation

Gunnedah open cut mines achieved managed ROM coal production of 0.9Mt in the September quarter, 52% above pcg. The significant increase is in accordance with the Werris Creek mine plan and the benefit of Tarrawonga's new fleet.

For the September quarter, saleable coal production of 1.0Mt and sales of produced coal of 1.2Mt were supported by the draw-down of stock levels from 30 June 2020.

Gunnedah open cuts are on track to meet FY21 managed ROM production guidance of 3.7 - 4.1Mt, as issued at the FY20 Full Year Results on 26 August.

Tarrawonga Mine

Whitehaven 100%

Thousands of tonnes	Quarter Ended			Year to Date		
	Sep 2020	Sep 2019	Change	Sep 2020	Sep 2019	Change
ROM Coal Production	490	429	14%	490	429	14%
Saleable Coal Production	501	510	(2%)	501	510	(2%)
Sales of Produced Coal	573	575	(0%)	573	575	(0%)
Coal Stocks at period end	248	165	51%	248	165	51%

Tarrawonga's September quarter ROM production of 0.5Mt, was 14% above pcg reflecting the impact of the new fleet.

Saleable coal production of 0.5Mt for the quarter was slightly down on the pcg, while sales of 0.6Mt were line with pcg.

Coal stocks of 0.2Mt at the end of the period are a 51% increase on pcg.

Werris Creek Mine

Whitehaven 100%

Thousands of tonnes	Quarter Ended			Year to Date		
	Sep 2020	Sep 2019	Change	Sep 2020	Sep 2019	Change
ROM Coal Production	381	143	166%	381	143	166%
Saleable Coal Production	522	408	28%	522	408	28%
Sales of Produced Coal	598	340	76%	598	340	76%
Coal Stocks at period end	321	346	(7%)	321	346	(7%)

Werris Creek September quarter ROM coal production of 0.4Mt was 166% above pcg.

For the quarter, saleable coal production of 0.5Mt and sales of 0.6Mt were up 28% and 76% respectively on the pcg. Both saleable and sales were supported by the draw-down of high stock levels as at 30 June 2020 and strong customer demand for the Werris Creek coal product.

Coal stocks of 0.3Mt at the end of the period are a 7% decrease on pcg.

Development Projects

Work continues to advance Whitehaven's three main development projects:

1. Narrabri Underground Mine Stage 3 Extension Project
2. Vickery Extension Project
3. Winchester South Metallurgical Coal Project

These projects underpin Whitehaven's plans to expand managed ROM production in the next 10 years. Subdued coal markets cause Whitehaven to continue to be cautious in allocating capital to expansion. Whitehaven does not expect to consider making a Final Investment Decision in relation to these projects in FY21. Projects will continue to be the subject of Whitehaven's strict capital allocation framework.

Expenditure incurred on expansion and growth projects by Whitehaven during the September quarter was \$7.1m, reflecting further drilling and exploration and Environmental Impact Statement (EIS) preparation for Winchester South, engineering studies relating to the Vickery Extension Project and EIS preparation for Narrabri Stage 3.

Narrabri Underground Mine Stage 3 Extension Project

The project seeks to convert Narrabri's existing Exploration Licence into a Mining Lease and use the existing portals, CHPP, rail loop and associated infrastructure to extract, process and ship 80-100Mt of ROM coal using the longwall mining method. The project involves extending the longwall panels planned for the mining lease south of the current main roads into the contiguous Narrabri South Exploration Licence area, to extend the approved life of the mine from ~2031 to ~2044.

Based upon the NSW Government's Secretary's Environmental Assessment Requirements (SEARS), Whitehaven has developed an EIS which has been lodged with the NSW Government Department of Planning, Industry and Environment (DPIE) for an adequacy review to ensure it meets their stringent requirements. Once this adequacy review has been completed, the EIS is expected to be formally lodged for public exhibition during October.

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

Vickery Extension Project

Open cut and underground mining was undertaken at Vickery by Rio Tinto from 1991 through to 1998.

The Vickery Coal Project was approved in September 2014 to produce up to 4.5Mt ROM coal per annum. Works necessary to maintain the current approval in good standing have been completed and the existing approval for the Vickery Coal Project will expire in September 2034.

The Vickery Extension Project seeks consent to increase the approved Vickery Coal Project to operate at up to 10Mtpa open cut metallurgical and thermal coal mine, with onsite processing and rail infrastructure. On 12 August 2020, the NSW Independent Planning Commission (IPC) approved the project. The project is now being reviewed by the Federal Department of Agriculture, Water and the Environment (DAWE) for Environment Protection and Biodiversity Conservation (EPBC) approval. A decision from DAWE is expected in December 2020.

Progress on design work for the CHPP, rail spur, and other site infrastructure continued during the quarter.

Draft management plans, including those required for Secondary Approval such as: noise, air quality, cultural heritage and traffic management, continue to be refined based on the conditions of approval handed down by the IPC.

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

Winchester South Metallurgical Coal Project

The proposed Winchester South open cut metallurgical coal mine, located in Queensland's Bowen Basin, continues to progress through the Queensland Government's Coordinated Project approval process. The EIS specialist studies are now in the final stages of collation and drafting of the EIS documentation is now well progressed.

Technical studies have also materially advanced to support the project. Specifically targeting additional metallurgical definition, over 200 new drill holes have been added since acquisition. Once the final results of the coal program are received from the laboratory and assessed, Whitehaven intends to update the October 2018 JORC Resources estimate and declare a maiden JORC Reserve statement for the project. This has an expected release date for the end of 2020.

Supporting pre-feasibility studies on the CHPP, rail spur, and other site infrastructure also continue.

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

Thermal and Metallurgical Coal Outlook

Coal markets in the September quarter rallied from the August lows as the effects of COVID-19 subsided and Asian economies started their recoveries. Announcements of coal supply curtailments continued during the quarter which supported the rally in coal prices.

During the September quarter steel producers across Asia and India have all pleasingly resumed shipments under their term contracts. Whitehaven's thermal coal sales have been unaffected by any deferrals and we are seeing increased tenders and enquiries ahead of the traditionally stronger Asian winter demand period.

Whitehaven does not sell thermal coal to either China or India, but India is a key destination for our metallurgical coal. Chinese coal import restrictions have been a persistent theme this year but the current situation remains unclear. Although coal import restrictions have been sporadically implemented in China since 2018, latest media reports of fresh restrictions have received a lot of Australian media attention. There has not been any official confirmation by the Chinese authorities on these newly reported coal import restrictions nor have there been any announcements of changes to the annual coal import quotas. Chinese steel production and steel pricing has risen strongly since the end of Golden Week. Despite the ongoing Chinese coal import uncertainties, coal demand from India is strong and hot metal production in the country is higher year on year which is expected to support metallurgical coal demand, industrial activity and coal prices across Asia.

Corporate

As at 30 September 2020, there were US\$51.66 million in forward A\$/US\$ exchange contracts in place at an average exchange rate of A\$1.00 = US\$0.6676 for equity coal sales of 0.8Mt. These contracts are deliverable between October 2020 and March 2021.

Whitehaven is finalising an agreement with its finance providers to amend its Net Interest Expense and Financing Costs (ICR) financial covenant ratio test for the 31 December 2020 and 30 June 2021 testing dates. The amended financial covenant ratio will provide Whitehaven with additional flexibility to navigate through calendar years 2020 and 2021. Other than this covenant support and a distribution restriction, there are no material changes to margins or terms of the existing facilities. Whitehaven is pleased with the support that its finance providers continue to give to the company.

Whitehaven is pleased to announce Jason Nunn as the new EGM of Marketing and Logistics. Jason will be taking over from Scott Knights, whose departure was announced in the June 2020 Quarterly Report. Jason is currently Whitehaven's General Manager Marketing – Technical based out of Newcastle. Since joining Whitehaven in late 2014, Jason has made a significant contribution to our sales and marketing team, from developing strategy and new markets to implementing business improvements to support our significant expansion over the past six years. Prior to joining Whitehaven, Jason held roles in research, production and commercial functions at Yancoal, White Energy, and BHP Billiton.

FY21 Guidance Update

Refined unit cost FY21 guidance range of A\$69-A\$72/t. The refined guidance reflects the strong sales performance in the September quarter and the initial benefits from our costs out programme.

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

Investor and Analyst teleconference

Chief Executive Officer, Paul Flynn, will host a teleconference to provide an overview of the Q1 Production results.

Time: 10:30 ADST (Sydney time)

Date: Thursday, 15 October 2020

Dial-in details: Dial: **1800 896 323**; Passcode: **79240611**.

For international dial in numbers please reference <https://www.redbackconnect.com.au/itfs/>

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Reporting Calendar

Event

Date

Annual General Meeting

22 October 2020

PRODUCTION, SALES & STOCKS BY MINE		Quarter Ended				
Thousands of tonnes	Sep 2020	Jun 2020	Mar 2020	Dec 2019	Sep 2019	Jun 2019
Whitehaven Group Managed Totals						
ROM Coal Production	4,485	8,233	4,912	3,124	4,420	7,334
12-Month Rolling Yield	88%	88%	86%	86%	87%	87%
Saleable Coal Production	4,857	6,235	4,103	3,114	4,909	5,180
Sales of Produced Coal	5,613	5,265	3,940	3,522	5,084	4,948
Sales of Purchased Coal	417	449	548	963	463	390
Total Coal Sales	6,030	5,714	4,488	4,485	5,546	5,338
Coal Stocks at period end	1,809	3,746	1,318	975	2,001	3,350
Maules Creek						
ROM Coal Production	1,967	4,168	2,362	2,235	1,962	3,798
12-Month Rolling Yield	79%	80%	79%	78%	81%	82%
Saleable Coal Production	2,205	2,694	1,877	1,585	2,034	2,536
Sales of Produced Coal	2,447	2,369	1,735	1,677	2,125	2,387
Coal Stocks at period end	791	1,976	636	547	441	1,160
Narrabri						
ROM Coal Production	1,646	2,559	1,526	233	1,793	1,875
12-Month Rolling Yield	99%	99%	97%	96%	95%	94%
Saleable Coal Production	1,630	2,453	1,464	830	1,800	1,181
Sales of Produced Coal	1,995	1,948	1,491	940	1,835	1,251
Coal Stocks at period end	449	793	179	169	949	1,018
Gunnedah Open Cuts (Consolidated)						
ROM Coal Production	871	1,505	1,025	657	665	1,662
12-Month Rolling Yield	91%	92%	91%	91%	90%	90%
Saleable Coal Production	1,023	1,087	761	700	1,075	1,464
Sales of Produced Coal	1,171	948	714	904	1,124	1,309
Coal Stocks at period end	569	978	503	259	612	1,172
Tarrawonga						
ROM Coal Production	490	813	639	476	429	663
12-Month Rolling Yield	86%	87%	87%	88%	88%	90%
Saleable Coal Production	501	615	451	432	510	597
Sales of Produced Coal	573	536	411	476	575	560
Coal Stocks at period end	248	429	243	94	165	373
Werris Creek						
ROM Coal Production	381	692	385	181	143	692
12-Month Rolling Yield	100%	100%	100%	100%	100%	100%
Saleable Coal Production	522	472	311	222	408	529
Sales of Produced Coal	598	412	302	329	340	443
Coal Stocks at period end	321	549	260	165	346	570
Rocglen						
ROM Coal Production	-	-	-	-	-	268
Saleable Coal Production	-	-	-	-	28	206
Sales of Produced Coal	-	-	-	-	77	181
Coal Stocks at period end	-	-	-	-	-	90
Sunnyside						
ROM Coal Production	-	-	-	-	93	39
Saleable Coal Production	-	-	-	45	129	132
Sales of Produced Coal	-	-	-	99	133	126
Coal Stocks at period end	-	-	-	-	101	139