

Quarterly Activities Report

1 August - 31 October 2023



NEW HOPE CORPORATION LIMITED

ABN 38 010 653 844

Highlights

- First coal mined and railed from New Acland Stage 3.
- Saleable coal produced of 2Mt for the quarter, a 1% increase from the prior quarter, and on track to meet FY24 guidance.
- Average realised sales price of A\$221.45 achieved for the quarter.
- Significant progress on key maintenance and infrastructure projects to support planned production ramp-up during future periods.
- Underlying EBITDA¹ of A\$244.9 million for the quarter, down 8.5% from \$267.7 million for the prior quarter.
- Closing cash and cash equivalents of A\$812.1 million prior to payment of final fully franked ordinary dividend and final fully franked special dividend of \$253.6 million.

	Quarter Ended			Year to Date			Full Year		
	Oct-23 ('000t)	Jul-23 ('000t)	Change (%)	Oct-23 ('000t)	Oct-22 ('000t)	Change (%)	FY24 ('000t)	FY23 ('000t)	Change (%)
QLD Operations									
New Acland									
ROM Coal Production	238	-	100%	238	-	100%	2,014	0	100%
Saleable Coal Production	63	-	100%	63	-	100%	980	0	100%
Coal Sold	-	-	-	-	-	-	655	33	1885%
QBH Export Throughput	843	535	58%	843	517	63%	4,139	2,009	106%
NSW Operations²									
Bengalla³									
ROM Coal Production	2,209	2,420	(9%)	2,209	2,226	(1%)	10,247	9,335	10%
Saleable Coal Production	1,980	2,028	(2%)	1,980	1,622	22%	8,303	7,217	15%
Coal Sold	1,819	2,113	(14%)	1,819	1,882	(3%)	8,366	7,605	10%
Total ROM Coal Production	2,447	2,420	1%	2,447	2,226	10%	12,261	9,335	31%
Total Saleable Coal Production	2,044	2,028	1%	2,044	1,622	26%	9,284	7,217	29%
Total Coal Sold	1,819	2,113	(14%)	1,819	1,882	(3%)	9,021	7,638	18%

¹ Underlying Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) is a non-IFRS measure and has not been audited.

² Excludes Strategic Investment in Malabar Resources Ltd (15% Interest).

³ Bengalla 80% Interest.

Safety and Wellbeing

The All-Injury Frequency Rate for the quarter was 35.96 compared with 27.89 in the previous quarter, an increase of 29%. On a twelve-month moving average basis, the All-Injury Frequency Rate was 27.41 at the end of the quarter, up from 27.10 at the end of the previous quarter.

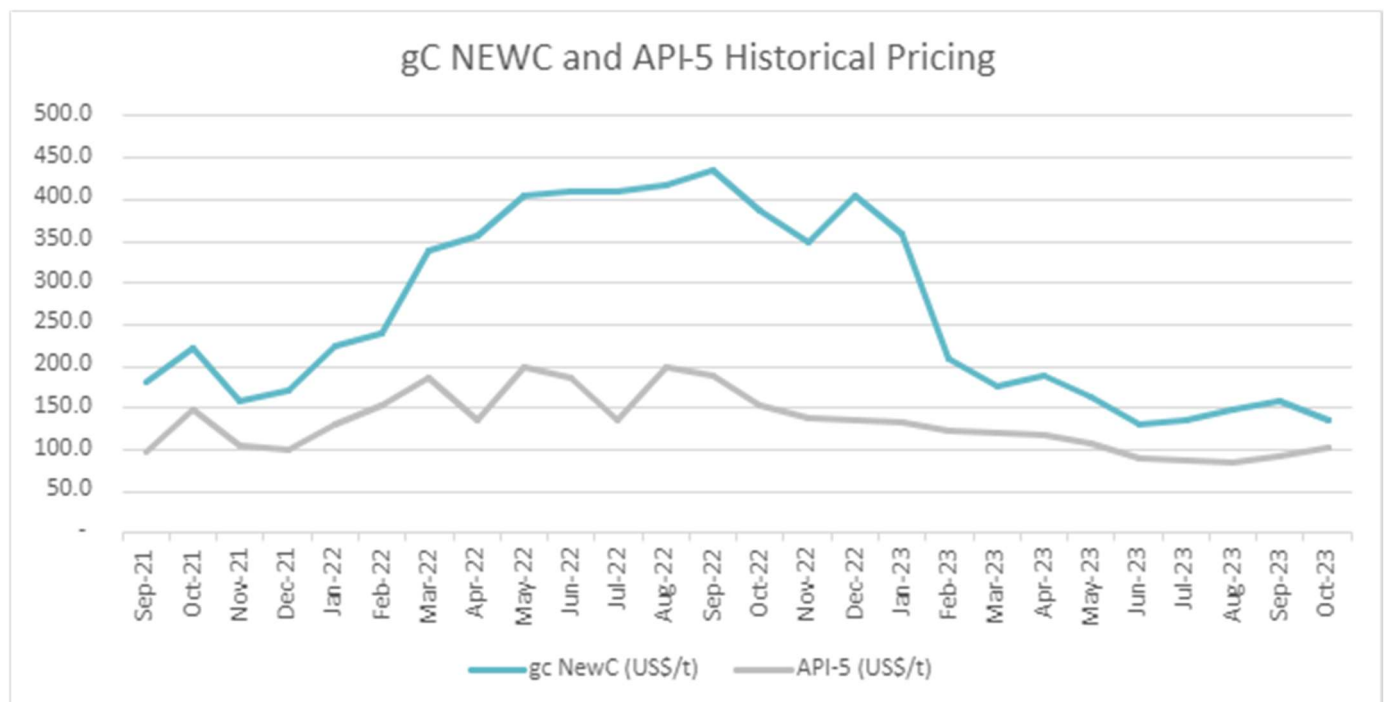
The Company's twelve-month moving average Total Recordable Injury Frequency Rate (TRIFR) was 1.96 at the end of the quarter, up from 1.47 at the end of the previous quarter. During the quarter there were six high potential events at our operations. Additionally, fourteen recordable incidents were reported to the Regulator.

Due to the increase in injuries and incidents during the quarter, the Group conducted focused safety discussions and safety resets during the quarter.

Marketing and Logistics

The gC NEWC index average price for the quarter was US\$148.05, up 4% from US\$142.39 in the previous quarter and a decrease of 64% compared to the same quarter last year. The uncontracted market for high quality coal has been limited and heavily discounted as physical pricing has remained challenging leading up to the Northern Hemisphere winter. In a tight market the Company's forward sales book is strong with no unsold supply until January 2024.

Demand from China has remained steady over the quarter, enabling API5 pricing to remain well supported, which in turn is providing a floor to gC NEWC pricing. Korean demand for Australian coal has improved as restrictions placed on Russian coal imports come into effect. In October, the competitiveness of the gC NEWC against the API2 and API4 materially improved, resulting in 6000 NAR from Australia ranking higher into Asian countries. The combination of these factors and the onset of winter in the Northern Hemisphere is expected to result in increased demand for gC NEWC products from next quarter.



Domestic Coal Reservation Scheme and NSW Coal Royalties

During the quarter Bengalla Mine supplied 0.05Mt¹ of coal under the NSW Domestic Coal Reservation Scheme at the delivered price of A\$125/t. Moving forward, Bengalla Mine is contracted to supply 0.19Mt¹ of coal per quarter under the Scheme, which will continue until 30 June 2024. While the Coal Reservation Scheme will not be extended, the NSW Government will increase coal royalty rates effective 1 July 2024 from 8.2% to 10.8% for open-cut mines and from 7.2% to 9.8% for underground mines.

Queensland Operations

New Acland – 100% Owned

New Acland moved 1.6Mbcms of prime overburden material from the existing Manningvale West pit during the quarter. The first coal was mined on 15 September 2023, with a total of 0.2Mt Run of Mine (ROM) production during the quarter. Total saleable coal produced during the period was 0.06Mt with the first coal railed to Queensland Bulk Handling facility in Brisbane, ready for first shipment in November.

Work on key infrastructure projects has commenced which will provide access to the Willeroo pit, allowing increased production to commence in the second half of the 2024 financial year. The refurbishment of the secondary CHPP is underway and will be completed next quarter. Rebuilds of the four 789 dump trucks and ancillary equipment continue, with completion aligned with increases in production rates over the coming periods.

The Land Court of Queensland is yet to set dates for the hearing of the Oakey Coal Action Alliance's legal challenge to the grant of the Associated Water Licence by the Queensland Government.

On 10 November 2023, the Queensland Conservation Council Limited served a complaint pursuant to the Justices Act 1886 (Qld) in the Magistrates Court of Queensland against New Acland Coal Pty Ltd alleging unlawful conduct in relation to the historical mining of "West Pit" seeking penalty orders and other pecuniary payment orders. New Acland Coal Pty Ltd intends to vigorously defend the proceedings.

New South Wales Operations

Bengalla – 80% Owned

Prime waste movement was 13.0Mbcm for the quarter, a 5% increase on the previous quarter. The Liebherr R9800 excavator was commissioned in early August and has been performing strongly and above expected rates. With the Liebherr R9800 now operational, blasted inventory will continue to be a focus as the mine prepares for increased output rates in the second half of the 2024 financial year.

The annual planned shutdown for the dragline was undertaken during the quarter, rescheduled from the third quarter due to favourable labour availability and to reduce operational risk. The dragline was out of operation for 28 days during the quarter and has returned to service and is performing well. The first CHPP shutdown for the 2024 financial year is currently scheduled for late November, with the CHPP scheduled to be closed for 14 days during this period.

ROM coal production was 2.2Mt, a decrease of 9% compared to the previous quarter, due to the rescheduling of the dragline shutdown. Saleable production of 2.0Mt was in line with the previous quarter. Coal sales for the quarter were 1.8Mt, a decrease of 14% on the prior quarter. This was due to

¹ Bengalla 80% Interest

below plan ROM production with some vessels slipping to next quarter. Production is scheduled to be lower in the first half of the financial year given the dragline and the CHPP shutdown. These upgrades will provide a strong production runway for the second half of the financial year.

Bengalla Mine remains focussed on maintaining its position as one of the lower cost operators in the global seaborne thermal coal market. Total Free on Board (FOB) cash cost excluding State Royalties were ~A\$83 per sales tonne for the quarter, affected by lower sales volumes. The FOB cash cost excluding State Royalties for the 2024 financial year is expected to average between A\$72 – A\$81 per sales tonne.

Bengalla Growth Project

Bengalla Mine's expansion to 13.4Mtpa ROM passed the halfway capital expenditure milestone during the quarter, with the commissioning of the Liebherr R9800 excavator and delivery of the final EH5000 truck. Two additional Cat D11 dozers were also delivered and commissioned during the quarter, with remaining supporting mobile equipment deliveries to resume towards the end of the 2024 financial year.

Construction works for the CHPP tailings upgrade, to increase washery feed capacity by the end of the 2024 financial year, continued to schedule. Following the CHPP upgrade works, the Company will have greater flexibility to optimise the forward sales book between maximum wash and maximum bypass strategies to take full advantage of pricing dynamics.

Strategic Investments

Malabar Resources Limited – 15% Equity Interest

Construction activities to develop the Whynot seam, including ventilation fan and mine entry conveyor installation, progressed during the quarter. Following the first coal sale in June 2023, raw coal mining and washing continues with several trains loaded and delivered to the Port Waratah Coal Terminal during the quarter.

Development activities for the Stage 1 (145m wide longwall) have progressed significantly since completion of funding in September 2022. Construction activities are well progressed to create the two underground operations (Whynot Seam and Woodlands Hill drift), the downstream CHPP, TLO and rail loop refurbishment and recommissioning, and advancement of supporting services and utilities.

Exploration

Bengalla Exploration License (EL 9431)

During the quarter, Bengalla applied to carry out Assessable Prospecting Operations over EL 9431, a requirement of the Mining Act 1992. This application is being assessed by the NSW Resources Regulator, and Bengalla expects to commence exploration drilling when approval is received.

Capital Management

The Company will continue to look for organic growth and investment opportunities to generate higher yields from the significant cash balance being held. Due to the rising interest rate environment, the Company is now earning material net interest income on its positive cash balances, which may be further enhanced later in the year by a partial allocation to cash equivalent and fixed income opportunities.

BCB Loan Facility Amendment

As announced by Bowen Coking Coal Ltd (BCB) on 29 September 2023, the Company reached agreement with BCB and its senior lender to amend the loan facility which the Company has provided to BCB as part of the Company's divestment of the Lenton/Burton asset to BCB in July 2022.

In accordance with the amended facility agreement, during the quarter BCB issued the Company with 76.9 million BCB shares, with the issued value of the shares representing the interest receivable on the loan facility up to 30 September 2023. BCB also issued the Company with 100,000,000 warrants that can be converted into BCB shares in equal quarterly tranches with exercise rights to the first tranche commencing on 15 December 2023.

Share Buy-Back

On Thursday 16 November 2023 the Company announced that it has extended the on-market Share Buy-Back, originally announced in November 2022, for a further 12 months. The amount approved under the Share Buy-Back is unchanged at \$300 million. Up to the date of this report, \$192.4 million has been spent buying back 37.1 million ordinary shares.

The final amount of the Share Buy-Back and the exact timing of any trades made from time to time depends on a number of factors including market volumes, the Company's prevailing share price, its future capital requirements and consideration of any developments or circumstances that may arise in the course of the Share Buy-Back.

Dividends

During the quarter the Directors declared the 2023 financial year Final Ordinary Dividend of 21.0 cents per ordinary share and the Final Special Dividend of 9.0 cents per ordinary share, both fully franked and paid on 7 November 2023. The Company is focussed on stable returns to shareholders through dividends and ensuring the significant value of the Company's franking account is utilised. Going forward, the Company expects that dividend payments will be the predominate method of distributing returns to shareholders.

(ENDS)

For more information please contact:

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This ASX announcement was approved and authorised by the Board.