Quarterly Report

For the quarter ending 31 March 2021

Issued 20 April 2021

March Quarter 2021 (1Q 2021)

- 14.3Mt ROM coal production, down 17% from 4Q 2020.
- 8.7Mt Attributable saleable coal production, down 5% from 4Q 2020.
- 8.6Mt Mine production sales, down 8% from 4Q 2020.
- A$88/t Average realised coal price, up 22% from 4Q 2020.
- 7.6 TRIFR (12mth rolling), similar to 7.4 at the end of 4Q 2020.

Performance summary

Our workforce's safety is always our priority; Yancoal continued its successful COVID-19 response and better than industry average TRIFR in 4Q 2020.

Rain and flooding impacted NSW production during the period, most notably at our Hunter Valley mines late in March. The 2021 production guidance is retained at this time as most operations expect to recover some output over the next three quarters. Cash cost guidance is also retained but the operational impacts are pushing unit costs to the top end of the range. Recovery and optimisation work is ongoing and further announcements will be made as required.

The coal price index for thermal coal exports from Newcastle increased following the sector-wide weather disruption to mining and railing activity and damage to another shiploader at one of the coal terminals. The price increase will benefit contracts agreed under the current market conditions. Unfortunately, there was a 'lag effect' to the 1Q 2020 realised price, as our priority was to satisfy delayed sales at previously contracted prices.

Yancoal's average realised sale price in 1Q 2021 was A$88/t, compared to A$72/t in 4Q 2020. Short-term supply disruptions and elevated prices may lessen, but we would expect an ongoing recovery of global economic conditions to support energy demand and thermal coal prices.

2021 Guidance

- Attributable saleable coal production of around 39Mt.
- Cash operating costs (exc. royalties) of $60-62/tonne.
- Attributable capital expenditure of $360-380 million.

Production and Sales Data

ROM COAL PRODUCTION, Mt	Mine type	Economic Interest	1Q 2021	4Q 2020	PP Change	1Q 2020	PCP Change	3 months year-to-date		
								2021	2020	Change
Moolarben	OC / UG	95%	4.6	5.0	(8%)	5.8	(21%)	4.6	5.8	(21%)
Mount Thorley Warkworth	OC	82.9%	3.9	4.4	(11%)	3.6	8%	3.9	3.6	8%
Hunter Valley Operations	OC	51%	2.9	4.4	(34%)	4.0	(28%)	2.9	4.0	(28%)
Yarrabee	OC	100%	0.6	0.9	(33%)	0.5	20%	0.6	0.5	20%
Stratford Duralie	OC	100%	0.2	0.4	(50%)	0.2	-%	0.2	0.2	-%
Middlemount	OC	49.9997%	1.2	1.3	(8%)	0.7	71%	1.2	0.7	71%
Ashton	UG	100%	0.9	0.9	-%	1.2	(25%)	0.9	1.2	(25%)
Total – 100% Basis			**14.3**	**17.3**	**(17%)**	**16.0**	**(11%)**	**14.3**	**16.0**	**(11%)**
Total – Attributable			**10.8**	**11.8**	**(9%)**	**11.2**	**(4%)**	**10.8**	**11.2**	**(4%)**

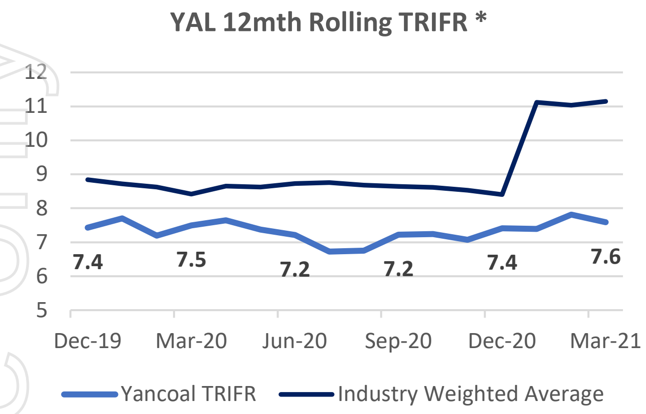
SALEABLE COAL PRODUCTION, Mt	Coal type	Attributable Contribution	1Q 2021	4Q 2020	PP Change	1Q 2020	PCP Change	3 months year-to-date		
								2021	2020	Change
Moolarben	Thermal	95%	4.1	4.4	(7%)	5.4	(24%)	4.1	5.4	(24%)
Mount Thorley Warkworth	Met. Thermal	82.9%	2.7	3.1	(13%)	2.5	8%	2.7	2.5	8%
Hunter Valley Operations	Met. Thermal	51%	2.6	2.8	(7%)	3.5	(26%)	2.6	3.5	(26%)
Yarrabee	Met. Thermal	100%	0.8	0.7	14%	0.6	33%	0.8	0.6	33%
Stratford Duralie	Met. Thermal	100%	0.1	0.2	(50%)	0.1	-%	0.1	0.1	-%
Middlemount	Met. Thermal	0% (equity accounted)	0.9	1.0	(10%)	0.6	50%	0.9	0.6	50%
Ashton	Met.	100% (from 17-Dec-20)	0.4	0.5	(20%)	0.6	(33%)	0.4	0.6	(33%)
Total – 100% Basis			**11.6**	**12.7**	**(9%)**	**13.3**	**(13%)**	**11.6**	**13.3**	**(13%)**
Total – Attributable			**8.7**	**9.1**	**(5%)**	**9.7**	**(10%)**	**8.7**	**9.7**	**(10%)**

SALES VOLUME by coal type, Mt	1Q 2021	4Q 2020	PP Change	1Q 2020	PCP Change	3 months year-to-date		
						2021	2020	Change
Metallurgical	1.4	1.2	21%	1.0	40%	1.4	1.0	40%
Thermal	7.2	8.2	(12%)	8.1	(11%)	7.2	8.1	(11%)
Total – Attributable	**8.6**	**9.4**	**(8%)**	**9.1**	**(5%)**	**8.6**	**9.1**	**(5%)**

- **Notes:**
- 1. Attributable figures exclude production from Middlemount (incorporated joint venture and equity-accounted) and Watagan (equity-accounted investment and deconsolidated between 31 March 2016 and 16 December 2020).
- 2. Attributable figures for Moolarben 95% from 1-Jan-2020, but note economic attribution is 85% up to 31 March 2020 and 95% after that date.
- 3. Ashton volumes include the final tonnes produced at Austar before operations transferred to 'care and maintenace' in 1Q 2020.
- 4. 'Sales volumes (by coal type)' excludes purchased coal.
- 5. ROM = Run of Mine; the volume extracted and available to be processed

1Q = March quarter Period	3Q = September quarter period	PP = Prior period
2Q = June quarter Period	4Q = December quarter period	PCP = Prior corresponding period
Mt = million tonnes	FY2020 = Full Year 2020	UG = Underground
Met. = Metallurgical coal		OC = Open-cut

SAFETY STATISTIC



CEO COMMENT

The health and wellbeing of all Yancoal employees remain a key focus. The 12-month rolling Total Recordable Injury Frequency Rate [1] at the end of 1Q 2021 was 7.6, up slightly from 7.4 at the end of 4Q 2020 [2]. This figure compares favourably with the comparable weighted average TRIFR of 11.1 for the industry at the end of March. All our operations remain COVID-19 free, with a high level of diligence undertaken across the Company.

Heavy rainfall associated with the La Niña weather cycle disrupted mining, rail and port activity during the period with 8.7 million tonnes of attributable saleable coal produced during the period compared to 9.7 million tonnes in the PCP. Our three large, open-cut mines in the New South Wales continue to assess the flooding impacts and establish recovery plans. We currently expect the revised mine plans to enable Yancoal to deliver the 2021 target of around 39 million tonnes of attributable saleable coal.

Revision to the mine plans, the timing and the type of coal produced are adversely affecting operating unit costs. Consequently the full-year cash costs are being pushed to the top end of the guidance range. The capable teams at each of the sites are working diligently to mitigate the cost pressure. Cost guidance is retained at this time while the recovery plans are progressed further.

Despite the recent disruption to ship-loading capacity at Newcastle and flood-affected logistics through the Hunter Valley, Yancoal has the rail and port allocations required to match its production guidance for 2021, so we do not anticipate logistic constraints will affect the guidance.

The Newcastle coal index has increased recently in response to export disruption; however, our obligation to deliver delayed shipments at previously contracted prices reduces the index movement's immediate benefit. That said, the coal price indices continue to recover from the cyclical low in 2020, and the trend is constructive for the 2021 outlook.

As always, our focus is on the controllable elements of our business, particularly optimising production and reducing operating costs wherever possible. This is particularly the case after the production lost during the first quarter due to bad weather. Yancoal's low cost of production and ability to blend its output to meet customer requirements mean we are well placed to benefit from the improving market conditions.

COAL SALES and PRICING

During 1Q 2021, attributable sales (8.6Mt) were 0.2Mt below the attributable saleable production (8.8Mt) as weather disruption affected sales, particularly in the final weeks of the period. During 2021 we expect to run down the stockpile accumulation and delayed contract deliveries that resulted from the shiploader damage at Newcastle Coal Infrastructure Group (NCIG) last November. Delayed contract deliveries contribute to a 'lag effect' on the realised prices we

[1] Attributable TRIFR includes Moolarben, Mount Thorley Warkworth, Stratford Duralie, Yarrabee and Corporate; it excludes Joint venture operated Middlemount and Hunter Valley Operations as well as Watagan (up to 16 December 2020). The Industry Weighted Average combines proportional components from the relevant New South Wales and Queensland Industry references.

* From January 2021 onwards the Yancoal TRIFR and Industry weighted average were revised to include the Watagan assets.

[2] Prior periods may be revised for reclassification of past events.

report; the delays result in an extended period between when the contract is agreed and when it is performed. Yancoal purchased additional coal for blending, per its usual practice, to optimise the overall product mix and realised prices. Yancoal's average realised sale price in 1Q 2021 was A$88/t across the combined thermal and metallurgical coal volumes, compared to A$72/t in 4Q 2020 and A$101/t in 1Q 2020.

COAL MARKET OUTLOOK

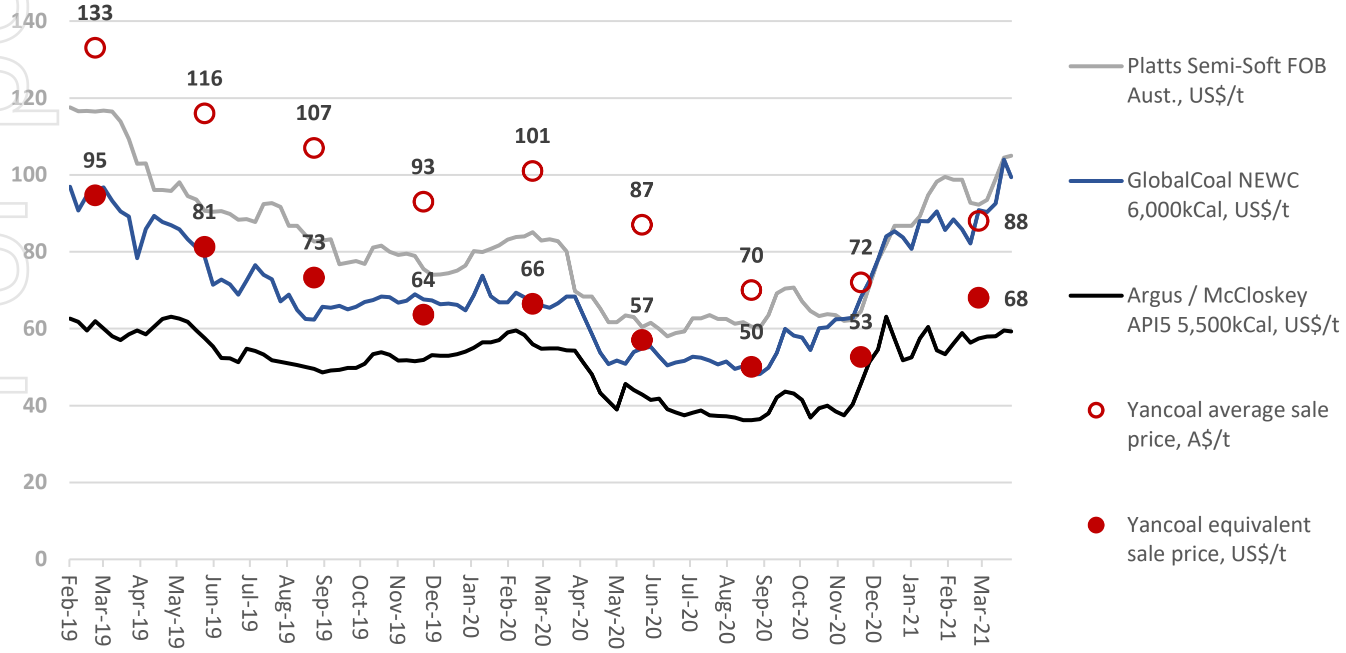
Yancoal generally sells high-grade thermal coal priced using the *GlobalCOAL NEWC 6,000kCal NAR index* (GCNewc) and lower grade coal priced off lower energy level indices such as the *All Published Index 5* (API5). During 1Q 2021, the GCNewc price averaged US$89/t and ended the quarter at around US$100/t; during the last two weeks of March, heavy rain in the Hunter Valley curbed exports and resulted in a price rally. In contrast, the API5 price averaged US$57/t but subsequently ended around US$59/t.

During the quarter, thermal coal prices were supported by the continuation of winter demand in Asia and disruptions to exports from Newcastle (rain and shiploader damage), Indonesia (rain) and South Africa (infrastructure issues). The Newcastle factors were particularly notable in the GlobalCoal NEWC index. The supply disruptions and improved demand relative to this time last year may sustain the rally of the GlobalCoal NEWC index.

Following the impact of COVID-19, supply and demand assessments are continually conducted in all relevant markets. Yancoal continues to optimise its product to maximise sales and seek diversification of its customer base. Yancoal expects to have sufficient infrastructure capacity through 2021 to facilitate the sale of the year's planned production volume.

As was the case in the prior quarter, price support for the lower-grade metallurgical coals appears to be underpinned by the high-grade thermal coal indices' appreciation. The rally in the GlobalCoal NEWC index is constructive for semi-soft coal indices. The rally provides an energy-adjusted floor price for semi-soft coking coal, which can be sold as a thermal coal product when supportive economics exist in the market place. In 2021, we expect a recovery of global economic conditions and the associated demand for electricity generation to sustain thermal coal indices.

Market Index Pricing and Yancoal quarterly overall sale price



ASSET PERFORMANCE

Most of the NSW operations, Moolarben, MTW, HVO and Stratford-Duralie, were impacted by wet weather during the quarter, most notably the 1-in-100 year flood event in late March.

The MTW, HVO and Stratford open-cut mines experienced localised flooding at their operations, which led to the temporary suspension of mining.

The weather event also disrupted coal transport by rail throughout the Hunter Valley and shipping activity at both coal terminals in Newcastle, NCIG and Port Waratah Coal Services (PWCS). The weather disruption coincided with unscheduled maintenance work on the one operating coal loader at the NCIG terminal.

When it sets its annual production targets, Yancoal factors in some wet weather disruptions, we have sufficient rail and port allocations to meet our 2021 targets and are working to deliver the target production volume for the year.

Moolarben

The Moolarben underground's longwall encountered an intrusion of hard rock within the coal seam at the end of January. The mine encountered the same intrusion in prior longwall panels. The underground team spent the remainder of the period mining through the intrusion, which impacted production. Increased throughput and yield benefits in the coal wash plant for open-cut production partially mitigated the production impact from the underground mine. The longwall is due to clear the dyke and resume normal operations in the 2Q 2021.

Mount Thorley Warkworth (MTW)

Rain disrupted MTW operations during the quarter. The mine was on the way to recovering production in March from previous rain events when the 100-year flood event occured. There were productive periods during the quarter when mining activities exceeded weekly or monthly targets.

Hunter Valley Operations (HVO)

At HVO, the rain impact was notable and delayed blasting activities which are a 'critical path' item in providing active mining locations and facilitating ROM coal production. Increased feed rates at the coal wash plant meant the decrease in saleable coal production was less material than for ROM coal during the period.

Yarrabee

Although there were some rain delays in Queensland, these were less consequential than in NSW. We expect the commissioning of a new Hitachi 8000-7 excavator and trucks to lift output over the remainder of the year.

Stratford Duralie

The Stratford Duralie mine is located closer to the coast than the other NSW mines and was more impacted by rain delays. Compared to the prior quarter, the lower production was also a result of prioritising overburden mining during the period.

Middlemount

Middlemount delivered the planned production volumes during the period.

Ashton

As an underground mine, direct impacts due to wet weather delays were less noticeable at Ashton. Production was close to target levels, with some loss of yield due to dilution in the wash plant's ROM feed.

GROWTH INITIATIVES

At MTW, Yancoal has identified a coal resource that could support an underground operation. The initial concept study shows a potential annual production output of saleable coal of around 5Mt. Work is progressing on a Pre-Feasibility Study for submission to the Board.

At Moolarben, Yancoal has the required approvals to increase annual ROM production from 21Mt to 24Mt (16Mt from the open cut mine and 8Mt from underground). Studies under review incorporate work to assess the optimal production profile and address the various licensing requirements. Yancoal's ability to increase open-cut production to 16Mtpa depends on increasing the capacity at the Coal Handling and Preparation Plant.

Yancoal continually examines opportunities to grow the business. The Company is open to expanding or extending the operational profile of its existing assets with organic projects, like those identified at MTW and Moolarben; acquiring additional assets, such as it did with the Coal & Allied transaction; or diversifying into other minerals, energy or renewable energy projects. Any new initiative would be subject to careful evaluation and require Yancoal Board consideration and approval before commencement.

CORPORATE ACTIVITY

On 31 March 2021, the number of ordinary shares was 1,320,439,437, unchanged during the period.

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

CEO -
David Moult
CFO -
Kevin Su
Company Secretary
Laura Zhang

Registered Office
Yancoal Australia Ltd
Level 18, Tower 2, 201 Sussex Street,
Sydney NSW 2000
Phone: (02) 8583 5300
www.yancoal.com.au

Shareholder Enquiries
Computershare Investor Services
Level 3, 60 Carrington Street,
Sydney, NSW, 2000
Phone: 1300 850 505
www.computershare.com.au

Investor Relations Contact: Brendan Fitzpatrick Brendan.Fitzpatrick@yancoal.com.au
Media Relations Contact: Matthew Gerber Matthew.Gerber@yancoal.com.au