

Quarterly Activities Report

1 May - 31 July 2023



NEW HOPE CORPORATION LIMITED

ABN 38 010 653 844

Highlights

- Record Underlying EBITDA¹ \$A1,750.0 million for the 2023 financial year. Underlying EBITDA¹ of A\$267.7 million for the quarter.
- Mining operations for New Acland Stage 3 began on 1 May 2023, with a total of 1.3Mbcm in prime waste moved.
- Bengalla² coal sales of 2.11Mt, in line with previous quarter of 2.15Mt and 7.6Mt for the 2023 financial year, within guidance.
- First coal produced and sold from Malabar's Maxwell Mine (New Hope 15% equity interest) Stage One bord and pillar operation.
- Average realised sales price of A\$346.7 for the 2023 financial year, compared to A\$281.8 for the 2022 financial year.
- Ongoing on-market share buy-back program resulting in 37.1 million ordinary shares bought back for A\$192.4 million since launch on 3 November 2022 to 31 July 2023.
- Closing cash and cash equivalents of A\$730.7 million, with cash generated from operations of A\$121.2 million for the quarter and a record A\$1,524.8 million for the 2023 financial year.

	Quarter Ended			Full Year Ended			FY23 Guidance	
	Jul-23 ('000t)	Apr-23 ('000t)	Change (%)	Jul-23 ('000t)	Jul-22 ('000t)	Change (%)	FY23 ('000t)	(%) ⁴
QLD Operations								
New Acland								
ROM Coal Production	-	-	-	-	651	(100%)	146	(100%)
Saleable Coal Production	-	-	-	-	416	(100%)	71	(100%)
Coal Sold	-	-	-	-	668	(100%)	-	(100%)
QBH Export Throughput	535	483	11%	2,009	2,637	(24%)	2,248	(11%)
NSW Operations³								
Bengalla²								
ROM Coal Production	2,420	2,622	(8%)	9,335	9,327	-	9,862	(5%)
Saleable Coal Production	2,028	2,027	-	7,217	7,473	(3%)	7,651	(6%)
Coal Sold	2,113	2,148	(2%)	7,605	8,164	(7%)	7,930	(4%)
Total ROM Coal Production	2,420	2,622	(8%)	9,335	9,978	(6%)	10,008	(7%)
Total Saleable Coal Production	2,028	2,027	-	7,217	7,889	(9%)	7,722	(7%)
Total Coal Sold	2,113	2,148	(2%)	7,605	8,832	(14%)	7,930	(4%)

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

² Bengalla 80% Interest.

³ Excludes Malabar's Maxwell Mine (15% Interest).

⁴ Comparison to Full Year Ending July 2023.

Health and Safety Performance

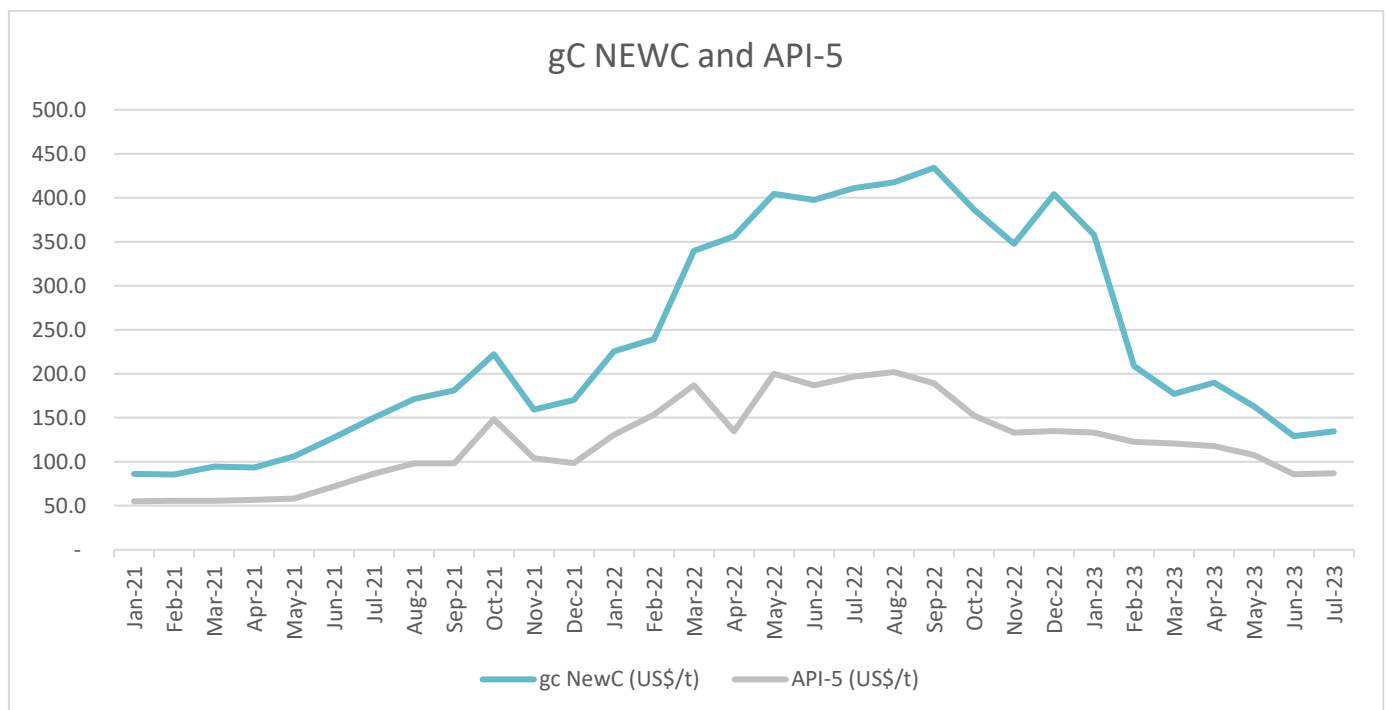
The All-Injury Frequency Rate for the quarter was 27.89, compared with 19.22 in the previous quarter, as a result of an increase in minor first aid cases and one recordable injury. Hand injury awareness training was recently delivered at sites in response to the recent uptrend in incidents for minor first aid of cut, abrasion and injury to hands.

The Company continues to monitor Total Recordable Injury Frequency Rate (**TRIFR**) as a supplementary indicator of safety performance. The Company's twelve-month moving average TRIFR was 1.47 at the end of the period. During the quarter there were two High Potential Events and six recordable incidents which were reported to the Regulator.

Marketing and Logistics

The gC NEWC index average price for the quarter was US\$142.4, a 26% decrease compared to the previous quarter and a decrease of 65% compared to the same quarter last year. The reduction in pricing was due to mild winter conditions in the Northern hemisphere and customers holding above average coal inventories. While there was a decline in price at the beginning of the quarter, the market price did stabilise during the second half of the quarter with high energy coals finding gains in July, finishing with an average monthly gC NEWC price of US\$134.7. Robust demand from China for lower energy coals continued to provide support for pricing and a clearing house for short-term spot sales. Market sentiment remains positive with market forwards continuing to show a contango into the end of calendar year 2023.

The Company's forward sales book remains well supported, with approximately 85% production for the next six months already sold. The Company continues to meet its domestic market obligations and has contracted its domestic supply obligations out to June 2024.



Queensland Operations

New Acland – 100% Owned

On 1 May 2023, New Acland Stage 3 operations commenced in the Manning Vale East Pit. Activities included topsoil clearing, overburden drilling and blasting. Overburden removal is on schedule with total prime waste movement of 1.3Mbcm during the period, with material backfilled into existing pits for future rehabilitation. The Coal Processing and Handling Plant (CHPP) is operational and ready to wash first coal in the first quarter of the 2024 financial year.

With mining underway, planning has continued for key infrastructure works, including roads, dams and mining access required for the Willeroo Pit. Refurbishment of the second CHPP is largely complete and has included the installation of a new deslime screen, significant structural steel repairs, sandblasting and painting. The Letourneau loader rebuild was completed during the period and rebuilds are in progress for four 789 dump trucks and ancillary equipment.

There are now 107 locally-based employees working at the mine and at the recently opened Oakey community office. Further recruitment will occur as the Stage 3 expansion continues to ramp up. New Acland continues to receive strong support from local businesses and suppliers looking to work with the mine at various levels. The Company remains committed to sourcing from local suppliers and businesses wherever possible and is proud to be working with local businesses and representative groups to help drive the Darling Downs economy.

On 14 July 2023, the Oakey Coal Action Alliance (OCAA) filed a stay application in the Land Court seeking orders preventing New Acland Coal from carrying out mining activity impacting upon groundwater at New Acland until OCAA's legal challenge to the grant of the Associated Water Licence by the Queensland Government is heard and determined by the Land Court.

On 14 August 2023, OCAA withdrew its stay application providing the Company with certainty to progress the New Acland Stage 3 ramp-up plan. The withdrawal followed discussions between both parties where the Company confirmed the mining of overburden and coal from the yet to be developed Manning Vale West Pit is not expected before 1 September 2024 under the mine's existing Stage 3 ramp-up plan. Resolving the stay application with OCAA allows the Company to confidently commence mining coal from the Manning Vale East Pit (which is the first area under development since the Queensland Government approved the project in October last year) and begin construction of the Lagoon Creek Crossing to progress development and mining of the planned adjacent Willeroo Pit.

While mining of overburden and coal in Manning Vale West Pit is not expected before 1 September 2024, the Company may undertake surface works, including building infrastructure, exploration and bore drilling on the site of the Manning Vale West Pit. The Land Court is yet to set dates for the hearing of appeals to the grant of the Associated Water Licence by the Queensland Government.

New South Wales Operations

Bengalla – 80% Owned

Prime waste movement of 12.4Mbcm for the quarter was 20% higher than the previous quarter. Supported by dry weather conditions, increased pre-strip capacity and strong dragline performance, Bengalla achieved records for highest total prime waste (43.0Mbcm) and highest total material moved (72.4Mbcm) during the 2023 financial year. Outperformance by the dragline sees it 24 days ahead of schedule ahead of the 21-day planned dragline shutdown in August 2024.

ROM¹ coal production was 2.4Mt, a decrease of 8% compared to the previous quarter, in part due to a focus on waste removal to bring the mine sequence back into alignment following significant weather events during the 2022 financial year and the first half of the 2023 financial year. Coal sales for the quarter were 2.1Mt, marginally down 2% compared to April quarter sales.

Despite inflationary costs increasing the overall cost per sales tonne compared to the 2022 financial year, Bengalla has remained disciplined in managing costs. Due to weather disruptions during the first half of the 2023 financial year, trade coal was purchased to meet customer obligations and reduce demurrage exposure. Excluding trade coal and State based royalties, cost per sales tonne are expected to be ~A\$78.0/t subject to audit review.

Bengalla Growth Project

Bengalla's expansion to 13.4Mtpa ROM per current approvals is progressing, with commissioning of the Liebherr R9800 excavator completed and operating in early August 2023. Equipment delivered and operational during the quarter included six EH5000 trucks, one grader and one drill, bringing the completion of the growth truck fleet forward by approximately 12 months. The early delivery of the additional pre-strip capacity is expected to enable an increase to the annualised rate of coal mining to 13.4Mtpa by December 2023, significantly ahead of schedule.

Construction works continue on the CHPP tailings capacity upgrade project that is set to increase CHPP feed capacity to 12.9Mtpa by early financial year 2025. Design options for capacity improvements to the raw coal reclaim circuit are being analysed, along with other infrastructure upgrades required to support site growth and pit progression. The CHPP spiral middlings project tie-in was completed during the quarter, with early results providing quality uplifts on Bengalla's low-ash products by diverting high-ash spirals middlings to the secondary product circuit.

Strategic Investments

Malabar Resources Limited (Malabar) – 15% Equity Interest

First coal was processed from the Maxwell Mine's re-commissioned CHPP, with the first train departing site and discharged at the port in June 2023. Equipment supply for the Whynot seam progressed with delivery of the first shuttle car and feeder breaker. The Woodlands Hill portal excavation was completed, portal entries were installed, and drift construction commenced during July 2023.

The Company's 15 per cent ownership of Malabar Resources Limited diversifies the Company's portfolio by providing exposure to metallurgical coal, which is an essential element in the production of steel. The long-term outlook for steel production is positive, with annual global crude steel production forecast to grow 13% to 2.2 billion metric tonnes by 2050.²

Exploration

Bengalla Exploration License (EL 9431)

On 4 July 2022, the New South Wales Government granted Bengalla an Exploration License (EL 9431) for an area of 556 hectares adjoining the western side of the Bengalla Mine. Since the licence was granted, an aerial magnetic survey using unmanned aerial vehicles has been completed. Work continued during the quarter to progress the Activity Approval from the New South Wales Resources Regulator, which is required prior to commencement of exploration drilling.

¹ Run of Mine

² Wood Mackenzie May 2023 Coal Market Service Metallurgical Trade Long-term Outlook H1 2023.

Safeguard Mechanism

Reforms to the Federal Government's Safeguard Mechanism took effect on 1 July 2023. The reformed Safeguard Mechanism requires facilities with Scope 1 emissions of more than 100,000 tonnes of carbon dioxide equivalent (CO²-e) per year to progressively reduce Scope 1 emissions against a determined baseline by 4.9 per cent per annum to 2030. The Company's Bengalla Mine qualifies as a covered coal production facility under the Safeguard Mechanism. The Company's ability to meet the requirements of the reformed Safeguard Mechanism will depend on several factors including the availability of cost-effective commercially available technologies to reduce CO²-e emissions as well as access to Australian Carbon Credit Units (ACCUs) for surrender.

The Company is evaluating the CO²-e emission reduction requirements under the reformed Safeguard Mechanism to determine the potential cost impacts to the Company.

Capital Management

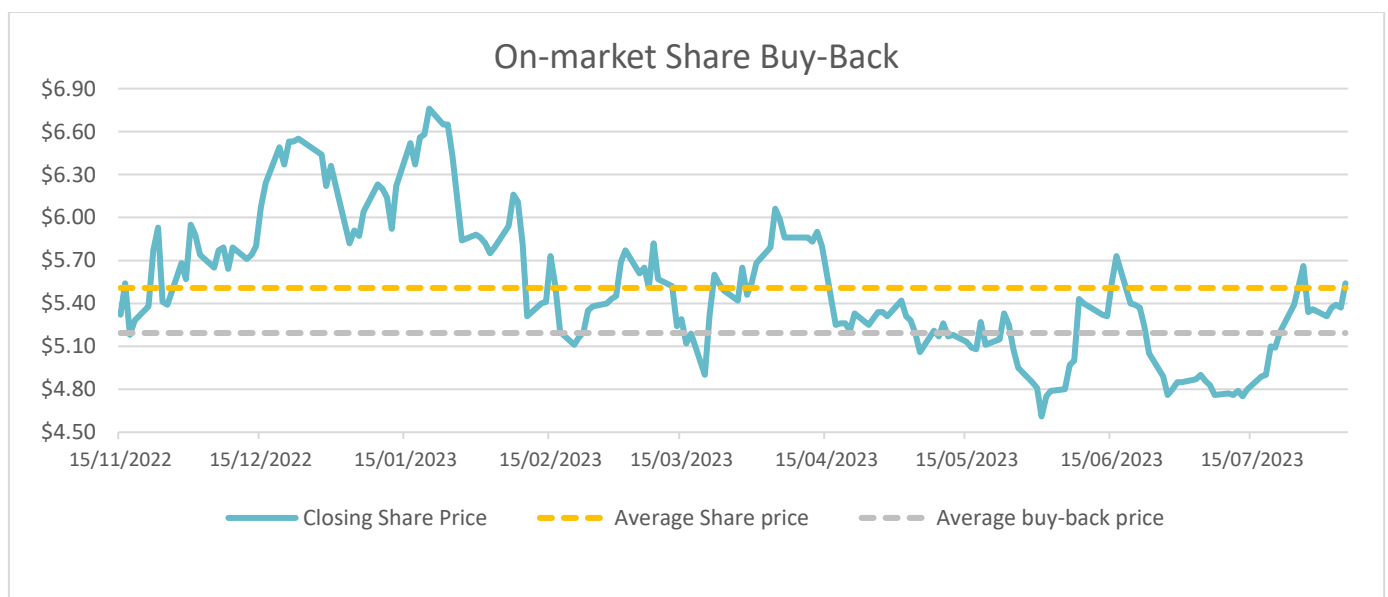
Convertible Note Repurchase

At the end of the quarter, the remaining value of the A\$200 million 2.75% Senior Convertible Notes due 2026 (Notes) had been repurchased or converted. No Notes were outstanding at 31 July 2023, which brings the Notes repurchase campaign to successful completion.

Over the period of the Note repurchase (December 2022 – May 2023), the Company bought back and subsequently cancelled all unconverted Notes for an aggregate pre-tax cost of A\$367.3 million. The Note buy-back removed future share dilution at an equivalent after-tax cost of approximately A\$4.31 per share.

Share Buy-Back

As at 31 July 2023, the Company had bought back 37.1 million shares for a total consideration of A\$192.4 million, at an average buy-back price of A\$5.19 per share. The Company will continue to be active in the market at conservative levels and considers it an effective and useful capital management tool.



The Board has approved a Share Buy-Back to a value of A\$300 million. However, the final amount of the Share Buy-Back and the exact timing of any trades depends on a number of factors, including market volumes, the Company's prevailing share price, its future capital requirements and consideration of any unforeseen developments or circumstances that may arise in the course of the Share Buy-Back.

Shareholder Returns

Throughout the year, the Company has used dividends and Share Buy Backs as the predominant capital management activity for shareholder return. During the 2023 financial year the Company has returned a total of A\$1,399 million of capital to shareholders through dividend payments and buy-backs. Given the Company's generous franking account balance and the volatility in the share price, these initiatives will continue to feature strongly in future capital management programs. The Company will continue to look for organic growth and investment opportunities to generate higher yields from the significant cash balance being held.

(ENDS)

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This ASX announcement was approved and authorised by the Board.