



NEW HOPE  
GROUP

For personal use only

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**DATE:** Thursday, 24 November 2022  
**TIME:** 12:00pm (Sydney Time)  
**VENUE:** Muswellbrook RSL Club  
113 Bridge Street  
Muswellbrook NSW 2333

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**2022** NOTICE OF ANNUAL  
GENERAL MEETING

Dear Shareholder,

On behalf of the Directors of New Hope Corporation Limited (**Company** or **NHC**), I confirm that the Annual General Meeting (**AGM**) will be held on:

**Date: Thursday, 24 November 2022**

**Time: 12:00pm (Sydney Time)**  
**Registration from 11:30am**

**Venue: Auditorium**  
**Muswellbrook RSL Club**  
**113 Bridge Street**  
**Muswellbrook NSW 2333**

Shareholders are invited to visit our cornerstone operation, Bengalla Mine before the AGM. Pre-registration is essential. The site visit will commence at 9:30am (Sydney Time) and will be limited to 50 people allotted on a first come, first served basis. You can register for the site visit via Eventbrite at:

<https://www.eventbrite.com.au/e/new-hope-corporation-limited-shareholders-site-visit-bengalla-mine-tickets-425570732517>

In the event that it is necessary for the Company to provide any updates in relation to the AGM, information will be provided on the Company's website and lodged with the Australian Securities Exchange (**ASX**).

The Chief Executive Officer, Mr Robert Bishop and I will comment briefly on the Company's performance during the year to 31 July 2022 at the AGM. Further detailed information is provided in the Company's 2022 Annual Report (including the Financial Report, Directors' Report, and Auditor's Report). The 2022 Annual Report is accessible on the Company's website at the following address: <https://newhopegroup.com.au/investor-center/>

In line with the Corporations Act 2001 (Cth) (**Corporations Act**), a printed copy of the 2022 Annual Report has been sent only to those Shareholders who have elected to receive a copy.

This year's Board-endorsed resolutions include:

- the adoption of the Remuneration Report;
- the re-election of Non-Executive Directors, Mr Ian Williams and Ms Jacqueline McGill AO;
- the election of Non-Executive Director, Mr Steven Boulton;
- the approval of the Company's Rights Plan; and
- the issue of Rights to the Chief Executive Officer, Mr Robert Bishop.

Shareholders are encouraged to lodge directed proxy votes in advance of the AGM. If you wish to appoint a proxy, you can do so before **12:00pm (Sydney Time) on Tuesday, 22 November 2022**. You can lodge your proxy online or in any of the other ways explained in the Notice of Meeting and Proxy form. If you plan to attend the meeting, please bring the Proxy Form with you to facilitate your registration which commences at 11:30am.

Written questions to the auditor can be submitted in advance of the AGM before **5.00pm on Thursday, 17 November 2022**. Please note that individual responses will not be sent to Shareholders.

The Explanatory Memorandum and the Notes section that accompany and form part of this Notice of Meeting describe in more detail the matters to be considered. Please ensure you read the Explanatory Memorandum and the Notes section in full.

Thank you for your continued support of the Company. The Board and Management look forward to the opportunity to engage with you at our 2022 AGM.

Yours sincerely,

Mr Robert Millner

**Chairman, New Hope Corporation Limited**

If you require any assistance, please contact the Share Registry by phone on:

**1300 850 505** (within Australia); or  
**+61 3 9415 4000** (outside Australia).

## NOTICE OF MEETING

Notice is given that the 2022 Annual General Meeting of New Hope Corporation Limited (ABN 38 010 653 844) will take place on:

Date: Thursday, 24 November 2022

Time: 12:00pm (Sydney Time)

Venue: Auditorium  
Muswellbrook RSL Club,  
113 Bridge Street,  
Muswellbrook NSW 2333

Registration: 11:30am (Sydney Time)

## ITEMS OF BUSINESS

### ORDINARY BUSINESS

#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Financial Report of New Hope Corporation Limited and its Controlled Entities, the Directors' Report and the Auditor's Report, in respect of the year ended 31 July 2022.

No resolution is required for this item of business.

#### 2. ADOPTION OF REMUNERATION REPORT

##### RESOLUTION 1

To consider and, if thought fit, to pass the following resolution under section 250R(2) of Corporations Act as an ordinary resolution:

*That the Remuneration Report for the financial year ended 31 July 2022 as set out in the Directors' Report be adopted.*

A voting exclusion applies to this resolution.

#### 3. RE-ELECTION OF DIRECTORS – MR IAN WILLIAMS AND MS JACQUELINE MCGILL AO

##### RESOLUTION 2

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*That, Mr Ian Williams, who retires in rotation in accordance with the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.*

##### RESOLUTION 3

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*That, Ms Jacqueline McGill AO, who retires in rotation in accordance with the Company's Constitution and, being eligible, offers herself for re-election, be re-elected as a Director of the Company.*

#### 4. ELECTION OF DIRECTOR – MR STEVEN BOULTON

##### RESOLUTION 4

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*That, Mr Steven Boulton, who was appointed by the other Directors as a Director (commencing 29 July 2022), retires in accordance with the Company's Constitution and, being eligible, offers himself for election, be elected as a Director of the Company.*

## ITEMS OF BUSINESS (CONT)

### 5. APPROVAL OF THE NEW HOPE CORPORATION LIMITED RIGHTS PLAN

#### RESOLUTION 5

To consider and, if thought fit, to pass the following Resolution as an ordinary resolution:

That, for the purposes of Listing Rule 7.2 Exception 13 and for all other purposes, the New Hope Corporation Limited Rights Plan (**the Plan**) and any grants of Rights (as defined in the Plan) issued under the Plan, be approved.

A voting exclusion applies to this resolution.

### 6. ISSUE OF RIGHTS TO CHIEF EXECUTIVE OFFICER

#### RESOLUTION 6

To consider and if thought fit, to pass the following as an ordinary resolution:

That approval is given for the issue of service rights to the Chief Executive Officer of the Company, Mr Robert Bishop, under the New Hope Corporation Limited Rights Plan (if approved) as described in the Explanatory Memorandum, and for the issue of ordinary shares on the exercise of those Rights.

A voting exclusion applies to this resolution.

Resolutions 7 and 8 have been requisitioned by 117 Shareholders holding approximately 0.013% of the shares on issue in the Company under section 249 N&P of the Corporations Act.

### 7. AMENDMENT TO THE CONSTITUTION

#### RESOLUTION 7

To consider and, if thought fit, to pass the following resolution as a special resolution:

To amend the constitution to insert beneath Clause 15 'General meetings' the following new sub-clause:

"The Company in general meeting may by ordinary Resolution express an opinion or request information about the way in which a power of the Company partially or exclusively vested in the Directors has been or should be exercised. However, such a Resolution must relate to a material risk as identified by the Company and cannot either advocate action that would violate any law or relate to any personal claim or grievance. Such a Resolution is advisory only and does not bind the Directors or the Company."

The Board unanimously recommends that Shareholders vote **AGAINST** Resolution 7.

### 8. CAPITAL PROTECTION

#### RESOLUTION 8

Subject to and conditional on Resolution 7 being passed by the required majority, to consider and if thought fit, to pass the following as an ordinary resolution:

Shareholders request the Company disclose, in subsequent annual reporting, information that demonstrates how the Company's capital expenditure and operations pertaining to its coal assets will be managed in a manner consistent with a scenario in which global energy emissions reach net zero by 2050.

This information should include:

- Details of how the company's capital expenditure will facilitate the efficient managing down of coal assets consistent with a net zero emissions by 2050 global energy scenario;
- Details of how the Company's capital expenditure will facilitate the efficient managing down of coal operations and assets;
- Production guidance for the lifetime of coal assets;
- Plans and capital expenditure requirements for decommissioning and rehabilitating coal asset sites at the end of their lifetimes;
- Plans and provisions for supporting staff to transition to future employment following coal asset closures; and
- Details of how remaining returns from the company's coal assets will be redeployed or returned to investors.

The Board unanimously recommends that Shareholders vote **AGAINST** Resolution 8.

The Chairman of the meeting intends to vote undirected proxies against Resolutions 7 and 8.

By order of the Board

Mr Dominic O'Brien  
Company Secretary  
21 October 2022

# NOTES

## VOTING ENTITLEMENTS

The Company has determined under regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that for the purpose of voting at the meeting or any adjourned meeting, securities are taken to be held by those persons recorded in the Company's register as at **7:00pm (Sydney time) on Tuesday, 22 November 2022**.

## HOW TO VOTE

You may vote by attending the Annual General Meeting in person, by proxy or by authorised representative. If you intend to vote by proxy, in order to be valid, online proxies and Proxy Forms must be received no later than **12:00pm (Sydney Time) on Tuesday, 22 November 2022**.

### (A) VOTING IN PERSON

To vote in person, you must attend the AGM on the date and at the venue set out above. Members who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the Corporations Act. If a representative of a Company is appointed a "Certificate of Appointment of Corporate Representative" should be produced prior to the meeting. A form of the certificate may be obtained from the Company's Share Registry, Computershare Investor Services Pty Limited, by contacting Computershare (details on the enclosed Proxy Form).

### (B) APPOINTING A PROXY

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on their behalf. Where a member is entitled to cast two or more votes, they may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a member of the Company.

A Shareholder entitled to attend and vote at the AGM may appoint an attorney to attend and vote on their behalf, provided that before the first meeting at which the attorney acts on the member's behalf, a power of attorney is deposited at the Company's registered office or to Computershare Investor Services Pty Limited at the mailing address in section (C) below.

The Corporations Act places certain restrictions on the ability of Key Management Personnel (including the Chairman of the meeting) and their Closely Related Parties to vote on Resolutions 1, 5 and 6, including where they are voting as proxy for another Shareholder. To ensure your votes are counted, you are encouraged to direct your proxy how to vote on Resolutions 1, 5 and 6 by indicating your preference by completing any of the 'For', 'Against' or 'Abstain' boxes on the Proxy Form.

Any directed proxies that are not voted on a poll at the AGM will automatically default to the Chairman of the AGM, who is required to vote proxies as directed.

If you appoint the Chairman of the meeting as your proxy or the Chairman of the meeting becomes your proxy by default but you do not direct the Chairman how to vote on an item of business, by completing and returning the Proxy Form, you will be expressly authorising the Chairman of the meeting to vote in respect of the Resolutions (including Resolutions 1, 5 and 6 which are connected directly or indirectly with the remuneration of a member of Key Management Personnel) as he decides, even though they may be connected with the remuneration of Key Management Personnel. The Chairman of the meeting intends to vote undirected proxies in favour of the proposed Resolutions 1 to 6 (including Resolutions 1, 5 and 6 which are connected directly or indirectly with the remuneration of a member of Key Management Personnel). The Chairman of the meeting intends to vote undirected proxies against the proposed Resolutions 7 and 8. If there is a change to how the Chairman intends to vote undirected proxies, the Company will make an announcement to the market.

Instructions on how to sign the Proxy Form are set out in the Proxy Form. Online proxies and Proxy Forms must be received no later than **12:00pm (Sydney Time) on Tuesday, 22 November 2022** in accordance with the instructions contained in the Proxy Form.

## NOTES (CONT)

### (C) VOTING ONLINE AND VOTING BY MAIL

To appoint a proxy online, visit [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information; or by using your mobile device to scan the personalised QR Code on your Proxy Form; or by completing a Proxy Form sent to you (or available from Computershare) and lodging it in one of the following ways:

**BY MAIL**  
**TO:** Computershare Investor Services P/L  
GPO Box 242  
Melbourne VIC 3001, Australia  
or  
**BY FAX**  
**TO:** 1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia

### QUESTIONS FROM SHAREHOLDERS

The Chairman of the meeting will allow a reasonable opportunity for Shareholders as a whole to ask questions or make comments on the management of the Company at the meeting.

Similarly, a reasonable opportunity will be given to Shareholders as a whole to ask the Company's external Auditor questions at the meeting that are relevant to:

- the content of the auditor's report; or
- the conduct of the audit.

Shareholders entitled to vote at the meeting are encouraged to lodge their questions for the Company or the Auditor (in relation to the content of the Auditor's report or the conduct of the audit) prior to the meeting. To do so, please send your question to the Company Secretary no later than **5:00pm (Sydney Time) on Thursday 17 November 2022** to the following address (and including your full name, the registered Shareholder's name and your contact details):

The Company Secretary  
New Hope Corporation Limited  
GPO Box 2440  
BRISBANE QLD 4001

or by email to: [cosec@newhopegroup.com.au](mailto:cosec@newhopegroup.com.au)

It may not be possible to respond to all questions during the meeting. Individual responses to written questions will not be sent to Shareholders. The Company will endeavour to address as many of the frequently raised topics as possible during the meeting.

### VISITORS

Only members of the Company or their duly appointed proxies, attorneys or representatives are entitled to attend the meeting. However, the Company may allow visitors to attend the meeting where they have registered their intention to attend the meeting with the Company at least 48 hours prior to the meeting. Visitors can register their intention to attend the meeting by emailing the Company Secretary at [cosec@newhopegroup.com.au](mailto:cosec@newhopegroup.com.au). Visitors who have not registered with the Company Secretary by the deadline will not be permitted entry to the meeting unless approved by the Chairman of the meeting or Company Secretary.

# EXPLANATORY MEMORANDUM

The purpose of the Explanatory Memorandum (which is included in and forms part of the Notice of Meeting) is to provide Shareholders with an explanation of the AGM business and resolutions to be considered as well as assisting Shareholders to determine how they wish to vote on each resolution.

## FINANCIAL STATEMENTS AND REPORTS

The Financial Report, Directors' Report and Auditor's Report are available in the Company's Annual Report. This item does not require voting by Shareholders.

It is intended to provide a reasonable opportunity for Shareholders to raise questions and make comments on these reports and ask questions on the management of the Company.

The Company's Auditor (Deloitte Touche Tohmatsu) will be available at the meeting to answer questions. Shareholders may address written questions to the Auditor before the meeting (refer to Notes).

The Auditor is not obliged to provide written answers.

## RESOLUTION 1

### REMUNERATION REPORT

The Corporations Act requires listed companies to present their Remuneration Report for adoption by Shareholders at the Company's Annual General Meeting. The Remuneration Report can be found in the Annual Report of the Company, accessible on the Company's website at the following address: <https://newhopegroup.com.au/investor-center/>

The vote on this resolution is advisory only and does not bind the Directors or the Company.

Shareholders will have a reasonable opportunity at the meeting to submit questions about, or make comments on, the Remuneration Report.

### Voting Exclusion Statement

The Company will disregard votes cast on Resolution 1:

- a) by or on behalf of any member of the Key Management Personnel whose remuneration details are included in the Remuneration Report for the year ended 31 July 2022, or a Closely Related Party of such a member (regardless of the capacity in which the vote is cast); or
- b) as a proxy by a member of the Company's Key Management Personnel at the date of the meeting or a Closely Related Party of such a member,

unless the vote is cast as a proxy for a person entitled to vote on Resolution 1:

- c) in accordance with a direction on the Proxy Form; or
- d) by the Chairman of the meeting pursuant to an express authorisation in the Proxy Form to vote as the proxy decides, even though Resolution 1 is connected with the remuneration of the Key Management Personnel.

For the purposes of Resolutions 1, 5 and 6:

**Key Management Personnel** are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether Executive or not).

**Closely Related Party** of a member of Key Management Personnel means:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependant of the member or of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- a Company that the member controls; or
- a person prescribed by the Corporations Regulations 2001 (Cth).

**Recommendation: The Directors recommend you vote FOR Resolution 1.**

## RESOLUTIONS 2 AND 3

Resolutions 2 and 3 relate to the re-election of Mr Ian Williams and Ms Jacqueline McGill AO.

In accordance with Rule 20.2 of the Company's Constitution, at every general meeting of the Company, one third of the Directors must retire from office. If the number of Directors is not a multiple of three, the number of Directors nearest to, one third of the Directors must retire from office. Under this Rule, Mr Ian Williams and Ms Jacqueline McGill AO retire by rotation.

Set out below are biographical details of Mr Ian Williams and Ms Jacqueline McGill AO together with the recommendations of the Board.

# EXPLANATORY MEMORANDUM (CONT)

## RESOLUTION 2

### RE-ELECTION OF DIRECTOR – MR IAN WILLIAMS

In accordance with the Company's Constitution, Mr Ian Williams retires at the end of this meeting and, being eligible, offers himself for re-election.

Mr Ian Williams is a graduate of Sydney University and Oxford University; and is a commercial lawyer with over 30 years' experience in the energy and resources, infrastructure, and industrial sectors. Mr Williams has been involved in every aspect of the Australian Coal industry, including legislative and regulatory framework, project tenements, project approvals, infrastructure, commercial contracts, joint ventures, management arrangements, off-take and marketing arrangements, project financing and mergers and acquisitions.

He joined the New Hope Corporation Limited Board on 1 November 2012. Mr Williams was most recently re-elected as a Director in 2019.

Mr Williams is Chair of NXT Building Group and Lindsay Australia Ltd; a Director of KGL Resources Limited, National Group Corporation, Spicers Paper, Softbank Robotics Australia, Stoddart Group, and Baseball Australia; and Vice-President of the Australia Japan Business Co-operation Committee.

The Board considers Mr Williams to be an Independent Director.

**Recommendation: For the reasons above, the Directors with Mr Williams abstaining recommend you vote FOR Resolution 2.**

## RESOLUTION 3

### RE-ELECTION OF DIRECTOR – MS JAQUELINE MCGILL AO

In accordance with the Company's Constitution, Ms Jaqueline McGill AO retires at the end of this meeting and, being eligible, offers herself for re-election.

Ms McGill AO was appointed as a Non-Executive Director of the Company on 22 June 2020. She is a highly accomplished Executive and Non-Executive Director with a career spanning 30 years across a range of commodities.

Ms McGill AO is a Non-Executive Director of Goldfields, 29Metals, the Royal Automobile Association of South Australia, and a Trustee of Adelaide Festival Centre.

During her executive career she held senior leadership roles with BHP including leadership of BHP Mitsui Coal and Olympic Dam Corporation, as well as other senior leadership roles in BHP's copper, uranium, and iron ore divisions.

Ms McGill AO has a Bachelor of Science, an MBA and an honorary doctorate from Adelaide University. She is a Graduate of the Australian Institute of Company Directors and was included in the 2020 Australia Day honours list recognising her services for diversity and inclusion.

The Board considers Ms McGill AO to be an Independent Director.

**Recommendation: For the reasons above, the Directors with Ms McGill AO abstaining, recommend you vote FOR Resolution 3.**

## RESOLUTION 4

### ELECTION OF DIRECTOR – MR STEVEN BOULTON

Mr Boulton was appointed a Director (commencing 29 July 2022) by the other Directors. In accordance with rule 19.4 of the Company's Constitution, Mr Boulton retires at this meeting and, being eligible, offers himself for election.

He is an accomplished Chief Executive Officer and Board Director with more than 40 years of experience in infrastructure, investment/funds management and asset management sectors.

He is Chairman of both SeaSwift, and a Non-Executive Director of Fulton Hogan and Airlie Energy.

Mr Boulton has a Bachelor of Business (Business Management & HR Management) degree and a Master of Technology Management.

He is a Fellow of the Australian Institute of Company Directors, Governance Institute of Australia and Australian Institute of Managers and Leaders. Mr Boulton is also a Certified Professional of the Australian Human Resources Institute.

The Board considers Mr Boulton to be an Independent Director.

**Recommendation: For the reasons above, the Directors with Mr Boulton abstaining, recommend you vote FOR Resolution 4.**

## RESOLUTION 5

### APPROVAL OF THE NEW HOPE CORPORATION LIMITED RIGHTS PLAN

ASX Listing Rule 7.1 prohibits an entity from issuing more than 15% of its securities in any 12-month period without obtaining Shareholder approval (unless an exception applies).

The Company seeks Shareholder approval for the New Hope Corporation Limited Rights Plan (**the Plan**) in order to preserve the 15% limit on new issues that may be made during any 12 month period, without Shareholder approval. If passed, the approval will exclude securities issued under the Plan, from the calculation of the utilisation of the limit during the subsequent three (3) years (ASX Listing Rule 7.2 exception 13).

Executive remuneration in the Company is determined by the Non-Executive members of the Board, taking consideration of relevant market practices and the circumstances of the Company, on an annual basis.

It is the view of the Non-Executive members of the Board that it is in the interests of Shareholders for selected Executives, Directors, and other employees (**the Participants**) to receive part of their remuneration in the form of equity.

The Plan represents a modernisation of the available equity instruments and terms, aligned with current regulations and market best-practices. Equity interests are designed to form a significant component of variable remuneration for executives by facilitating long term variable remuneration (**LTVR**), and the deferral of short term variable remuneration (**STVR**) into equity, as well as potentially fixed remuneration or retention variable remuneration from time to time. It is the view of the Board that the holding of such equity creates alignment between Shareholder interests and the interests of Participants. If approved, grants under the Plan will facilitate the Company providing appropriate, competitive, and performance-linked remuneration to the employees. The Board seeks to ensure that grants are made at a level that will appropriately position remuneration outcomes when compared to the market, in accordance with the Company's remuneration policies, and appropriate to the circumstances of the Company at the time. The Board receives independent expert advice from time to time to support this objective.

Non-Executive Directors are not eligible to participate in the Plan and this is intended to support their independence in providing governance oversight for this component of remuneration.

A summary of the main features of the Plan is set out below.

#### Instrument

The Plan uses Indeterminate Rights which are an entitlement to the value of a Share (less any Exercise Price) which may be satisfied either in cash and/or in Shares (at the Board's discretion), unless otherwise specified in an Invitation. Generally, it is expected that exercised Rights will be satisfied in the form of Shares or Restricted Shares (ordinary fully paid share in the Company that may be subject to Specified Disposal Restrictions).

The Plan allows for three classes of Rights which may be appropriate forms of remuneration under various circumstances, being:

- Performance Rights which vest when performance conditions have been satisfied and will generally be used for the purpose of granting LTVR to executives,
- Service Rights which vest after completion of a period of service and which will generally be used as a retention incentive below the executive level if and when appropriate, or as part of fixed remuneration, and
- Restricted Rights which are vested at grant but which may have Exercise Restrictions and or Specified Disposal Restrictions that extend to the Shares that result from the exercise of Rights (**Restricted Shares**), and will generally be used to defer earned remuneration from time to time e.g. to defer STVR.

When an Exercise Price greater than nil is specified in an Invitation the Rights are Share Appreciation Rights (**SARs**) that only produce value when the Share Price exceeds the Exercise Price at the time of Exercise i.e. equivalent to an option. They may be Performance SARs, Service SARs or Restricted SARs under the foregoing classes of Rights.

#### Terms and Conditions

The Board has the discretion to set the terms and conditions on which it will offer Rights under the Plan, including the terms of Invitations.

Performance Rights and Service Rights (including when they are Share Appreciation Rights) are subject to Vesting Conditions. In the case of Performance Rights (including Share Appreciation Rights) the Vesting Conditions are intended to be challenging and linked to indicators of sustainable value creation for Shareholders.

The terms and conditions of the Plan include those aspects legally required as well as terms addressing exceptional circumstances, such as a de-listing, a major return of capital to Shareholders, including the treatment of Rights and Restricted Shares on termination of employment.

The Plan contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the Plan.

#### Variation of Terms and Conditions

To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary or amend the terms and conditions of the Plan.

#### Eligibility

Eligible Persons selected by the Board will be invited to participate in the Plan. Eligible Persons includes full time and part-time employees, Executive Directors and contractors, but excludes Non-Executive Directors.

## EXPLANATORY MEMORANDUM (CONT)

### Term

Each Invitation will specify the Term of Rights, as determined by the Board, and if a Right is not exercised within the Term, the Right will lapse. The maximum term allowable is 15 years, which is based on the maximum tax deferral period in Australia.

### Number of Rights

The number of Rights specified in an Invitation will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the Participant's fixed remuneration, an appropriate volume weighted average price (**VWAP**), relevant market practices and the relevant policies of the Company regarding remuneration, such that total remuneration is appropriate in both quantum and structure.

### Measurement Period

The Measurement Period is the period over which vesting conditions are assessed and may be determined by the Board as part of each Invitation but will generally be three years for Performance Rights, starting from the beginning of the first financial year in the Measurement Period (including for Performance SARs).

### Vesting Conditions

Vesting Conditions are to be determined by the Board as part of each Invitation.

Performance Rights will vest based on selected measures of Company performance and service with the Company. They are intended to create alignment with indicators of Shareholder value creation over the Measurement Period.

Service Rights will vest based on periods of service with the Company only and will generally relate to annual remuneration cycles when granted as part of fixed remuneration.

Restricted Rights do not have Vesting Conditions and are fully vested at grant but are subject to disposal restrictions. The disposal restrictions may extend to the Restricted Shares that result from exercising Restricted Rights, as appropriate to circumstances. This is likely to be used where the application of vesting conditions is not appropriate e.g., in the case of deferred STVR awards for executives.

### Gates

The Board may attach Gates to tranches of Performance Rights. A Gate is a condition that, if not fulfilled, will result in nil vesting of a tranche regardless of performance in relation to the Vesting Conditions.

### Cost of Rights and Exercise Price

No amount is payable by Participants for Rights unless otherwise determined by the Board. Rights are intended to form part of the annual remuneration package appropriate to each Participant.

No Exercise Price is payable by a Participant to exercise Rights under the Rules. However, as part of the terms of an Invitation the Board may determine that a notional Exercise Price applies, which will be deducted from the value of a Share in determining the Exercised Rights Value i.e., creating a cashless exercise option or Share Appreciation Right/SAR which functions identically to an option, but is less dilutive than traditional options from a Shareholder perspective.

### Exercise of Vested Rights

The Exercise Price for Performance Rights is nil. Vested Rights may be exercised at any time between the latter of the Vesting Date and the elapsing of any Exercise Restrictions specified in the Invitation, and before the end of their Term. In order to exercise vested Rights, a Participant must validly submit an Exercise Notice.

On exercise of vested Rights, the Board will determine the Exercised Rights Value and the extent to which that value is to be provided in the form of cash, and/or Shares or Restricted Shares. The result will be advised to Participants in a Settlement Notice.

To the extent that the Exercised Rights Value is to be delivered in Restricted Shares, the Board will arrange for such Shares to be obtained and subsequently transferred to Participants or held by a trustee for their benefit.

Any portion of the value of the Exercised Rights Value that is to be delivered in the form of cash will be paid through payroll with PAYG tax being deducted (as well as any other deductions that may be applicable or required by law).

For Participants outside of Australia, the Invitation may specify an automatic exercise date, to comply with local regulatory and tax conditions.

### Exercise Restrictions

An Invitation may specify a period of Exercise Restrictions during which Rights may not be exercised, even if vested.

For Restricted Rights which are fully vested at grant, Exercise Restrictions apply for at least 90 days following the Grant Date.

### Disposal Restrictions

Rights may not be disposed of or otherwise dealt with at any time, except by force of law.

Shares acquired via a new issue without a prospectus or other disclosure document may not be sold or otherwise dealt with for a period of 12 months following the issue unless section 707 of the Corporations Act does not apply for any reason including the relief provided under Class Order 14/1000.

All Shares acquired by Participants or held by the trustee of the Employee Share Trust (**EST**) for the benefit of Participants as a consequence of the exercise of Rights are generally initially Restricted Shares, and shall be subject to a disposal restriction being that such Shares may not be sold or disposed of in any way until their sale would not breach either:

- a) the Company's share trading policy; or
- b) Division 3 of Part 7.10 of the Corporations Act (insider trading restrictions which in essence make it an offense to sell Shares when Participants hold price sensitive information not available to the public); and
- c) following expiry of the Specified Disposal Restriction, if any, applicable to the Restricted Shares.

The Company will ensure that such restrictions are enforced due to the presence of CHESS holding locks or alternatively by any trustee of an Employee Share Trust that may be engaged in connection with the Plan.

### Specified Disposal Restrictions

Invitations may include Specified Disposal Restrictions that apply for a specified period to Restricted Shares that result from the exercising of Rights or Rights. The Board will decide whether to include such conditions and the period for which they will apply.

### Disposal and Exercise Restriction Release at Taxing Point

In the event that a taxing point arises in relation to Restricted Rights or Restricted Shares and the Exercise Restrictions or Specified Disposal Restrictions have not elapsed then they will cease to apply to 50% of the taxable Rights and Shares. This ensures that unreasonable tax outcomes are avoided.

## Termination of Employment

In the event of a termination of employment by the Company for cause or in the event of a resignation, all unvested Rights will be forfeited unless otherwise determined by the Board.

In other cases cessation of employment, such as retirement or redundancy, will generally result in retaining unvested Performance Rights for testing at the end of the Measurement Period, unless otherwise determined by the Board.

Following a Participant ceasing employment with the Group, 90 days after the first date that all Rights that the Participant holds are fully vested and not subject to Exercise Restrictions, all Rights they hold will be automatically exercised on a date determined by the Board, unless otherwise specified in an Invitation or the Board determines that they may be held for any remainder of the Term specified in the Invitation.

## Delisting

In the event the Board determines that the Company will be subject to a de-listing, the Vesting Conditions specified in an Invitation for Performance Rights will cease to apply and:

- a) Performance Rights constructed as Options or Share Appreciation Rights will vest 100% unless otherwise determined by the Board;
- b) unvested Performance Rights subject to a nil Exercise Price will vest in accordance with the application of the following formula to each unvested Tranche as at a date determined by the Board (**Effective Date**), noting that negative results will be taken to be nil and vesting cannot exceed 100%:

$$\begin{array}{l} \text{Number of} \\ \text{Performance} \\ \text{Rights in} \\ \text{Tranche to Vest} \end{array} = \begin{array}{l} \text{Unvested} \\ \text{Performance} \\ \text{Rights in} \\ \text{Tranche} \end{array} \times \begin{array}{l} \% \text{ of} \\ \text{Measurement} \\ \text{Period} \\ \text{Elapsed} \end{array} \times \frac{\begin{array}{l} \text{(Share Price at the Effective Date –} \\ \text{Share Price at Measurement Period} \\ \text{Commencement)} \end{array}}{\text{Share Price at Measurement Period} \\ \text{Commencement}}$$

- c) any remaining unvested Performance Rights will vest to the extent, if any, determined by the Board having regard to performance over the Measurement Period prior to the Effective Date;
- d) any unvested Performance Rights that remain following (b) and (c) will lapse, unless the Board determines that Participants may continue to hold unvested Rights following the Effective Date;
- e) some or all unvested Service Rights may vest to the extent determined by the Board in its discretion, having regard to the circumstances that gave rise to the grant of Service Rights and any remainder will lapse immediately;
- f) any unexercised Rights held by a Participant that are subject to an Exercise Restriction will cease to be so restricted on the date that the Board determines in its sole discretion; and
- g) any Specified Disposal Restrictions will be lifted, including the removal of any Company initiated CHES holding lock.

## Major Return of Capital or Demerger

In the event that the Board forms the view that a major part of the Company's assets or operations will imminently cease to be owned by the Group due to an intention to sell or separately list those assets or operations, or in the event of a major return of capital to Shareholders, the Board will determine the treatment of all vested and unvested Rights and Restricted Shares held by Participants including but not limited to vesting, lapsing and removal of Exercise Restrictions and Specified Disposal Restrictions, and the automatic exercise of vested Rights on a specific date.

## Board Discretion, Preventing Inappropriate Benefits, Fraud and Misconduct

The Board has sole discretion to determine that some or all Rights held by a Participant that are unvested or vested but subject to Exercise Restrictions, will lapse on a specified date if allowing the Rights to be retained or exercised by the Participant would, in the opinion of the Board, result in an inappropriate benefit to the Participant. Such circumstances include but are not limited to:

- a) if a Participant engages in any activities or communications that, in the opinion of the Board, may cause harm to the operations or reputation of the Company or the Board;
- b) if the Board determines that a Participant or Participants took actions that caused harm or are expected to cause harm to the Company's stakeholders;
- c) if the Board forms the view that a Participant or Participants have taken excessive risks or have contributed to or may benefit from unacceptable cultures within the Company;
- d) if the Board forms the view that Participants have exposed employees, the broader community or environment to excessive risks, including risks to health and safety;
- e) if a Participant becomes an employee of a competitor or provides services to a competitor, either directly or indirectly (as determined by the Board and unless otherwise determined by the Board);
- f) if there has been a material misstatement in the Company's financial reports, which once resolved, indicates that a larger number of Rights previously vested than should have, in light of the corrected information;
- g) if there has been a breach of the Code of Conduct or other company policies; and
- h) if the Board's standards or expectations regarding environmental, social and governance (ESG) conduct have been breached, as determined by the Board from time to time.

## Bonuses Issues, Rights Issues, Voting and Dividend Entitlements

The number of Rights held by Participants will be proportionately adjusted to reflect bonus issues so that no advantage or disadvantage arises for the Participant. Right holders will not participate in Shareholder rights issues.

Rights do not carry voting or dividend entitlements. Shares (including Restricted Shares) issued when Rights are exercised carry all entitlements of Shares, including voting and dividend entitlements.

## Quotation

Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the Plan, in accordance with the ASX Listing Rules.

## Issue or Acquisition of Shares

Shares allocated to a Participant when Rights are exercised under the Plan may be issued by the Company or acquired on or off market by a trustee whose purpose is to facilitate the operation of the plan.

## Cost and Administration

The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the Plan.

## Hedging

The Company prohibits the hedging of Rights or Shares subject to disposal restrictions by specified Participants.

# EXPLANATORY MEMORANDUM (CONT)

## Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 5:

- a) favour of Resolution 5 by or on behalf of a person who is eligible to participate in the Plan or any of their associates, regardless of the capacity in which the vote is cast; or
- b) as proxy by a person who is a member of the Key Management Personnel on the date of the AGM or a Closely Related Party of such a member, unless the vote is cast on Resolution 5;
- c) as proxy or attorney for a person entitled to vote on Resolution 5 in accordance with a direction given to the proxy or attorney to vote on Resolution 5 in that way; or
- d) as proxy for a person entitled to vote on Resolution 5 by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy as the Chair decides; or
- e) by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on Resolution 5; and
  - b. the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Key Management Personnel** and **Closely Related Party** have the same meaning as set out in the voting exclusion statement in Resolution 1.

For purposes of ASX Listing Rule 7.2 Exception 13, the maximum number of equity securities that may be issued under the Plan following approval of this resolution is 42,909,485<sup>1</sup> (being 5% of the Company's issued Shares).

Shareholder approval of this resolution is only available to the extent that:

- a) the number of equity securities issued under the Plan does not exceed the maximum number of securities proposed to be issued as set out in Resolution 5; and
- b) there is no material change to the terms of the Plan as set out in this Notice of Meeting.

**Recommendation:** The Directors of the Company are not eligible to participate in the Plan and unanimously recommend that Shareholders vote **FOR** Resolution 5.

The Chairperson will vote undirected proxies **FOR** this resolution. If holders of ordinary securities do not approve this resolution, issues under the plan will count towards the 15% limit in Listing Rule 7.1, that may be made without Shareholder approval.

## RESOLUTION 6

### ISSUE OF RIGHTS TO CHIEF EXECUTIVE OFFICER

Approval is sought for the issue to Mr Robert Bishop of the following performance rights and service rights (**Rights**) under the New Hope Corporation Limited Rights Plan (**Rights Plan**), as a Long-Term Incentive (**LTI**) and Special Short-Term Incentive (**SSTI**) (granted on 20 September 2022). The SSTI is intended to be a one-off grant of Rights to recognise outstanding performance outcomes during FY22:

#### LTI PERFORMANCE RIGHTS

| PERFORMANCE PERIOD | LTI VALUE | 5 DAY VWAP | VESTING DATE | NUMBER OF PERFORMANCE RIGHTS |
|--------------------|-----------|------------|--------------|------------------------------|
| FY22 – 25          | \$299,633 | \$1.9005   | 1/8/25       | 171,978                      |
| FY21 – 24          | \$353,828 | \$4.1148   | 1/8/24       | 315,318                      |

#### SSTI SERVICE RIGHTS

| PERFORMANCE PERIOD | SSTI VALUE | 5 DAY VWAP | VESTING DATE | NUMBER OF SERVICE RIGHTS |
|--------------------|------------|------------|--------------|--------------------------|
| FY22 – 23          | \$226,259  | \$4.1148   | 1/8/23       | 54,987                   |

The grant of Rights and allocation of shares on vesting of those Rights to the Chief Executive Officer does not require Shareholder approval under ASX Listing Rule 10.14 because Mr Bishop is currently the Chief Executive Officer of the Company and not a Director of the Company. However, the Company is seeking Shareholder approval at this meeting in the interests of transparency and good corporate governance. Rights have been granted, however, if not approved, the Board will consider exercising its discretion to lapse the Rights and replacing the Rights with an alternative form of incentive based remuneration.

The key terms for the issue of LTI Performance Rights are set out below:

#### Instrument

The Performance Rights are indeterminate Rights which may be settled in either cash and/or in Shares (at the Board's discretion). Generally, it is expected that vested Rights will be settled Shares/ Restricted Shares.

#### Performance Conditions

The Performance Rights are subject to six performance measures that will be tested separately at the end of the Measurement Period:

- a) Ranked TSR (**rTSR**) – 55%
- b) Comparative Costs Control – 15%
- c) Company Strategic Objectives – 7.5%
- d) ESG Objectives – 7.5%
- e) Safety Objectives – 7.5%
- f) Risk Management Objectives – 7.5%

#### Measurement Period

The Measurement Period is three years. Specific Measurement Periods to each grant are summarised in the table above.

<sup>1</sup> As at 5 October 2022

## Vesting Schedules

### Ranked TSR – 55% weighting

| PERFORMANCE LEVEL | COMPANY'S TSR <sup>1</sup> OVER MEASUREMENT PERIOD | VESTING % OF TRANCHE |
|-------------------|----------------------------------------------------|----------------------|
| Stretch           | P75                                                | 100%                 |
| Target            | P50                                                | 50%                  |
| Below Target      | < P50                                              | 0%                   |

Pro-rata vesting between Target and Stretch on a straight-line basis.

<sup>1</sup> TSR comparator companies include ASX100-200 energy companies and other listed global coal producing companies.

### Comparative Cost Control – 15% weighting

| PERFORMANCE LEVEL | BENGALLA MINE'S RELATIVE COST POSITION* | VESTING % OF TRANCHE |
|-------------------|-----------------------------------------|----------------------|
| Stretch           | ≤ 4%                                    | 100%                 |
| Target            | = 7%                                    | 50%                  |
| Threshold         | =10%                                    | 25%                  |
| Below Threshold   | > 10%                                   | 0%                   |

Pro-rata vesting between Target and Stretch and Threshold and Target on a straight-line basis.

\* Bengalla Mine's cost positive relative to Australia's top 40 export thermal coal mines.

### Company Strategic Objectives – 7.5% weighting

| PERFORMANCE LEVEL | COMPANY STRATEGIC OBJECTIVES | VESTING % OF TRANCHE |
|-------------------|------------------------------|----------------------|
| Stretch           | Exceeded                     | 100%                 |
| Target            | Achieved                     | 50%                  |
| Threshold         | Minimum                      | 25%                  |

There is no pro-rata vesting between performance levels.

#### Where:

**Exceeded** = operational performance and returns from transactions executives materially exceed transaction objectives.

**Target** = transactions executives achieve target returns and synergies.

**Threshold** = implementation of strategic plan actions.

### ESG Objectives – 7.5% weighting

| PERFORMANCE LEVEL | ESG OBJECTIVES                         | VESTING % OF TRANCHE |
|-------------------|----------------------------------------|----------------------|
| Stretch           | Material improvement in ESG practices  | 100%                 |
| Target            | Achieve key actions from ESG advisory  | 50%                  |
| Threshold         | Implement ESG advisory recommendations | 25%                  |

There is no pro-rata vesting between performance levels.

### Safety Objectives – 7.5% weighting

| PERFORMANCE LEVEL | SAFETY OBJECTIVES                                           | VESTING % OF TRANCHE |
|-------------------|-------------------------------------------------------------|----------------------|
| Stretch           | Material improvement in safety metrics <sup>1</sup>         | 100%                 |
| Target            | Improvement in safety metrics <sup>2</sup>                  | 50%                  |
| Threshold         | Implementation of recommended safety practices <sup>3</sup> | 25%                  |

There is no pro-rata vesting between performance levels.

<sup>1</sup> and third-party audit confirms effectiveness of safety governance and due diligence practices.

<sup>2</sup> and safety metrics remain below industry average.

<sup>3</sup> and no fatalities during the Measurement Period caused by failure of Company Health and Safety Management System

### Risk Management Objectives – 7.5% weighting

| PERFORMANCE LEVEL | RISK MANAGEMENT OBJECTIVES                                                              | VESTING % OF TRANCHE |
|-------------------|-----------------------------------------------------------------------------------------|----------------------|
| Stretch           | Third-party audit confirms effectiveness of the Risk Framework & Practices <sup>1</sup> | 100%                 |
| Target            | Third-party audit confirms compliance with Risk Framework & Practices <sup>2</sup>      | 50%                  |
| Threshold         | Implement recommendations from the Risk Framework & Practices review                    | 25%                  |

There is no pro-rata vesting between performance levels.

<sup>1</sup> at an industry best practices level.

<sup>2</sup> and all material risk actions completed on time as per framework deadlines.

The key terms for the issue of SSTI Service Rights are set out below:

#### Instrument

The Service Rights are indeterminate Rights which may be settled in either cash and/or in Shares (at the Board's discretion). Generally, it is expected that vested Rights will be settled Shares/Restricted Shares.

#### Vesting Conditions

The Service Rights are not subject to any performance conditions. However, continued service during the Measurement Period is a requirement for Rights to become eligible to vest.

#### Measurement Period

The Measurement Period is the 12-month period from 1 July 2023 to 30 June 2024.

## EXPLANATORY MEMORANDUM (CONT)

The following terms apply to all SSTI and LTI Rights:

### Cost of Rights

No amount is payable by Mr Rob Bishop for the Rights as their value forms part of his Total Remuneration Package. The value that may be realised is a function of the performance against Vesting Conditions and the market value of a Share at the time of sale of any Shares that result from exercise the Rights.

### Term

Each Right has a Term of 15 years from the Grant Date, and if not exercised within that Term, the Rights will lapse.

### Vesting Date

Rights will typically vest following completion of the Measurement Period based on an assessment of the Vesting Conditions as determined by the Board. However, Rights may vest before the end of the Measurement Period in some circumstances (such as in the case of delisting).

### Exercise & Exercise Price

The Exercise Price for the Rights is nil.

Vested Rights may be exercised at any time between the latter of the Vesting Date and the elapsing of any specified Exercise Restrictions, and before the end of their Term (being 15 years from the Grant Date).

### Disposal Restrictions

Rights may not be disposed of or otherwise dealt with at any time, except by force of law.

Shares acquired on the exercise of Rights are initially Restricted Shares subject to the following disposal restrictions:

- a) The Company's share trading policy, or
- b) Insider Trading provisions, and
- c) Section 707 of the Corporations Act concerning the 12-month on sale restrictions

### Cessation of Employment

In the event of termination of employment by the Company for cause, or in the event of resignation, all unvested Rights will be forfeited unless otherwise determined by the Board. In other situations, such as retirement or redundancy, unvested Rights will generally be retained for testing at the end of the Measurement Period, unless otherwise determined by the Board.

### Change of Control

Unless otherwise determined by the Board, in the event of a Change of Control, unvested Rights will vest based on a pro-rata basis of the Measurement Period elapsed as well the [change in Share Price from the start of the Measurement Period to a date determined by the Board.

### Malus & Clawback Provisions

The Board has sole discretion to determine that some or all unvested Rights and vested Rights subject to Exercise Restriction held by a Participant lapse on a specified date if allowing the Rights to vest or allowing the vested Rights to be exercised would, in the opinion of the Board, result in an inappropriate benefit to the Participant. Such circumstances include material misstatement, fraud, and gross misconduct etc.

Mr Rob Bishop's Total Remuneration Package is set out in the Company's Annual Report for FY22, and may be summarised as follows:

- a) Fixed Pay of \$956,292,
- b) A Short Term Variable Remuneration at Target of \$334,702,
- c) A Long Term Variable Remuneration at Target of \$353,828,
- d) The Total Remuneration Package at Target is therefore \$1,644,822.

No securities have been previously issued to Mr Bishop under the Plan.

Details of any securities issued under the scheme will be published in the subsequent Annual Report of the Company relating to the period in which the securities were issued.

Any persons covered by Listing Rule 10.14 and not named in this Notice of Meeting may not participate in the Plan until approval is obtained for them under Listing Rule 10.14.

Other terms of the Rights Plan are summarised in the Remuneration Report, as well as in Resolution 5 in this Notice of Meeting.

There is no consideration payable by Mr Bishop for the issue of the Performance Rights or upon conversion of the Performance Rights to shares. There are no loans offered in connection with the issue of Performance Rights.

### Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 6:

- a) in favour of the resolution by or on behalf of Mr Rob Bishop or any of his associates, regardless of the capacity in which the votes are cast; or
- b) as proxy by a member of the Company's Key Management Personnel at the date of the meeting or a Closely Related Party of such a member,  
unless the vote is cast as a proxy for a person entitled to vote on Resolution 6;
- c) as proxy or attorney for a person entitled to vote on Resolution 6 in accordance with a direction given to the proxy or attorney to vote on the resolution in that way; or
- d) by the Chairman of the meeting as proxy for a person entitled to vote on the resolution, pursuant to an express authorisation to exercise the proxy as the Chairman decides; or
- e) by a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - a. the beneficiary provides written confirmation to the Securityholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution in Resolution 6; and
  - b. the Securityholder votes on the resolution in accordance with directions given by the beneficiary to the Securityholder to vote in that way.

**Key Management Personnel and Closely Related Party** have the same meaning as set out in the voting exclusion statement in Resolution 1.

**Recommendation: The Directors recommend you vote FOR Resolution 6.**

## RESOLUTIONS 7 AND 8

A small number of Shareholders (117) holding approximately 0.013% of the shares on issue in the Company have proposed Resolutions 7 and 8 under section 249N of the Corporations Act. These Shareholders have also requested pursuant to section 249P of the Corporations Act that the statements set out below be provided to Shareholders.

Whilst the Board recognises the right of Shareholders to requisition resolutions, the Board does not recommend you vote in favour of these resolutions as the Board considers they are neither necessary nor in the best interests of the Company and its Shareholders.

The Company acknowledges the importance of providing transparency to our Shareholders and other key stakeholders regarding our approach to identifying and managing climate-related risks and opportunities, and our financial and operating resilience. The Company has provided detailed disclosure on these matters in its Sustainability Reports, in the Annual Report released with this Notice of Meeting, and in the Company's Climate and Global Energy Transition Statement published on the Company's website.

**Recommendation:** The Directors recommend you vote **AGAINST** Resolution 7 and 8.

## RESOLUTION 7

### AMENDMENT TO CONSTITUTION

The Company is legally required to circulate the below statement regarding Resolution 7 to Shareholders. However, the Board does not endorse and is not responsible for the contents of the following statement or for any inaccurate or misleading statements contained in it.

### SUPPORTING STATEMENT

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions. For example, in the UK Shareholders can consider resolutions seeking to explicitly direct the conduct of the Board. In the US, New Zealand and Canada Shareholders can consider resolutions seeking to advise their Board as to how it should act. Typically, unless the Board permits it, Australian Shareholders cannot follow the example of their UK, US, New Zealand or Canadian counterparts in this respect.

<sup>2</sup> <https://www.netzeroassetmanagers.org/>

<sup>3</sup> <https://www.iea.org/reports/net-zero-by-2050>

<sup>4</sup> <https://www.un.org/en/climatechange/net-zero-coalition>

<sup>5</sup> <https://eisdocs.dsdp.qld.gov.au/New%20Acland%20Coal%20Mine%20Stage%203/Project%20changes/new-acland-coal-mine-stage-3-project-cg-change-report-imposed-conditions.pdf> 1

<sup>6</sup> <https://www.iea.org/reports/net-zero-by-2050>; <https://productiongap.org/2021report/>; <https://www.ipcc.ch/assessment-report/ar6/>

A Board of Directors is a steward for Shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In some situations the appropriate course of action for Shareholders dissatisfied with the conduct or performance of the Board is to seek to remove Directors individually. However in many situations a better course of action is to formally and publicly allow Shareholders the opportunity at Shareholder meetings to alert Board members that the Shareholders seek more information or favour a particular approach to corporate policy.

The constitution of NHC is not conducive to the right of Shareholders to place resolutions on the agenda of a Shareholder meeting. This is contrary to the long-term interests of NHC, its Board and Shareholders.

Passage of this resolution – to amend the NHC constitution – will simply put NHC in a similar position in regard to Shareholder resolutions as any listed company in the UK, US, Canada or New Zealand.

We encourage Shareholders to vote in favour of this resolution.

[END OF SECTION 249P STATEMENT]

## RESOLUTION 8

### CAPITAL PROTECTION

The Company is legally required to circulate the below statement regarding Resolution 8 to Shareholders. However, the Board does not endorse and is not responsible for the contents of the following statement or for any inaccurate or misleading statements contained in it.

### SUPPORTING STATEMENT

To “help deliver the goals of the Paris Agreement”, and recognising the unacceptable financial risks posed by global warming, investors with more than US\$61.3 trillion in assets under management have committed to the goal of net zero greenhouse gas emissions by 2050 or sooner.<sup>2</sup>

The rapid transition required to meet this goal presents existential financial risks to our company. The International Energy Agency's (IEA) seminal Net Zero by 2050 (NZE2050) scenario highlights these risks, projecting steeply declining coal demand over the next three decades.<sup>3</sup>

The likelihood of these risks materialising is rapidly increasing, with more than 70 countries representing approximately 76% of global emissions – including the vast majority of NHC's current markets – having already set a net zero emissions target.<sup>4</sup>

NHC is pursuing the ~AU\$1 billion New Acland Stage 3 expansion project<sup>5</sup> and is continuing further coal exploration despite overwhelming scientific evidence demonstrating new or expanded coal mines are incompatible with the climate goals of the Paris Agreement.<sup>6</sup>

## EXPLANATORY MEMORANDUM (CONT)

This resolution is therefore in the best interests of Shareholders and the company, as it requests our Board and Management explain how capital expenditure and operations will be managed in a way that maximises Shareholder returns and minimises stranded asset risk as the world moves to meet its climate commitments.

### Markets Disappearing

NHC uses Wood Mackenzie's "base case" scenario to suggest there is an emerging supply gap in the global seaborne coal market.<sup>7</sup> This scenario sees demand staying mostly flat this decade, whereas NZE2050 shows global coal trade must fall more than half by 2030.

NZE2050 models:<sup>8</sup>

- Unabated coal demand falling by over 98% by 2050;
- Unabated coal power phased out in developed economies by 2030 and globally by 2040;
- "No new coal mines or mine extensions are required"; and
- "Demand for coking coal falls at a slightly slower rate than for steam coal, but existing sources of production are sufficient to cover demand through to 2050".

Any further investment to expand or extend coal production therefore faces stranding under NZE2050.

National net zero commitments indicate NHC's current major export markets are set to rapidly shrink. Representing over 80% of NHC's FY21 revenue,<sup>9</sup> Japan, Korea, Taiwan, Australia and Chile have committed to achieving net zero emissions by 2050.<sup>10</sup>

NHC predicts future demand to be underpinned by coal-fired power generation across Asia.<sup>11</sup> However, developments in these markets demonstrate this expectation is unrealistic.

Renewable energy is already cheaper than new coal-fired power generation across Asia and most of the world.<sup>12</sup> In India, China and South Korea, it is also cheaper to produce power from new renewable energy power plants than existing coal-fired power plants and this milestone is predicted to be achieved in Japan this year and ASEAN countries by 2024.<sup>13</sup>

The pipeline of proposed coal power capacity in Southeast Asia more than halved from 2015 to 2021.<sup>14</sup> Global coal plant capacity additions fell by 57% over the same period.<sup>15</sup>

Japan is planning to close around 100 of its 140 coal-fired power plants by 2030<sup>16</sup> and has cancelled plans for any new coal power stations.<sup>17</sup> South Korea has committed to reduce emissions by 40% by 2030.<sup>18</sup> It has also announced an end to financing for overseas coal projects.<sup>19</sup>

### Increasing Stranded Asset Risk

As the global economy accelerates efforts to reach net zero emissions by 2050, NHC is planning to waste Shareholder capital on coal expansions antithetical to that goal.

NHC expanded through acquisition of a 40% stake in the Bengalla project for AU\$865 million in FY16, and a further 40% for AU\$860 million in FY19. Bengalla has approval to produce up to 15Mtpa of run-of-mine (ROM) coal out to 2039.<sup>20</sup> Meanwhile, the ~AU\$1 billion million New Acland Stage 3 project would expand that mine's production capacity to 7.5Mtpa ROM, and extend its production life by 12 years.<sup>21</sup>

NHC also continues to risk capital on other coal exploration activities. In FY20, NHC took an impairment of AU\$157 million on coal exploration and evaluation assets, which alone slashed EBITDA by 74%.<sup>22</sup> NHC has assessed 231Mt of "marketable" reserves for its Lenton, Elimatta and Taroom tenements.<sup>23</sup> Under the NZE2050 there would be no market for this coal, making these exploration assets worthless.

### Capital Preservation

NHC is currently enjoying a period of high prices and earnings. This capital must be preserved and returned to Shareholders, rather than wasted on projects that would become stranded as the world moves to meet its climate commitments.

Previous periods of low demand and prices provide insight into the long-term risk facing NHC's business. After averaging US\$100/t through FY18-19, the thermal coal price fell to US\$52/t in May 2020 during the COVID-19 global pandemic. Largely due to that volatility, in FY20, NHC's after-tax profit plunged 174% year-on-year.<sup>24</sup>

In NZE2050, steam coal import prices are modelled to fall to US\$57/t in Japan by 2030, and lower still thereafter.<sup>25</sup> While thermal coal prices are currently high, many commentators recognise the sector is in terminal decline.<sup>26</sup>

Shareholders are interested in the preservation of capital, maximising future company value, and avoiding reputation risk by ensuring sites of operations are restored and employees supported in the energy transition.

We strongly encourage our fellow Shareholders to support this resolution.

[END OF SECTION 249P STATEMENT]

7 <https://newhopegroup.com.au/wp-content/uploads/0959-NHG-Sustainability-Report-WEB-FINAL.pdf>

8 <https://www.iea.org/reports/net-zero-by-2050>

9 <https://newhopegroup.com.au/wp-content/uploads/2021-Annual-Report.pdf> 51

10 <https://mainichi.jp/english/articles/20210601/p2a00m0op/014000c>;  
<https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/energy-transition/090221-south-korea-approves-bill-mandating-carbon-neutrality-by-2050>;  
[https://www.ndc.gov.tw/en/Content\\_List.aspx?n=B927D0EDB57A7A3A](https://www.ndc.gov.tw/en/Content_List.aspx?n=B927D0EDB57A7A3A);

11 <https://newhopegroup.com.au/wp-content/uploads/0959-NHG-Sustainability-Report-WEB-FINAL.pdf> 11-12

12 <https://carbontracker.org/reports/do-not-revive-coal/>

13 Ibid

14 [https://globalenergymonitor.org/wp-content/uploads/2022/04/BoomAndBust-CoalPlants\\_2022\\_English.pdf](https://globalenergymonitor.org/wp-content/uploads/2022/04/BoomAndBust-CoalPlants_2022_English.pdf) 21

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22 [https://newhopegroup.com.au/wp-content/uploads/NHG-Annual-Report\\_2020.pdf](https://newhopegroup.com.au/wp-content/uploads/NHG-Annual-Report_2020.pdf) 21

23 Ibid 16

24 Ibid 2

25 <https://www.iea.org/reports/net-zero-by-2050> 51

26 <https://ieefa.org/ieefa-update-capital-flight-from-thermal-coal-is-accelerating/>



**NEW HOPE**  
CORPORATION LIMITED

ABN 38 010 653 844

## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

NHC

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## New Hope Corporation Limited Annual General Meeting

The New Hope Corporation Limited Annual General Meeting will be held on Thursday, 24 November 2022 at 12:00pm (Sydney Time). You are encouraged to participate in the meeting using the following options:

### ACCESS THE MEETING DOCUMENTS ONLINE

Access the Notice of Meeting and other meeting documents at

<https://newhopegroup.com.au/company-news-and-performance/>

The Annual Report and other information relevant to the meeting can be found online at

<https://newhopegroup.com.au/company-news-and-performance/>

If you require a hard copy of the Notice of Meeting, please contact Computershare using the details above.



### MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:



**Control Number: 999999**

**SRN/HIN: I999999999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 12:00pm (Sydney Time) Tuesday, 22 November 2022.



### ATTENDING THE MEETING IN PERSON

The meeting will be held at:

Auditorium

Muswellbrook RSL Club

113 Bridge Street

Muswellbrook NSW 2333

For information about your communication options, please visit [www.investorcentre.com/au](http://www.investorcentre.com/au) or contact Computershare.

## Need assistance?



**Phone:**

1300 552 270 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **12:00pm (Sydney Time) on Tuesday, 22 November 2022.**

# Proxy Form

## How to Vote on Items of Business

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you leave Step 1 blank, or your named proxy does not attend the meeting or does not vote on a poll on a resolution in accordance with your instructions, the Chairman of the Meeting will be your proxy in respect of that resolution.

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company. A proxy may be an individual or a body corporate.**

**Voting restrictions for Key Management Personnel (KMP):** Please note that if you appoint a member of the KMP (which includes each of the directors) or one of their closely related parties as your proxy, they will not be able to cast your votes on Resolution 1, unless you direct them how to vote or the Chairman of the Meeting is your proxy. If you appoint the Chairman of the Meeting as your proxy or the Chairman of the Meeting is appointed as your proxy by default, but you do not mark a voting box for Resolution 1, then by completing and submitting the proxy form, you will be expressly authorising the Chairman of the Meeting to exercise your proxy in respect of Resolution 1, even though the Resolution is connected with the remuneration of the KMP.

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## PARTICIPATING IN THE MEETING

### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate of Corporate Representative prior to the meeting. A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

### Online:

Lodge your vote to proxy online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 181850**

**SRN/HIN:**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

## Proxy Form

Please mark ☒ to indicate your directions

### Step 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of New Hope Corporation Limited hereby appoint

☐ the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of New Hope Corporation Limited to be held at the Auditorium, Muswellbrook RSL Club, 113 Bridge Street, Muswellbrook NSW 2333 on Thursday, 24 November 2022 at 12:00pm (Sydney Time) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), by signing and returning this form, I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 5 and 6 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman. **Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 5 and 6 by marking the appropriate box in step 2.

### Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

**Please Note:** to fully inform shareholders in exercising their right to vote, please be aware that if the Chairman of the Meeting is appointed as your proxy (or becomes your proxy as default), the Chairman of the Meeting intends to vote available proxies in the same manner set out beside each resolution. This reflects the recommendation of the board. In exceptional circumstances, the Chair of the Meeting may change their voting intention on any resolution, in which case an ASX announcement will be made.

#### BOARD ENDORSED RESOLUTIONS

The Board recommends shareholders vote FOR Resolutions 1 to 6

- Adoption of Remuneration Report
- Re-election of Director – Mr Ian Williams
- Re-election of Director – Ms Jacqueline McGill AO
- Election of Director – Mr Steven Boulton
- Approval of New Hope Corporation Limited Rights Plan
- Issue of Rights to Chief Executive Officer

#### NON-BOARD ENDORSED RESOLUTIONS

The Board recommends shareholders vote AGAINST Resolutions 7 and 8

- Amendment to the Constitution – MARKET FORCES
- Capital Protection – MARKET FORCES

| Board Recommendation | For                      | Against                  | Abstain                  |
|----------------------|--------------------------|--------------------------|--------------------------|
| FOR                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| FOR                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| FOR                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| FOR                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| FOR                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| FOR                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| AGAINST              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| AGAINST              | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

### Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

**Update your communication details** (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically



NEW HOPE  
GROUP

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**2022** ANNUAL  
REPORT

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## Acknowledgement of Country

New Hope Group acknowledges the Traditional Owners of Country throughout Australia and First Nations people in the locations in which we operate our business. We pay our respects to Elders past and present.

## OUR VISION

Energising our People,  
Communities and Customers.

- > To deliver long-term shareholder value through responsible investment, marketing and asset management.

## OUR VALUES



### Integrity

We are ethical, honest and trusted to do the right thing.



### Respect

We listen and treat others as we expect to be treated.



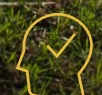
### Responsibility

We are empowered and accountable for our actions.



### Wellbeing

We all seek to prevent harm, promote safety and enhance health.



### Resilience

We are adaptable and see opportunity in change.



### Collaboration

We work together and focus on the best outcome.

# 2022 HIGHLIGHTS

FULL YEAR  
DIVIDEND

86c

PER SHARE

TOTAL SHAREHOLDER  
RETURN

147%

UNDERLYING EBITDA  
(BEFORE NON-REGULAR ITEMS)<sup>1</sup>

\$1,577 MILLION

330% INCREASE

CASH GENERATED  
FROM OPERATIONS

\$1,139 MILLION

285% INCREASE

REALISED  
COAL PRICE

\$282 / TONNE

178% INCREASE

NET  
ASSETS

\$2,316 MILLION

32% INCREASE



## SAFETY: TRIFR<sup>2</sup>

2.61

52% IMPROVEMENT

## GOVERNMENT CONTRIBUTIONS

\$626 MILLION

353% INCREASE

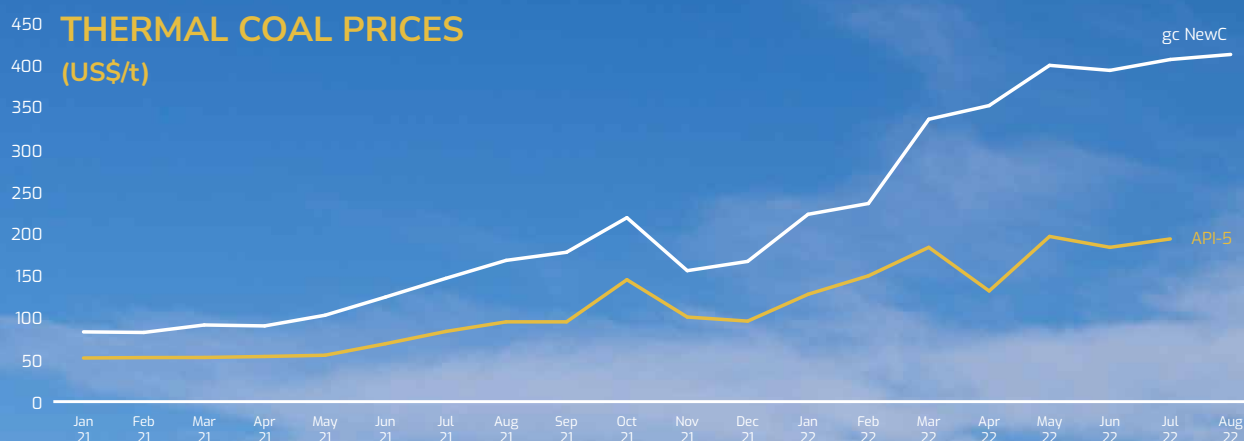
## SPONSORSHIPS AND DONATIONS

\$1.03 MILLION

206% INCREASE

## THERMAL COAL PRICES

(US\$/t)



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

2 Total Recordable Injury Frequency Rate – total injuries recorded per million hours worked.



# CHAIRMAN'S REVIEW

**The Company delivered record earnings during the 2022 financial year, based on a solid operating performance in spite of the continuing challenges of COVID-19 and the impacts of extreme wet weather on production and logistics at Bengalla, and Newcastle coal prices reaching all-time highs.**

While production at our flagship Bengalla operations remained stable, saleable coal volumes reduced during the year as New Acland was safely transitioned into care and maintenance, awaiting approvals for the Stage 3 development.

From 31 July 2021, Newcastle coal prices (gC NEWC 6000) began trending upwards from approximately US\$150 per tonne. Following conflict in Ukraine and concerns about global energy security, the Newcastle index price for the fourth quarter of the financial year reached a record of US\$404.99. Demand for high quality, low emission thermal coal remains strong and is expected to be sustained with the ban on Russian coal taking effect in August 2022.

The Company delivered an impressive full year profit before tax and non-regular items of \$1,421.6 million and a closing share price on 31 July 2022 of \$4.39 which is an increase of 120 per cent on the 2021 financial year. The full year dividend to shareholders was 86.0 cents per share, after the Board declared a final dividend of 31.0 cents per share and a special dividend of 25.0 cents per share, fully franked. The combination of capital growth and dividends equates to a Total Shareholder Return for the year of 147 per cent.

Strengthening operating cashflows throughout the year allowed the Company to fully repay its Debt Facility and terminate the undrawn Debt Facility before its maturity in November 2023. We retain a Credit Support facility of \$300 million, which continues to be utilised to support the Company's bank guarantees, including for mining restoration and rehabilitation obligations at Bengalla. Cancelling the Debt Facility is an important step in our broader capital strategy to maximise long-term investor value and alignment to our business strategy.

The Board and management team continue to explore opportunities to expand and diversify the Company's operating portfolio, to support sustained positive returns for shareholders. At the end of the 2022 financial year, New Hope acquired a 15 per cent interest in Malabar Resources Limited for \$94.4 million. This strategic investment diversifies our asset base with an exposure to metallurgical coal from Malabar's flagship Maxwell Mine which commenced construction in May 2022 and has an estimated life of more than 25 years. The transaction aligns with our strategy to invest surplus cash into coal assets that are low on the cost curve and have long approved mine lives.

Operating in a responsible and sustainable way is fundamental to maintaining our social licence to operate and contributes to the long-term value of our business.

Since we first reported on sustainability issues in our 2017 Annual Report, we have worked to improve the quality of our sustainability reporting each year, endeavouring to provide further transparency about the environmental, social and governance matters which are most relevant to our stakeholders.

**"The Company delivered an impressive full year profit before tax and non-regular items of \$1,421.6 million."**

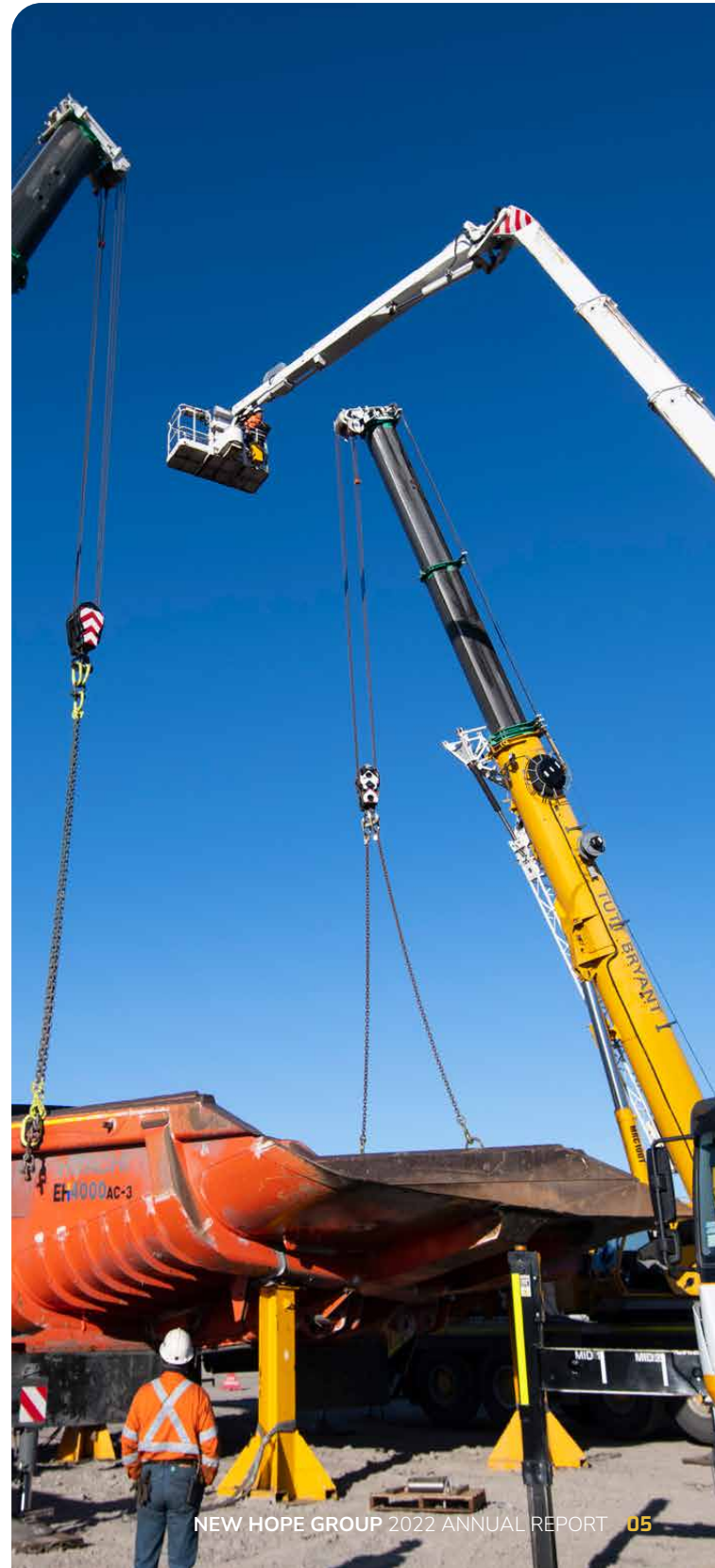
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This year we have brought our Sustainability Report back into the pages of this Annual Report. The Sustainability Report continues to provide transparent information about the way we operate and the role that we play in the communities in which we work and live.

Record coal prices undoubtedly benefited the Company's financial performance, but the positive result would not have been achieved without disciplined operational management and a capable and resilient workforce. On behalf of the Board, I would like to thank the management and staff for their continuing efforts. Thank you also to my fellow Directors for their guidance, and to our shareholders for your continuing support for the Company.



R.D. Millner  
Chairman





# CHIEF EXECUTIVE OFFICER'S REVIEW

**Solid operating performance at our cornerstone operation, Bengalla, allowed the Company to capitalise on record coal prices and deliver an impressive result for shareholders.**

I am pleased to report that safety performance across our operations continues to improve. The All Injury Frequency Rate (AIFR) was adopted as a primary safety performance metric during the year, to recognise both short and long-term risks that impact wellbeing. The twelve-month moving average AIFR at 31 July 2022 was 29.72, which represents a decrease compared to the 31 January 2022 average of 33.32. This has largely been a result of our work to increase capability across the workforce in identifying and managing the risk of injuries through supervisor development training, injury prevention activities and improved risk management practices.

We continued to monitor Total Recordable Injury Rate (TRIFR) as a secondary safety performance indicator. Very pleasingly, our 12 month moving average TRIFR declined from 5.41 to 2.61 year on year. Special mention must be made of our New Acland Mine team, which has been injury free since July 2021. This is a significant achievement given the risk of distraction in the workforce with the phase-down to care and maintenance occurring during the period. I thank the New Acland Mine team for their ongoing focus on safe operations and achieving an exceptional safety performance outcome.

While these safety performance outcomes are a positive result for workplace health and safety, it is important that we continue our efforts to reduce all safety risks across the business in the year ahead. We will maintain our pursuit of continuous improvement in safety practices and outcomes. We have a range of improvement initiatives we intend to progress which are designed to further reduce hazards and risk in our operations and improve our practices and safety performance outcomes.

The Company reported underlying EBITDA of \$1,577 million, which was an increase of 330 per cent on the previous financial year (2021: \$367 million). Rising Newcastle coal prices throughout the year were instrumental to the record financial outcome, backed by another solid operational performance and in spite of adverse weather and COVID-19 labour disruptions.

Run of mine (ROM) coal production across our operations totalled 9.978 million tonnes. This was a 29 per cent decrease from last financial year, mostly as a result of New Acland operations winding down and transitioning to care and maintenance. Production at Bengalla, our flagship operation, was 11.7 million tonnes ROM compared to 10.0 million tonnes in 2020/21. This is a positive result in light of rain events in the Hunter Valley which impacted production as well as the rail line to the Port of Newcastle, and pandemic related labour shortages across the business and supply chain.

Saleable coal production for the year totalled 7.9 million tonnes, compared with 9.6 million tonnes in 2020/21. Saleable coal production at Bengalla was down only 3 per cent, with the operation losing nearly 60,000 truck hours to the effects of poor weather and COVID-19. The completion of Stage 2 operations at New Acland also contributed to the decrease.

We realised sales of 8.8 million tonnes for the year, compared to 9.6 million tonnes in the previous year. Purchased coal supported sales, and allowed us to capitalise on favourable pricing and ensure secure supply for our long-term customers during a period of constrained supply.

Our average sales price during the year was a record for the Group, at \$281.8 per tonne compared to \$101.36 per tonne last year. Demand for our high quality, low emission coal was robust in the first half of the financial year, and strengthened as a result of supply constraints as a result of the war in Ukraine. The current energy crisis has highlighted the need for increased domestic supply and we have responded by increasing domestic sales. Security of supply is vital for our customers, and our forward order book is mostly sold and optimally priced for the current financial year.

**"I am pleased to report that safety performance across our operations continues to improve."**

Production at Bengalla will increase from 12.6Mtpa to 13.4Mtpa over the next two years in response to strong and sustained demand for high quality, low emission thermal coal. This is an important growth project for the Company and we have made substantial commitments to increase mining and ancillary fleet and capacity in our coal handling and processing plant as well as supporting site infrastructure.

We continue to assess opportunities to secure additional resources and reserves, to extend the economic life of the mine, and the Company has also been granted an Exploration Licence for an area adjoining the western side of the Bengalla mining lease.

On 28 June 2022, the Department of Environment & Science issued the Environmental Authority for New Acland Stage 3. After the reporting period, on 26 August 2022, the Minister for Resources granted the Stage 3 mining leases. We are continuing to work with the Department of Regional Development, Manufacturing and Water to secure the Associated Water Licence which will be the final approval to allow mining operations to re-commence. The mine management team are progressing rehabilitation of Stage 2 operations and working on a restart plan that would minimise the time to first coal. We hope that final approvals are granted in the near future, which would allow us to offer new opportunities to local workers and suppliers, for the benefit of the region.

Oil production from Bridgeport Energy totalled 286,514bbl, a nine per cent decrease from the previous year because of the natural decline in the oil resource and delays in bringing wells online. With strengthened demand, Bridgeport achieved an increased average sale prices of US\$96.26/bbl, which was a 67 per cent increase from the previous year (2021: US\$57.77/bbl).

Cost and operational disciplines across the business position us well for the next financial year, and we expect that coal prices will remain above historical averages. These factors have contributed to strong cash generation during the year, which has given the Company additional financial flexibility to identify and pursue opportunities that align with the strategy and will support sustainable investment returns for shareholders.

I would like to thank everyone at New Hope for their hard work and focus throughout the year. I am also grateful to the Board for their diligence and guidance. Finally, thank you to our shareholders for your continued support for New Hope.



**R.J. Bishop**  
Chief Executive Officer



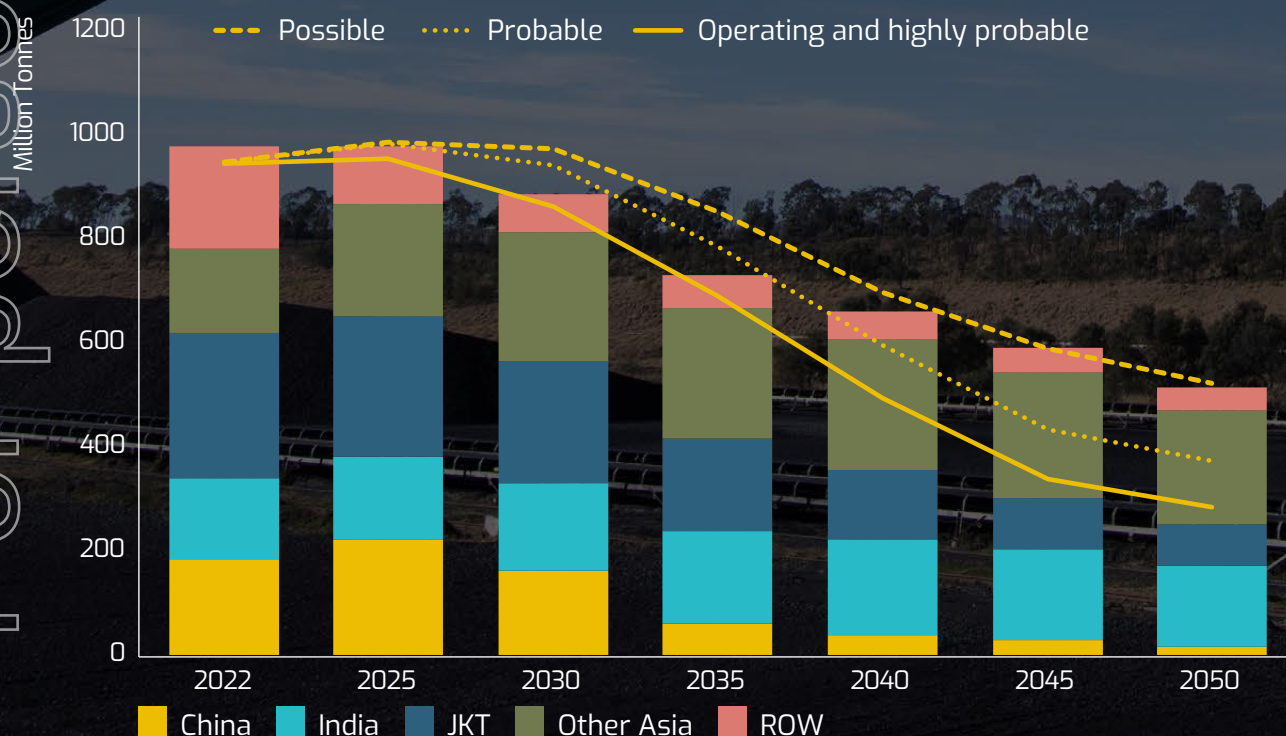
# FAVOURABLE MARKET & PRICING DYNAMICS

While global energy demand is forecast to remain flat to 2030, supply constraints are expected to support the continuation of coal prices above long-term historical averages, particularly for high energy, lower emission thermal coals.

These favourable pricing dynamics have been compounded by the war in Ukraine which has both reduced global supply and highlighted the need for greater domestic supply. The graph below illustrates the trend towards global coal demand outstripping future supply.

New Hope is well positioned to remain a robust competitor in these market conditions and continue to generate substantial returns. The Company has an established track record for effective cost management disciplines and optimising operational productivity.

GLOBAL DEMAND VS SUPPLY (BY OPERATING STATUS)



Source: Wood Mackenzie Q3 2022 dataset. Suspended supply excluded.

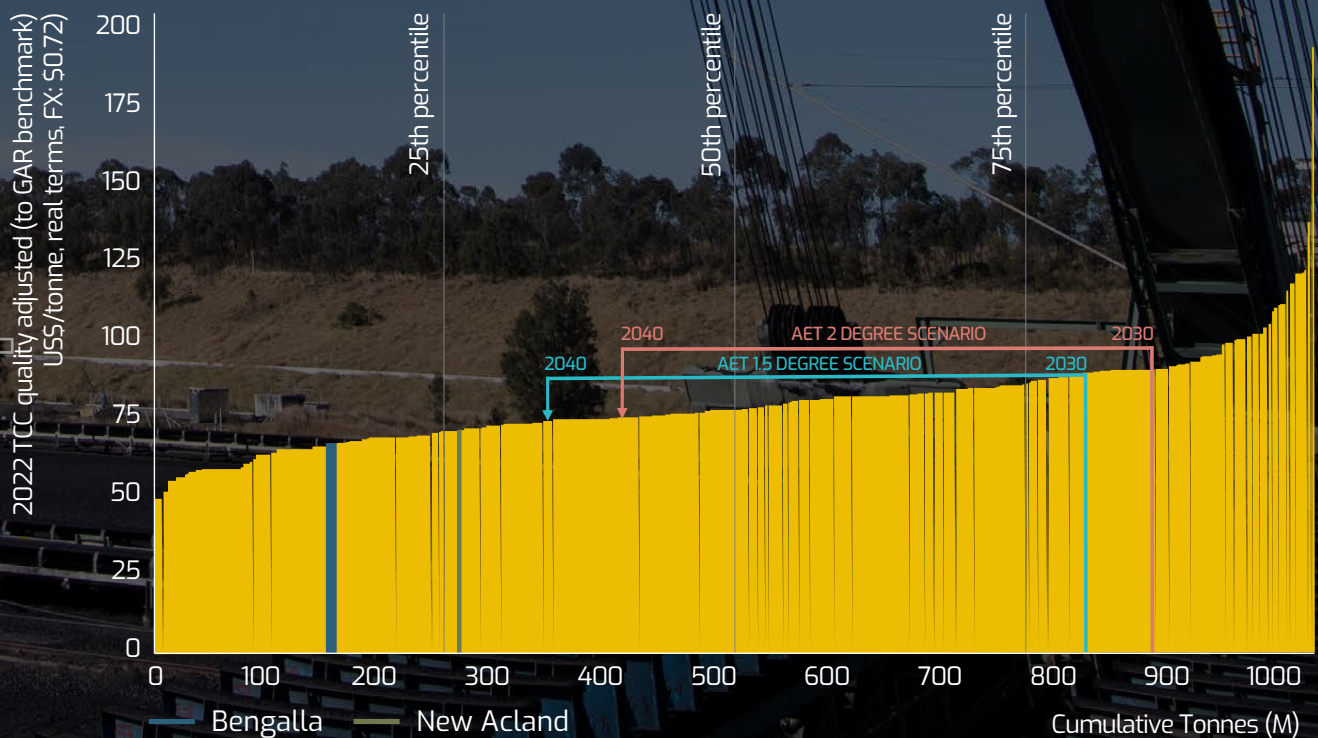
The data and information provided by Wood Mackenzie should not be interpreted as advice and you should not rely on it for any purpose. You may not copy or use this data and information except as expressly permitted by Wood Mackenzie in writing. To the fullest extent permitted by law, Wood Mackenzie accepts no responsibility for your use of this data and information except as specified in a written agreement you have entered into with Wood Mackenzie for the provision of such of such data and information.

Bengalla and New Acland are low-cost operations, which positions New Hope in the lower quartiles of the global cost curve (see graph on facing page). These two operations also produce high quality coals that tend to benefit from greater demand.

These factors ensure that, even under scenarios in which the pace of energy transition accelerates and global demand for thermal coal reduces, the Company's operations will remain relatively resilient to declining demand and create a natural hedge against business risks in a contracting market. This is outlined in the graph below, which shows the position where supply meets demand in each of 2030 and 2040 for the world to remain on a 1.5 degree and a 2 degree warming limit pathway. Our assessment of business resilience and strategy is outlined in more detail in the Company's Climate and Global Energy Transition Statement which appears in the Sustainability section of our website.

New Hope is progressing with a number of growth projects including production ramp up and further exploration at Bengalla, New Acland Stage 3 (pending final approval) and a new investment in Malabar Resources, principally the Maxwell Mine.

#### 2030 GLOBAL SEABORNE THERMAL COAL COST CURVE (QUALITY ADJUSTED)



Source: Wood Mackenzie Q3 2022 dataset. New Hope estimates for own assets. TCC refers to total cash cost. GAR refers to 'Gross as Received'. AET1.5 Scenario based on Aug 22 WM Data. AET2 Scenario based on Sep 21 WM Data.

# OUR OPERATIONS

## Coal Operations



NSW

JORC RESOURCES

**361Mt**



QLD

JORC RESOURCES<sup>1</sup>

**1,578Mt<sup>2</sup>**



## Rehabilitation

CUMULATIVE REHABILITATED LAND

**2024Ha**

## BACKGROUND

- ▶ Large scale, cost competitive mine in NSW, Bengalla Mine.
- ▶ Ramp up to 13.4Mtpa ROM underway with approvals up to 15Mtpa ROM until 2039.
- ▶ Exploration License (EL 9431) for an area of 556 hectares on the western side of Bengalla.
- ▶ 15 per cent interest in Malabar Resources.
- ▶ Flag-ship asset is Maxwell Mine, an underground metallurgical coal project located 10kms south-west of Muswellbrook.
- ▶ Life of mine greater 25 years, proved and probable reserves of 144Mt.
- ▶ Open cut truck and excavator mine in QLD, New Acland Mine.
- ▶ Stage 1 Mining Leases granted in 2001 and mining commenced 2002. Stage 2 expansion Mining Lease granted in 2006, with mining completed in the 2022 financial year.
- ▶ Currently in care and maintenance.
- ▶ Awaiting approval of water license for New Acland Stage 3.
- ▶ Core commitment to being an environmentally responsible operator.
- ▶ Best practice environmental planning and progressive rehabilitation incorporated into all phases of mining life.

## 2022 PERFORMANCE

- ▶ 7.4Mt saleable coal produced (80 per cent share).
- ▶ 9.4Mt ROM coal produced (80 per cent share).
- ▶ Underlying EBITDA<sup>1</sup> \$1,543 million.
- ▶ Realised price is \$292.8/t.
- ▶ Production completed for New Acland Stage 2.
- ▶ Underlying EBITDA<sup>1</sup> \$36.3 million.
- ▶ New Acland achieves 12 months injury free.
- ▶ Chuwar is the first Queensland coal mine to be fully rehabilitated.
- ▶ 27Ha of land rehabilitated in 2022 financial year.

1. Underlying Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA). This non-IFRS information has not been audited by Deloitte.

## Agriculture



AGRICULTURAL LAND HOLDINGS

11,600Ha

## Port Operations



THROUGHPUT CAPACITY

10Mt

## Oil and Gas



RESERVES 2P

6.2Mboe<sup>2</sup>

### BACKGROUND

- ▶ Agricultural activities at New Acland and Bengalla.
- ▶ Cropping and harvesting of sorghum, corn, wheat and lucerne.
- ▶ Cattle breeding and fattening activities undertaken on rehabilitated land.
- ▶ Operation of the handling facility at the Port of Brisbane.
- ▶ Leading bulk handling facility since 1983.
- ▶ 10 years lost time injury free.
- ▶ 24/7 operation with 10Mtpa capacity.
- ▶ Tenures held in the Cooper Basin (QLD and SA), Surat Basin (QLD) and Otway Basin (VIC).
- ▶ Tenures cover an area in excess of 11,380km<sup>2</sup>.

### 2022 PERFORMANCE

- ▶ 34 per cent increase in cattle prices since July 2021.
- ▶ 1143 head of cattle sold.
- ▶ Investment in farming equipment and silo infrastructure.
- ▶ 2.6Mt export throughput.
- ▶ 50ktpa additional stockpile capacity added for key customer.
- ▶ Supports existing coal customers, while diversifying into new commodities to maximise throughput.
- ▶ 287k barrels produced.
- ▶ EBITDA \$12.2 million, an increase of 275 per cent from 2021 financial year.
- ▶ Oil price increase 67 per cent from 2021 financial year, to US\$96.36/bbl.

2. ASX Release 20 September 2022 'Bridgeport Energy 2022 Reserves and Resources Statement'.

# DIRECTORS' REPORT

For the year ended 31 July 2022

The Directors present their report on the consolidated entity consisting of New Hope Corporation Limited ('the Company' or 'New Hope') and its controlled entities ('the Group').

## DIRECTORS

The following persons were Directors of New Hope during the year and up to the date of this report:

- ▶ Robert D. Millner
- ▶ Thomas C. Millner
- ▶ Jacqueline E. McGill AO
- ▶ Ian M. Williams
- ▶ Todd J. Barlow
- ▶ Steven R. Boulton

## PRINCIPAL ACTIVITIES

The principal activities of New Hope consisted of the development and operation of coal mines, port handling and logistics, agriculture, and oil and gas development and production.

## HIGHLIGHTS

- ▶ Net profit after tax (NPAT) of \$983.0 million (2021: \$79.4 million);
- ▶ Underlying EBITDA<sup>1</sup> result of \$1,577.4 million (2021: \$367.2 million);
- ▶ Net cash from operating activities \$1,138.6 million (2021: \$296.1 million), an increase of 285 per cent;
- ▶ 7.9Mt of saleable coal produced (2021: 9.6Mt);
- ▶ Balance of debt repaid and cancellation of syndicated debt facility at 31 July 2022;
- ▶ Department of Environment and Science issued New Acland Stage 3 Environmental Authority (28 June 2022);
- ▶ Investment of \$94.4 million to acquire a 15 per cent equity interest in Malabar Resources Limited acquired during the period;
- ▶ 2022 Interim dividend of \$141.5 million, representing 17.0 cents per share and a Special Dividend of \$108.2 million, representing 13.0 cents per share were paid during the period;
- ▶ 2022 Final dividend of 31.0 cents per share, and special dividend of 25.0 cents per share, fully franked and payable 8 November 2022; and
- ▶ NHC Closing share price at 31 July 2022, \$4.39 (2021: \$1.995), representing a 120 per cent increase.



<sup>1</sup> Underlying Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and Non-Regular Items are a non-IFRS measures. This non-IFRS information has not been audited by Deloitte.

## HIGHLIGHTS (CONTINUED)

|                                                                 | 2022<br>\$000 | 2021<br>\$000 |
|-----------------------------------------------------------------|---------------|---------------|
| Statutory Revenue                                               | 2,552,395     | 1,048,239     |
| Statutory Profit after tax                                      | 983,009       | 79,350        |
| Underlying EBITDA <sup>1</sup>                                  | 1,577,357     | 367,197       |
| Impairment of Queensland Coal Mining Assets                     | –             | (40,259)      |
| Impairment of Coal Exploration and Evaluation Assets            | (4,989)       | (1,618)       |
| Onerous Contracts                                               | –             | (37,276)      |
| New Acland Ramp Down <sup>2</sup>                               | –             | 11,393        |
| Group Redundancies                                              | (5,491)       | (15,733)      |
| Liquidation Related Expenses                                    | (9,823)       | (2,620)       |
| Strategic Growth and M&A                                        | (650)         | (1,370)       |
| Debt Waiver Consent Fees                                        | –             | (1,110)       |
| Total Non-Regular Items                                         | (20,953)      | (88,593)      |
| EBITDA                                                          | 1,556,404     | 278,604       |
| Financial Income and Expenses <sup>3</sup>                      | (14,630)      | (18,531)      |
| Depreciation and amortisation                                   | (141,136)     | (149,353)     |
| Statutory Profit before Tax                                     | 1,400,638     | 110,720       |
| Net Profit before Tax and before Non-Regular Items <sup>1</sup> | 1,421,591     | 199,313       |

<sup>1</sup> Underlying Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and Net Profit before Tax (NPBT) and before Non-Regular Items are non-IFRS measures. This non-IFRS information has not been audited by Deloitte.

<sup>2</sup> New Acland Ramp Down represents a change in coal stock inventory valuation following the increase in coal prices during 2021 financial year.

<sup>3</sup> Financial Income and Expenses comprises statutory finance income and expenses minus unwinding of discount on provisions and commitment fees on loan facility. Refer to Note 20D.



# OPERATING AND FINANCIAL REVIEW

The Company reported a NPBT and before Non-Regular Items of \$1,421.6 million for the financial year ended 31 July 2022 (2021: \$199.3 million). This represents a 613 per cent increase from the comparative period (2021). The primary drivers contributing to the NPBT and before Non-Regular Items result include:

- ▶ An increase in average A\$ realised prices to A\$281.84/t in 2022 from A\$101.36/t in 2021. Thermal coal prices continued to increase from July 2021 levels, which materialised into strong revenue generation over the reporting period. The quarter four average realised price was A\$493.52.
- ▶ Underlying Free On Board (FOB) costs of A\$93.54/t (2021: A\$56.85/t), including trade coal purchases of \$26.9/t and excluding royalties.

Underlying Free on Rail (FOR) costs of \$47.04/t (2021: \$36.53/t). Amid supply chain constraints, inflationary pressures and inclement weather, the Company has remained focused on sustaining previously embedded cost reduction measures to ensure Company profits are maximised.

- ▶ Gross revenue from coal sales increased in 2022 to \$2,488.9 million from \$1,006.0 million in 2021. This represents a 147 per cent increase based on record high prices. Gross revenue from oil sales increased in 2022 to \$33.5 million from \$22.2 million in 2021 reflecting improved prices.

The variance between Underlying EBITDA<sup>1</sup> and Cash flow from Operations is primarily driven by the movement in Working Capital as outlined below.

|                                                                   | NOTE | 2022<br>\$000    | 2021<br>\$000  |
|-------------------------------------------------------------------|------|------------------|----------------|
| <b>Underlying EBITDA<sup>1</sup></b>                              |      | <b>1,577,357</b> | <b>367,197</b> |
| Net Interest Paid                                                 |      | (16,975)         | (15,620)       |
| Net Income Taxes (Paid)/Received                                  |      | (31,326)         | 19,317         |
| Settlement of Non-Regular Items <sup>1,2</sup>                    |      | (10,690)         | (36,046)       |
| Net Foreign Exchange                                              |      | (3,071)          | (2,453)        |
| Remeasurement of Assets Classified as Held for Sale               |      | -                | 48             |
| Impairment of Building Assets                                     |      | -                | 2,771          |
| Non-Cash Employee Benefit Expense — Share-Based Payments          | 5    | 850              | 72             |
| Net Working Capital                                               |      | (377,508)        | (39,221)       |
| <b>Cash Flow from Operations</b>                                  |      | <b>1,138,637</b> | <b>296,065</b> |
| <b>Cash Flow Summary</b>                                          |      |                  |                |
| Operating Cash Flows                                              |      | 1,138,637        | 296,065        |
| Investing Cash Flows                                              |      | (222,524)        | (42,760)       |
| Financing Cash Flows                                              |      | (628,133)        | 98,528         |
| <b>Cash and Cash Equivalents at the end of the Financial Year</b> |      | <b>715,714</b>   | <b>424,663</b> |
| <b>Capital Management</b>                                         |      |                  |                |
| Cash and Cash Equivalents                                         |      | 715,714          | 424,663        |
| Undrawn Syndicated Facility <sup>3</sup>                          |      | -                | 140,000        |
| <b>Liquidity Available</b>                                        |      | <b>715,714</b>   | <b>564,663</b> |

1 Underlying Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and Non-Regular Items are a non-IFRS measures. This non-IFRS information has not been audited by Deloitte.

2 Settlement of Non-Regular Items are cash Items that Impact Cash Flow from Operations.

3 As at 31 July 2022, the Syndicated Debt Facility was cancelled.

# OPERATING AND FINANCIAL REVIEW (CONTINUED)

The Company holds a strong capital position, with a closing Cash and Cash Equivalents balance of \$715.7 million (2021: \$424.7 million) and a Term Deposit of \$100.0 million (2021: NIL), ensuring any future strategic growth opportunities can be supported. The closing balance of Trade Receivables also increased materially from the comparative period to \$502.0 million (2021: \$123.3 million), an increase of 307 per cent.

## OPERATING CASH FLOWS

The Company generated a cash operating surplus of \$1,138.6 million which is an increase of 285 per cent on the prior comparative period (2021: \$296.1 million). Coal and oil pricing both strengthened during the period driven by limited supply in the market and increased demand given the current energy crisis. Prices are expected to remain at elevated levels over the next 12 months. An overall increase in cash payments is principally due to the inclusion of trade coal purchases that have supported the business and its customers during the period, and higher royalty payments to the New South Wales Government in line with higher sales prices being received.

## INVESTING CASH FLOWS

Investing cash outflows were \$222.5 million principally due to the payment of \$94.4 million to secure a 15 per cent equity share in Malabar Resources Limited. This was a 420 per cent increase from \$42.8 million for the comparative period. Capital expenditure of \$48.7 million relates to the purchase of heavy mobile equipment to support the Bengalla operation. Included in Investing cash flows is a Term Deposit for \$100.0 million placed in July 2022 for a period of 12 months.

At completion of the divestment of the Company's interest in the Lenton Joint Venture, the Company received \$21.5 million in upfront payments.

## FINANCING CASH FLOWS

The closing cash position for the financial year ended 31 July 2022 is \$715.7 million (2021: \$424.7 million).

On 28 October 2021, the Company fully repaid the debt drawn under the Syndicated Debt Facility of \$310.0 million. Following the full repayment of the Syndicated Debt Facility, the Company elected to terminate the facility on 15 July 2022, prior to its maturity in November 2023. The Company's internal modelling of cash flows indicates the Company will not require any funding for general corporate purposes and advances the execution of a broader strategy seeking to maximise sustainable long-term shareholder value.

Basic earnings per share for the 2022 financial year ended is 118.1 cents compared to 9.5 cents for the comparative period.

Directors have declared a final dividend of 56.0 cents per share (31 July 2021: 7.0 cents). This dividend is fully franked and payable on 8 November 2022 to shareholders registered as at Tuesday, 25 October 2022.

## REVIEW OF OPERATIONS

### HEALTH AND SAFETY

The Company remains committed to the safety, health and wellbeing of our people, our environment and the communities in which we operate. During the reporting period the All-Injury Frequency Rate (AIFR) was adopted as a primary safety performance metric as part of initiatives targeting ongoing improvement in safety culture and systems. The intent of AIFR is to recognise both short and long-term health and safety risks that can impact wellbeing and represents all types of injury to provide a more holistic indicator of safety incidents and risk. The AIFR twelve month moving average to 31 July 2022 was 29.72, a decrease compared to the 1 August 2021 average of 33.70. The Company continues to monitor Total Injury Frequency Rate (TRIFR) as a supplementary safety performance indicator. The Company's 12 month moving average TRIFR was 2.61 as at 31 July 2022, a decrease of 52 per cent to the prior comparative period (2021: 5.39)

Continual improvement of our safety culture and systems is at the front of mind. This is evidenced through such initiatives as enhanced supervisor development training, preventative injury activities and increased risk management practices to pro-actively identify and manage risk. During the year, the Company also begun a process to comprehensively review its Enterprise Risk Framework in consultation with all business units to understand the improvements that can be made.

New Acland Mine operations reached a milestone of 12 months injury free, and Queensland Bulk Handling have achieved 10 years of lost-time injury free. Both of these milestones reflect the Company's long-term commitment to high safety standards and practices.

## ENVIRONMENT

As an environmentally responsible operator, the Company strongly believes that mining and agriculture can exist together and appreciates that as the custodians of large parcels of land, it has an obligation to return land to a productive and sustainable use post mining. During the financial year ended 31 July 2022, the Company recontoured 30 hectares and seeded 20 hectares of land at New Acland. The total material backfilled at New Acland was 1.9Mbcm. While New Acland awaits approvals to restart operations, rehabilitation will continue to be a key focus while on care and maintenance. To date the Queensland Government has certified 349 hectares of progressively rehabilitated land at New Acland.

On 13 July 2022 the surrender of the Environmental Authority for the Chuwar Coal Mine was approved by the Queensland Government, and the Mining Leases were subsequently relinquished. Chuwar Mine, located 5km from Ipswich has become the first open-cut coal mine in Queensland to be fully rehabilitated and relinquished.

The Company entered into an Enforceable Undertaking with the Department of Environment and Science to invest \$2.0 million towards a native vegetation and fauna habitat corridor for koalas at New Acland Mine. The rehabilitation project will connect and substantially expand existing koala habitats, linking Lagoon Creek to native vegetation north of the Acland township. 100 hectares of land will be planted with eucalyptus, paper bark and other refuge trees, significantly enhancing the standard of rehabilitation post mining. The existing environmentally significant area of Bottle Tree Hill will also be protected in perpetuity.

The Queensland Government critically assessed the project and concluded that all rehabilitation requirements had been met in full, deeming the site safe, stable, non-polluting, and able to support grazing for cattle.

The rehabilitation work at both Chuwar and New Acland are a clear and practical demonstration of the commitment the Company has to being a responsible operator and achieving successful rehabilitation and restoration of the mining land which we operate.

## OPERATIONS

The Company produced 7.9Mt of saleable coal<sup>1</sup> for the financial year ended 31 July 2022 (2021: 9.6Mt), representing a decrease of 18 per cent to the comparative period. The Bengalla operation was heavily impacted by periods of unusually high rainfall throughout the year leading to a loss of 31,008 truck operating hours. Production was also impacted by COVID-19 related workforce shortages, both within the operations and throughout the supply chain. Dragline and excavator achieved above plan productivity, with the dragline improving by eight per cent to the prior comparative period. Contributing to this reduction in saleable coal was the completion of Stage 2 operations at the Queensland based New Acland Mine, which is currently awaiting Government approvals for Stage 3.

The Company realised sales for the 2022 financial year of 8.8Mt, compared to 9.6Mt in the prior period. Coal sales were supported by purchased coal, which has provided strategic opportunities to take advantage of pricing dynamics during the first half of the year. This has also assisted to mitigate demurrage impacts caused by supply chain constraints during periods of extreme wet weather.

The Company achieved a record average sales price during the financial year of A\$281.8/t (2021: A\$101.36/t), representing a 176 per cent increase. Robust market demand for high quality, low emission thermal coal in the first half of the year was then further strengthened by the Russia-Ukraine conflict, which tightened supply. With security of supply paramount to our key customers, our outlook is strong with a largely sold and optimally priced forward sales book for the next 12 months. The Company continues to take advantage of pricing dynamics when placing coal sales contracts and can respond quickly to any change in pricing deltas between different product qualities. The current energy crisis has also highlighted the need for increased domestic supply. The Company has responded by increasing sales to the domestic market and looks forward to increasing domestic sales if approvals for New Acland Stage 3 are granted.

During this financial year, the Japanese Reference Price (JRP), which is historically settled during the second half of the year was not settled. Consequently, the Company negotiated a final price settlement directly with a key customer. The settlement was completed at a level materially above the previous price of US\$109.97/t. The cash from this final settlement is expected to be received in September 2022.

With the gC NEWC index pricing greater than US\$400/t (2021: US\$170/t), the Company is well positioned to achieve continued strong cash generation.

<sup>1</sup> The Company's share of saleable volumes and sales represents its 80 per cent interest in Bengalla Mine operations and 100 per cent interest in New Acland Coal Mine operations.

# OPERATING AND FINANCIAL REVIEW (CONTINUED)

| GROUP COAL MINING OPERATIONAL METRICS                          | METRIC            | 2022            | 2021            |
|----------------------------------------------------------------|-------------------|-----------------|-----------------|
| Prime overburden                                               | kbcm              | 40,068          | 50,482          |
| Run-of-Mine (ROM) coal produced                                | kt                | 9,978           | 14,002          |
| ROM strip ratio – prime                                        | bcm/t             | 4.0             | 3.6             |
| Bypass                                                         | kt                | 1,155           | 1,004           |
| Coal handling preparation plant (CHPP) feed                    | kt                | 9,215           | 12,685          |
| Saleable coal produced                                         | kt                | 7,889           | 9,589           |
| Product yield                                                  | %                 | 73%             | 76%             |
| Coal sales                                                     | kt                | 8,832           | 10,035          |
| <b>Average sale price achieved</b>                             | <b>A\$/t</b>      | <b>\$281.84</b> | <b>\$101.36</b> |
| <b>Unit costs of sales</b>                                     |                   |                 |                 |
| Bengalla mine site costs                                       | A\$/prod t        | \$61.91         | \$46.33         |
| Acland mine site costs                                         | A\$/prod t        | \$58.47         | \$35.34         |
| Free on Rail (FOR) cost                                        | A\$/sale t        | \$47.04         | \$36.53         |
| FOR to FOB cost (ex. State royalties and trade coal)           | A\$/sale t        | \$19.61         | \$19.38         |
| Underlying FOB cash costs (ex. State royalties and trade coal) | A\$/sale t        | \$66.65         | \$55.91         |
| Trade Coal Purchases                                           | A\$/sale t        | \$26.90         | \$0.94          |
| State royalties                                                | A\$/sale t        | \$21.15         | \$6.85          |
| <b>Underlying FOB cash cost</b>                                | <b>A\$/sale t</b> | <b>\$114.70</b> | <b>\$63.70</b>  |
| <b>Margin</b>                                                  | <b>A\$/sale t</b> | <b>\$167.14</b> | <b>\$37.66</b>  |

## BENGALLA MINE

Bengalla (100 per cent basis) delivered 9.3Mt saleable production for the financial year compared to 9.7Mt in the comparative period. Despite losing over 59,848 truck hours to unprecedented weather events, a tight labour market and COVID-19 related absenteeism, production loss was limited to a reduction of just four per cent to the comparative period. Following the 2021 shutdown, the dragline performed strongly with high availability (90 per cent) and achieved above budget productivity rates. The addition of two new Hitachi EH5000 trucks, the optimisation of the dragline path and pit operations in response to significant periods of wet weather and the implementation of industry best practice activities through the use of digital mining, have all been successful mitigation strategies during what has been a challenging year throughout the Hunter Valley.

Of the 11.7Mt ROM produced, over 10.4Mt was fed to the coal handling and preparation plant (CHPP) maximising washed product and realised pricing to the gC NEWC. Total yield of 79 per cent was achieved, three per cent higher than the comparative period (2021: 76 per cent) with below planned levels of bypass (0.4Mt) due to the maximum wash strategy. While flooding on the Hunter Valley rail network towards the end of the year resulted in high closing product stocks on site, this provides Bengalla a strong sales runway into the new financial year where prices have further increased from 31 July 2022 levels.

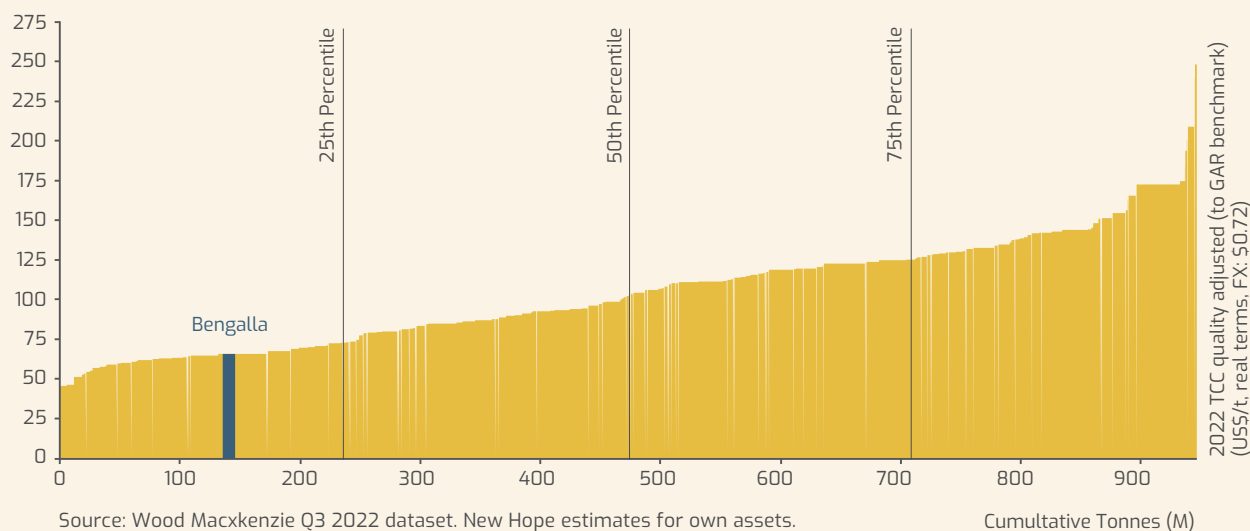
As a mitigation measure against further inclement weather events, Bengalla purchased additional water discharge credits and was able to undertake controlled, environmentally approved discharges during the major wet weather event in July. These additional discharges have significantly improved water storage capacity moving into the 2023 financial year. These credits are valid for a period of 10 years and allow additional water discharges when the Hunter River is in high flow conditions.

Bengalla continues to be recognised as a large-scale cost competitive mine, with the FOB cost per tonne positioned within the lowest quartile of the cost curve<sup>1</sup>, compared with other seaborne thermal coal producers worldwide.

Constrained supply, a tight labour market and inflationary pressures along with reduced production on account of the wet weather and COVID-19 impacts have driven up prices with site costs per saleable tonne increasing from the first half of the year to \$61.9/t (31 January 2022: \$48.0/t). Cost increases are primarily associated with price increases in fuel, explosives, contract labour and plant and equipment components in the second half of the year.

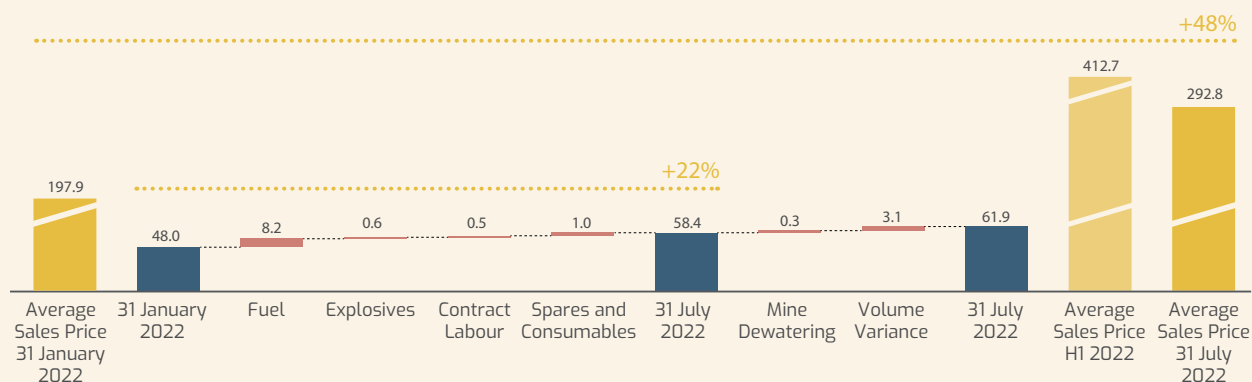
In a challenging supply market, the Company is maintaining a strong cost discipline while optimising operational productivity to maximise value delivery. A key focus is ensuring certainty of supply with minimal disruption to operations, while high energy, low emission thermal coal prices are at record levels.

### 2022 TOTAL CASH COST - ADJUSTED BY REALISED PRICE AGAINST BENCHMARK (INCL. ROYALTIES, US\$/t)



1 Cost curve represents FOB natural market, where the natural market is defined as the major consumer for each producing region.

### BENGALLA SITE CASH COSTS PER SALEABLE TONNE



During the financial year Bengalla negotiated a new four-year Enterprise Agreement with its workforce with implementation due early in the 2023 financial year. The majority of Bengalla's employees are employed on Individual Flexibility Agreements underpinned by the Enterprise Agreement. In addition, approximately 90 per cent of Bengalla's employees and contractors are local to the Upper Hunter, Muswellbrook and Singleton shires, making a positive impact in the local community. Bengalla has strong and positive relationships in its local community which underpin its social licence to operate.

### BENGALLA 13.4MT LIFE OF MINE

Early 2022 the Bengalla Joint Venture Participants approved the updated Life of Mine Plan (LOM) for Bengalla, which involves ramping up production from 12.5Mtpa to 13.4Mtpa ROM (currently approved to 15.0Mtpa). This increase will provide additional saleable coal, as well as increasing the overall quality of the existing saleable coal produced. The Company is focussed on this growth project and the significant value it will provide to shareholders. Major commitments have been made to increase mining and ancillary fleet and CHPP capacity as well as supporting site infrastructure.

# OPERATING AND FINANCIAL REVIEW (CONTINUED)

## 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 Bengalla Mine. Bengalla will conduct an exploration program over the area of EL 9431 aiming to identify available economic resource.

## NEW ACLAND COAL MINE

New Acland produced 0.4Mt of saleable coal for the financial year, representing a decrease of 78 per cent on the comparative period (2021: 1.8Mt) due to the completion of Stage 2 operations. The site has safely transitioned into care and maintenance and is currently planning for the commencement of Stage 3 once the final approvals are granted.

## NEW ACLAND STAGE 3 DEVELOPMENT

On 17 December 2021, the Land Court of Queensland recommended that the New Acland Mine Stage 3 Mining Leases and the Environmental Authority amendment application be granted, subject to conditions. On 26 May 2022, the Coordinator-General issued her change report to the stated conditions for the Environmental Authority for New Acland Mine Stage 3. The Coordinator-General's change report satisfies a condition to the Land Court of Queensland's recommendation that New Acland Mine Stage 3 Mining Leases and the Environmental Authority amendment be granted. Following this, on 28 June 2022 the Department of Environment and Science issued the New Acland Mine Stage 3 Environmental Authority. The Environmental Authority includes the Coordinator-General's amended stated conditions in accordance with the Land Court of Queensland's recommendation that New Acland Mine Stage 3 Mining Leases and Environmental Authority application be granted.

## QUEENSLAND BULK HANDLING (QBH)

QBH exported 2.6Mt of coal for the financial year (2021: 3.9Mt). This is a 32 per cent decrease on the comparative period due to reduced throughput associated with the transition of New Acland Mine into care and maintenance.

QBH realised opportunities during the year to meet short-term additional stockpile demand from current customers and has engaged with new customers for coal and non-coal throughput. The operation will continue to focus on new customers and markets where it makes financial sense to do so.

## COAL DEVELOPMENT AND EXPLORATION

The Company maintains several development and exploration sites. The expenditure on these assets has been maintained to keep the tenements in good standing and meet required obligations. Tenements related to the Yamala Project were surrendered in early 2022.

## PASTORAL OPERATIONS

The Company's pastoral operations benefited from continued strong cattle prices. Over the 12 months, 1,051 weaners were fattened and sold, an increase of five per cent on the comparative period. The majority of weaners were bred at Acland Pastoral Company (APC) and fattened at Bengalla Agricultural Company (BAC). The Company has also focused on developing BAC's breeding program, ending the year with 343 head of cattle, which includes 148 BAC bred weaners.

APC cropping operations were impacted by heavy rains in late calendar year 2021 which delayed the winter crop harvest and significantly impacted grain yield and quality. The harvest of summer crops at APC and BAC was similarly affected from rain events in Autumn 2022. APC has over 700 hectares of wheat and barley currently growing.

BAC trialled several crops including corn and grain sorghum over summer and currently have wheat and lucerne crops in the ground. The Company is focussed on further capital improvements, including an increase in the land under irrigation and additional upgrades to pump and pipe networks.

The investment in farming equipment and silos at APC has been critical in reducing operating costs and increasing storage capacity to reduce grain loss and maximise revenues. The above average rainfall has increased weed control costs at both APC and BAC.

## BRIDGEPORT ENERGY PTY LTD (BEL)

Oil production totalled 286,514bbl. This was a nine per cent decrease on the comparative period due to the natural decline in the oil resource and delays with wells coming online.

Following strengthened market demand, oil prices have remained robust with BEL achieving an average realised price of US\$96.36/bbl (2021: US\$57.77/bbl). This represents an increase 67 per cent to the comparative period. Increased prices have significantly improved BEL's full year result, reporting revenue of A\$33.5 million, an increase of \$11.4 million to the comparative period.

On 1 November 2021, Vintage Energy Limited (ASX: VEN) announced a tripling of Vali field 2P Reserves. The Company has assessed the results of the Vali gas discovery, in which it holds 25 per cent interest, and supported the change in 2P Reserves. As at 31 July 2022, three Vali wells had been completed and the fourth undergoing testing, with all major equipment in country and ready for installation. First gas is expected by the end of 31 January 2023.

### MALABAR RESOURCES LIMITED

The Company, through a wholly owned subsidiary acquired a 15 per cent interest in Malabar Resources Limited (Malabar) for a total investment of \$94.4 million, paid in July 2022. Malabar's flagship asset is the Maxwell Mine, an underground metallurgical coal project located 10kms south-west of Muswellbrook in the Hunter Valley.

The Company's investment in Malabar aligns with its strategy to invest into low-cost coal assets with long life approvals. The acquisition diversifies the Company's portfolio by providing exposure to metallurgical coal, mined by low impact underground methods, and is expected to provide attractive investment returns over the life of the project.

Mining leases for the Maxwell Mine were granted in November 2021 and the project has received final state and federal approvals. The estimated life of the mine is greater than 25 years with proved and probable reserves totalling 144 mt. Malabar's assets also include:

- ▶ Approved 25MW Maxwell Solar Farm (Stage One) located on more than 105 hectares of rehabilitated mine land within the NSW Government's designated Hunter-Central Coast Renewable Energy Zone and with close proximity to high voltage network infrastructure, with the capacity to significantly increase large-scale solar generation and battery storage;
- ▶ Spur Hill exploration project (EL 7429); and
- ▶ Agricultural assets including the Merton Vineyard. Malabar's strategy is to deliver low-impact underground mines which target metallurgical products, while co-existing and facilitating substantial sustainable, renewable enterprises.

### OUTLOOK

The Company remains firm that the demand for high quality, low emission thermal coal, produced from our Australian operations is critical to supporting the transition to a decarbonised economy. Government policy will provide a framework as to how the transition to a decarbonised economy will occur, and the Company will work within the policy framework to ensure that low-cost, reliable energy continues to be provided to those in need, including the Australian domestic market.

The Company's long-term strategy is to remain focused on coal, both through its existing thermal portfolio and in new opportunities in either metallurgical or thermal coal production. The Company will continue to invest in assets that suit its portfolio and provide shareholders with strong cash generation, and consistent returns. The Company believes that Australia's economy is dependent on fossil fuels and is proud of the contributions it makes to local, state and federal Government departments which help to underpin the living standards of all Australians.

Subject to New Acland receiving its final approval, with the recent announcement regarding the granting of the Stage 3 (New Acland Mining Leases), the Company looks forward to adding safe and efficient production to its portfolio in the coming 12 months. Coupled with the recent investment in Malabar Resources and the increase in production at Bengalla, the Company looks forward to a future of growth, capitalising on the current high price environment.

The significant cash build, the near-term price outlook and the Company's generous franking account balance has enabled the Board to reward shareholders with a fully franked Final Dividend of 31.0 cents per share, and an additional fully franked Special Dividend of 25.0 cents per share, both payable on 8 November 2022 to shareholders on record as at 25 October 2022.

As part of its broader capital management strategy, the Company is also looking at options to return a portion of its surplus capital to securityholders. The Company is reviewing several options in this regard to ensure any capital management decision is the most efficient and value-enhancing. These options include the management of dilution associated with the existing Convertible Notes, and options around the most efficient use of our significant franking account balance. Future surplus capital deployment may include, M&A opportunities aligned with our strategy, returning funds to securityholders through mechanisms such as buy-backs (either on or off-market), dividends or capital returns or entry into cash-settled equity transactions with a bank counterparty to hedge dilution associated with the existing Convertible Notes.

# RISK MANAGEMENT

The Company has a robust risk management framework which is overseen by the Audit and Risk Committee (ARC), the Sustainability and People Committee (SPC), and the Board of Directors. The framework assists the organisation to identify, classify, document, manage and report on the risks facing the Company. Each identified risk is tracked in a risk register and allocated to an accountable individual who manages and reports on the risk.

The perceived likelihood and potential consequence of each risk are used to determine the risk level, which in turn determines the actions required to manage the risk and reporting obligations. The risk management framework requires that all significant risks have a specific documented action plan, mitigation measures, and that updates are provided to the Board of Directors on a periodic basis.

A summary of the significant risks facing the entity include the following:

| RISK CATEGORY               | POTENTIAL RISKS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | POTENTIAL OPPORTUNITIES                                                                                                                                                                                                                                                                                                                                     | APPLICATION TO NEW HOPE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Social Licence              | A number of stakeholders have interest in the impact our operations have on the surrounding environment and the communities in which we operate. In addition, the Company is subject to stringent regulation and reporting obligations spanning multiple government jurisdictions and departments. Failure to adequately acknowledge and address the interests of these stakeholders could negatively impact the operations of the Company, and potentially result in an inability to secure, maintain or renew the regulatory approvals required to continue the operations of the Company. | The Company has developed valuable and longstanding relationships with key stakeholder groups and is well respected in the areas that we operate. Many of these stakeholder groups independently advocate on behalf of the Company which is a critical component in developing relationships in new areas of operation or with emerging stakeholder groups. | The Company engages appropriately qualified experts to both manage the underlying risks and to engage proactively with stakeholder groups. The Company also utilises a variety of systems to manage and report upon the Company's performance against those obligations.                                                                                                                                                                                                                                                                                                                                                                         |
| New Acland Stage 3 Approval | There is a risk that the Water License approval for the New Acland Stage 3 expansion is not obtained. This approval is critical to ensure operations continue beyond Stage 2 as reserves on the existing lease are depleted. Risks associated with prolonged approval delays or an inability to secure project approvals include, but are not limited to, the further impairment of asset values, take or pay commitments exceeding project requirements or the potential loss of key long-term customers.                                                                                   | Obtaining the necessary water license for the New Acland Stage 3 project will secure employment for the existing and proposed workforce, provide continuing economic stimulus to the local community and deliver value to shareholders.                                                                                                                     | The Company has engaged appropriately qualified experts to both manage the underlying risks and to engage proactively with stakeholder groups. The Company also utilises a variety of systems to manage and report upon the Company's performance against those obligations.<br><br>Detailed impairment indicator assessments for the assets have been undertaken (detailed in Note 14 of the Financial Statements), with no impairment indicators being identified at 31 July 2022.<br><br>As Stage 2 coal has been depleted, supplier and customer commitments have been appropriately managed while Stage 3 approvals continue to be pursued. |

| RISK CATEGORY             | POTENTIAL RISKS                                                                                                                                                                                                                                                                                                                                                                                                                             | POTENTIAL OPPORTUNITIES                                                                                                                                                                                                                                                                                                        | APPLICATION TO NEW HOPE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Development       | The Company's ongoing economic sustainability is dependent on successful identification and development of projects. Failure to do so effectively will limit the Group's longevity.                                                                                                                                                                                                                                                         | The Company actively seeks to identify potential opportunities that offer the prospect of building shareholder value. The Company acknowledges that sustainable long-term value creation can only be achieved by respecting and delivering positive outcomes for the broader stakeholder community.                            | The Company is actively pursuing growth through both development of existing assets and the acquisition of complementary assets. Such activities will ultimately require the deployment of capital. To ensure that capital is deployed in an optimal manner, the Company undertakes rigorous and well documented due diligence using a mix of internal and external subject matter experts prior to making any investment decisions. All significant project development and acquisition transactions require approval from the Board of Directors. |
| Bengalla Joint Venture    | The Company has an active role in the direct management of day-to-day activities for the Bengalla Mine. The Bengalla Mine faces many of the same risks as the New Acland mining operation. Bengalla Mine management is tasked with discharging these duties day to day, with the Company providing oversight and governance via participation in the Bengalla Joint Venture management committee and by monitoring operational performance. | Knowledge gained from risk identification and management at one or more mines, including approaches to mitigating and managing those risks, can be shared across management teams, thereby improving the Group's overall risk management strategy.                                                                             | The Company engages with the Bengalla Mine management team on an ongoing basis with the aim to identify, monitor, mitigate and actively manage risks, not only unique to Bengalla, but also across the Group.                                                                                                                                                                                                                                                                                                                                       |
| Failure of Infrastructure | The Company is highly dependent upon the availability and effectiveness of key infrastructure in order to produce and bring products to market.                                                                                                                                                                                                                                                                                             | Monitoring and early identification of potential failures will improve productivity and performance outcomes for the Company. There is ongoing effort to identify opportunities and adopt processes that will reduce infrastructure failure or reduce the cost to the Company in the event that a failure does occur.          | The Company undertakes timely and effective preventative maintenance as well as regular third-party inspections of key infrastructure to minimise the risk of unforeseen failure. The Company also actively participates in a comprehensive insurance program to ensure assets are insured for appropriate value.                                                                                                                                                                                                                                   |
| Market Risk               | The Company's activities expose it to a variety of financial risks including, but not limited to, commodity price risk, foreign currency risk and interest rate risk.                                                                                                                                                                                                                                                                       | Opportunities exist to refine the existing policies for commodity price hedging and foreign exchange hedging such as investigating the use of different hedging instruments or the level of cover that is taken. The Company has the ability to consider active management of any interest rate and commodity price exposures. | The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses Derivative Financial Instruments to hedge risk exposures associated with fluctuations in foreign exchange rates and has placed commodity hedge contracts during opportunistic pricing periods.                                                                                                                                         |

# RISK MANAGEMENT (CONTINUED)

## CLIMATE RELATED RISKS

### OUR POSITION ON CLIMATE CHANGE AND OUR ROLE IN THE GLOBAL ENERGY TRANSITION

Climate change is a critical global issue which, together with the transition to a lower carbon economy, poses potential risks to our business over the short, medium and long term.

The identification and management of climate-related risks is integrated into the Company's risk management framework. As with other risks, the scope of the framework applies to climate-related risks that are material to the achievement of the key objectives of the Company and related business plans.

The Company's analysis of material climate-related risks and identified mitigation measures is included in the summary table below.

The Company most recently published a detailed overview of its position on climate change, and its resilience to lower-carbon scenarios, in its 2021 Sustainability Report. The Company expects to periodically provide updated statements relating to climate change issues, including the company's approach to governance, strategy, risk management and metrics and target. The Company expects to provide its next update around the time of release of the Company's Annual Report.

| RISK CATEGORY    | RISK AND DESCRIPTION                                                                                                                                                   | POTENTIAL IMPACT                                                                                                                                                                                               | MITIGATION OR OPPORTUNITY                                                                                                                                                                                                                                                                                                                |
|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy and Legal | Legislative and Policy Changes                                                                                                                                         |                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                          |
|                  | Changes in government policies that restrict the mining or use of coal or the use of land for coal mining and related activities.                                      | The ability of the Company to develop new coal projects or to extend the life of existing projects could be impacted, together with increased project risk and cost associated with the granting of approvals. | The Company continues to proactively monitor the policy environment both domestically and internationally, including social and government appetite for changes that may impact the Group. The Company also engages with domestic policymakers to advocate for positive policy outcomes.                                                 |
|                  | The introduction of new and/or more stringent domestic policies such as carbon pricing and/or tightened safeguard mechanisms targeting scope 1 and/or 2 GHG emissions. | New and/or more stringent carbon pricing mechanisms could reduce the demand for thermal coal as a source of energy.                                                                                            | The Bengalla mine has existing approvals that extend out to 2039, enabling it to avoid potentially long and costly mine extension approvals.                                                                                                                                                                                             |
|                  | Changes in government policy relating to either coal consumption or energy generation in customer economies.                                                           | The Company could incur increased operational costs as a result of the potential introduction of regulatory carbon pricing mechanisms and/or trading systems.                                                  | If the New Acland expansion is approved, the New Acland Mine will have an approval term matching the remaining mine life.                                                                                                                                                                                                                |
|                  |                                                                                                                                                                        | The Company may be required to source and procure carbon offsets from the voluntary market.                                                                                                                    | The Company has established detailed GHG emissions baselines for its assets. A range of potential emissions abatement options have been identified, including energy efficiency and energy productivity projects, which will be considered for progression in line with relevant internal governance and project development guidelines. |
|                  |                                                                                                                                                                        | Reduced demand for thermal coal in key customer markets could reduce revenues.                                                                                                                                 | The Company will explore access to voluntary carbon offset markets as part of an overall strategy to reduce net emissions in line with mandated emissions reduction pathways.                                                                                                                                                            |
|                  |                                                                                                                                                                        | The Company could incur additional costs establishing supply to new markets.                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                          |

| RISK CATEGORY    | RISK AND DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                            | POTENTIAL IMPACT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | MITIGATION OR OPPORTUNITY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Policy and Legal | <p>Exposure to litigation and regulatory scrutiny</p> <p>Increased litigation from communities and stakeholders against governments and companies.</p> <p>Litigation may include claims for compensation for damages attributed to climate-related impacts or inadequate disclosure of climate risks, or orders to wind back approvals for existing operations or to block approval of expanded operations.</p> | <p>Increased costs associated with defending legal claims (including public liability claims) and/or environmental and development approvals for new coal projects or the extension of existing projects.</p> <p>Reputational damage because of stakeholders' perception that the Company's operations heighten climate change risk, together with ongoing stigmatisation of the coal sector.</p> <p>Project risk associated with injunctive actions against thermal coal mining operations.</p>                                                                                                                                                                                                                                                                                                                                                                                             | <p>The Company has a long-standing reputation as a responsible operator and continues to operate in accordance with conditions of approved mining leases and environmental authorities.</p> <p>The Company has adopted a proactive approach to assessing ongoing climate-related impacts on the coal industry through regular participation in industry groups such as Queensland Resources Council and Minerals Council of Australia and other stakeholder groups, and active engagement with state and federal regulators to monitor any potential challenges to existing approvals.</p> <p>The Company monitors relevant legal proceedings across courts with relevant jurisdiction and seeks legal advice on such developments when required.</p> <p>The Company provides transparent disclosure of climate-related impacts and risks to investors and stakeholders.</p> |
| Market           | <p>Market driven shift to a lower carbon economy</p> <p>An accelerated or disorderly transition toward a net zero carbon global economy has the potential to reduce global demand for thermal coal.</p>                                                                                                                                                                                                         | <p>Markets will be affected by the transition to a net zero carbon global economy through shifts in supply and demand for certain commodities, products, and services as climate-related risks and opportunities are increasingly defining decisions and actions.</p> <p>Rational investment decisions require clear signals for decision makers, with a level of certainty about the path and pace of transition. A disorderly or fragmented transition to the zero-carbon economy may lead to sub-optimal allocation of financial, human and natural capital.</p> <p>The Company will continue to work closely with its key customers to ensure it has clear foresight around near and medium-term demand forecasts.</p> <p>The number and mix of market participants could lead to increased volatility in the supply and pricing of thermal coal with associated risks to cashflows.</p> | <p>The Company will continue to work closely with its key customers to ensure it has clear foresight around near and medium-term demand forecasts.</p> <p>The Company's largest asset (Bengalla) produces high calorific value coal which is forecast to remain in demand during a range of scenarios for transition to a net zero carbon economy.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

# RISK MANAGEMENT (CONTINUED)

| RISK CATEGORY | RISK AND DESCRIPTION                                                                                                                                                                  | POTENTIAL IMPACT                                                                                                                                                                                                                                                                                                                                                                                                                     | MITIGATION OR OPPORTUNITY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Market        | Market driven shift to a lower carbon economy (continued)                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               |                                                                                                                                                                                       | <p>Pressure from external stakeholders could see some producers exit the thermal coal industry with heightened threat of stranded assets and with a resultant reduction in supply and increase in pricing for remaining industry participants.</p> <p>An accelerated transition may bring forward requirements to resource and execute exit and/or business transformation strategies, including mine rehabilitation activities.</p> | <p>The Company will continue to stress-test the Company's portfolio and business strategy against a range of scenarios outlined by the International Energy Agency (IEA), and other relevant third parties, on the future of the global energy and seaborne coal markets.</p> <p>The Company undertakes progressive rehabilitation of all mine sites, thereby reducing exposure to legacy risks.</p>                                                                                                                                                                                                                                                                                                                                           |
|               | Access to capital and insurance                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               | Driven by investor concern over climate-related risks, changes to ESG policies by funding and insurance providers may limit access to and increase the cost of capital and insurance. | Pricing for financing and key services such as insurance may continue to increase, or access may become more conditional, if the pool of parties prepared to partner with the thermal coal industry reduces significantly.                                                                                                                                                                                                           | <p>The Company will monitor market conditions and explore opportunities to diversify funding sources, as well as maintain active engagement with existing and future potential providers.</p> <p>The Company will continue to ensure that all existing obligations are met with regard to existing operations.</p> <p>The Company will continue its disclosures on climate-related risks and opportunities.</p> <p>The Company will continue to advocate for the important role of high-quality thermal coal in reducing global emissions.</p>                                                                                                                                                                                                 |
| Technology    | Substitution of thermal coal for lower emissions technologies                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|               | There are technological risks associated with the transition away from thermal coal toward lower emissions and renewable energy sources.                                              | <p>Demand for thermal coal could be impacted if alternative energy sources become more competitive and reliable, relative to thermal coal.</p> <p>Disruptions during the domestic energy transition, including the removal of baseload power from the market, could affect the cost and reliability of energy supply to our operations.</p>                                                                                          | <p>As the global economy transitions towards lower emission energy sources, Paris Agreement-aligned scenarios forecast that there will be ongoing demand in the medium term for high quality thermal coal to supply high efficiency low emission coal fired power stations in order to generate affordable baseload power.</p> <p>The Company's high-quality thermal coal reserves are ideally placed to meet that demand.</p> <p>The Company will continue to monitor developments that have application to the mining and broader energy industries and consider investing in new technologies including those that improve energy efficiency and lower carbon intensity and nature-based and other forms of carbon offsetting projects.</p> |

| RISK CATEGORY | RISK AND DESCRIPTION                                                                                                                                                                                                                                                                                                | POTENTIAL IMPACT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | MITIGATION OR OPPORTUNITY                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reputation    | <p><b>Stakeholder exclusion</b></p> <p>Suppliers and other stakeholders include climate related considerations into their decision-making processes around businesses with which they will transact and engage.</p> <p>Community sentiment is increasingly affected by negative perceptions about thermal coal.</p> | <p>Risk of the loss of support from suppliers, leading to increased costs and operational risks from a more fragmented supply chain.</p> <p>Reduced community support may impact essential negotiations with landowners and other local stakeholders.</p> <p>Reduced community support may lead to legal challenges and an unfavourable political environment for the approval of mining projects.</p> <p>The ability to attract and retain a suitably skilled workforce could be impacted by employee perceptions about what it means to work in the coal mining industry.</p> | <p>The Company has strong relationships with key stakeholders and maintains dialogue covering the full spectrum of environmental, sustainability and governance issues.</p> <p>The Company will continue to sponsor local schools and to provide university and trade pathways to support the next generation of our workforce.</p> <p>The Company will continue to monitor requirements in respect of and communicate transparently in relation to disclosure of climate-related impacts and risks to investors and stakeholders.</p> <p>The Company operates in accordance with world-class environmental practices in a highly regulated environment which supports our social licence to operate.</p> <p>The Company has land holdings and assets which in the medium to long term may be re-purposed for alternate uses, such as enhanced biodiversity and conservation zones, renewable energy generation and other industrial or commercial uses which provide opportunity for workforce transition and enhanced community and local economic outcomes.</p> |
| Physical      | <p><b>Climate Change</b></p> <p>Increases in the frequency and intensity of extreme weather events.</p> <p>Rising mean temperatures and long-term shifts in climate patterns.</p>                                                                                                                                   | <p>Disruptions to mining and port operations, or damage to or loss of key infrastructure, resulting in delays, increased operating costs and lost revenue.</p> <p>Rising mean temperatures may impact workplace health and safety and the ability of our workforce to carry out their job in acceptable conditions.</p> <p>Intensity and duration of droughts may have a longer-term impact on operational reliability or longevity of mining equipment.</p>                                                                                                                    | <p>The Company actively manages climate change risks through our Risk Action Plan and the standard risk management process which incorporates business continuity and crisis management planning to aid preparedness.</p> <p>The Company's Bengalla Mine has implemented various water management initiatives, including through securing additional water discharge rights and through the increased capacity of its discharge dam.</p> <p>The Company's New Acland Mine utilises recycled wastewater, increasing its resilience in the event of drought and avoiding undersupply of water.</p> <p>The Company continues to investigate opportunities to minimise water usage and secure alternative, reliable water sources (including recycled water sources, where available) to strengthen our operations' resilience to water availability risks.</p>                                                                                                                                                                                                        |

# RISK MANAGEMENT (CONTINUED)

## INSURANCE OF OFFICERS

In accordance with the provisions of the *Corporations Act 2001*, New Hope Corporation Limited has a Directors' and Officers' Liability policy covering Directors and Officers of the Group. The insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

## PROCEEDINGS ON BEHALF OF THE CORPORATION

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Corporation, or to intervene in any proceedings to which the Corporation is a party, for the purpose of taking responsibility on behalf of the Corporation for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than this and matters outlined in the Review of Operations, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations or results of the consolidated entity in subsequent financial years.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

### NEW ACLAND MINING LEASE APPROVAL

On 26 August 2022, the Minister for Resources granted the New Acland Mine Stage 3 Mining Leases. The grant of the Mining Leases follows an independent assessment by the Minister for Resources including the consideration of the Land Courts recommendation that the New Acland Stage 3 Mining Leases be granted. The only remaining approval required before mining can begin is the granting of the Associated Water Licence by the Department of Regional Development, Manufacturing and Water.

### CONVERTIBLE BOND CONVERSION

On 25 August 2022, the Company received a Conversion Notice in relation to holder of the Company's Convertible Notes electing to convert their Notes in accordance with the conditions of the Notes into ordinary shares in New Hope Corporation Limited at the conversion price. The number of ordinary shares that were issued on 6 September 2022 under the Conversion Notice was 106,746.

On 8 September 2022, the Company received a Conversion Notice in relation to holder of the Company's Convertible Notes electing to convert their Notes in accordance with the conditions of the Notes into ordinary shares in New Hope Corporation Limited at the conversion price.

The number of ordinary shares that were issued on 14 September 2022 under the Conversion Notice was 426,985.

There are no other events that have occurred since 31 July 2022 which require disclosure.

## LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The activities of the consolidated entity in the 2023 Financial Year are expected to be similar to those of the 2022 Financial Year. The Company will disclose further information on likely developments in the operations of the consolidated entity and the expected results of operations as appropriate.

## CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance statement can be accessed on the New Hope Corporation website: [newhopegroup.com.au/corporate-governance](http://newhopegroup.com.au/corporate-governance)



## WORKPLACE COMPLIANCE

The Company has complied with the *Workplace Gender Equality Act 2012* and has lodged its report with the Workplace Gender Equality Agency. The report can be accessed on the New Hope Corporation website at: [newhopegroup.com.au/corporate-governance](http://newhopegroup.com.au/corporate-governance)



## SUSTAINABILITY

Since 2017 the Company has published an annual Sustainability Report which has reported against various environmental, social and governance metrics. The format and content of the Sustainability Report has evolved over time and will this year be provided as a section within the Company's Annual Report.

## STATUTORY COMPLIANCE

### ENVIRONMENTAL COMPLIANCE

During the 2022 financial year, the Company received two Penalty Infringement Notices, one relating to a production oil leak (\$13,785) and the other relating to the late submission of an Annual Return (\$3,336). The Company was not prosecuted for any breach of environmental laws during the financial year.

# INFORMATION ON DIRECTORS



**ROBERT D. MILLNER**  
(NON-EXECUTIVE CHAIRMAN)

## EXPERIENCE

Robert D. Millner is Chairman of the Company's holding company Washington H. Soul Pattinson and Company Limited (WHSP). Robert D. Millner joined the Board of New Hope Corporation Limited on 1 December 1995 and was appointed Chairman on 27 November 1998. He has extensive experience in the investment industry.

## OTHER CURRENT LISTED DIRECTORSHIPS

- ▶ Washington H. Soul Pattinson and Company Limited – Appointed 1984, Chairman since 1998
- ▶ Apex Healthcare Berhad – Appointed 2000
- ▶ BKI Investment Company Limited – Appointed 2003, Chairman since 2003
- ▶ Brickworks Limited – Appointed 1997, Chairman since 1999
- ▶ TPG Corporation Limited – Appointed 2000
- ▶ TPG Telecom Limited – Appointed 2020
- ▶ TUAS Limited – Appointed 2020
- ▶ Aeris Resources Limited – Appointed 2022

## FORMER LISTED DIRECTORSHIPS IN LAST THREE YEARS

- ▶ Australian Pharmaceutical Industries Limited – Appointed 2000, resigned July 2020
- ▶ Milton Corporation Limited – Appointed 1998, resigned October 2021

## SPECIAL RESPONSIBILITIES

- ▶ Chair of the Board

## INTERESTS IN SHARES AND OPTIONS

- ▶ 5,222,774 Ordinary Shares in New Hope Corporation Limited (comprising 279,559 shares directly held and 4,943,215 shares held through family related interests)
- ▶ NIL Options or Performance Rights over Ordinary Shares in New Hope Corporation Limited



**TODD J. BARLOW** B.BUS, LLB (HONS)  
(NON-EXECUTIVE DIRECTOR)

## EXPERIENCE

Todd J. Barlow joined the Board of New Hope Corporation Limited on 22 April 2015. He is the Chief Executive Officer and Managing Director of Washington H. Soul Pattinson and Company Limited since 2015. Prior to this, he was the Managing Director of Pitt Capital Partners Limited for five years.

Todd J. Barlow has extensive experience in mergers and acquisitions, equity capital markets and investing, and has been responsible for a number of WHSP's investments since joining the WHSP Group in 2014. His career has spanned positions in law and investment banking in Sydney and Hong Kong. Todd J. Barlow has a Bachelor of Business and Bachelor of Laws (Honours) from the University of Technology, Sydney.

## OTHER CURRENT LISTED DIRECTORSHIPS

- ▶ Washington H. Soul Pattinson and Company Limited – Appointed 2015

## FORMER LISTED DIRECTORSHIPS IN LAST THREE YEARS

- ▶ Palla Pharma Limited – Appointed 2015, resigned 2020

## SPECIAL RESPONSIBILITIES

- ▶ Chair of the Nomination Committee
- ▶ Member of Sustainability & People Committee
- ▶ Member of the Audit and Risk Committee

## INTERESTS IN SHARES AND OPTIONS

- ▶ 19,900 Ordinary Shares in New Hope Corporation Limited
- ▶ NIL Options or Performance Rights over Ordinary Shares in New Hope Corporation Limited

# INFORMATION ON DIRECTORS (CONTINUED)



## JACQUELINE E. MCGILL AO BSC, MBA, GAICD (INDEPENDENT NONEXECUTIVE DIRECTOR)

### EXPERIENCE

Jacqui McGill AO was appointed as a Non-Executive Director of the Company on 22 June 2020. She is a highly accomplished Executive and Non-Executive Director with a career spanning 30 years across a range of commodities.

Jacqui McGill is a Non-Executive Director of Goldfields, 29Metals, the Royal Automobile Association of South Australia, and a Trustee of Adelaide Festival Centre.

During her executive career she held senior leadership roles with BHP including leadership of BHP Mitsui Coal and Olympic Dam Corporation, as well as other senior leadership roles in BHP's copper, uranium, and iron ore divisions.

Jacqui McGill has a Bachelor of Science, an MBA and an honorary doctorate from Adelaide University. She is a Graduate of the Australian Institute of Company Directors and was included in the 2020 Australia Day honours list recognising her services for diversity and inclusion.

### OTHER CURRENT LISTED DIRECTORSHIPS

- ▶ 29 Metals – Appointed as Non-Executive Director July 2021
- ▶ Gold Fields Limited – Appointed as an Independent Non-Executive Director November 2021

### FORMER LISTED DIRECTORSHIPS IN LAST THREE YEARS

- ▶ NIL

### SPECIAL RESPONSIBILITIES

- ▶ Chair of the Sustainability & People Committee
- ▶ Member of the Audit and Risk Committee
- ▶ Member of Nomination Committee

### INTERESTS IN SHARES AND OPTIONS

- ▶ 50,000 Ordinary Shares in New Hope Corporation Limited
- ▶ NIL Options or Performance Rights over Ordinary Shares in New Hope Corporation Limited



## THOMAS C. MILLNER (NON-EXECUTIVE DIRECTOR)

### EXPERIENCE

Thomas C. Millner joined the Board of New Hope Corporation Limited on 16 December 2015. He is Director and Portfolio Manager of Contact Asset Management. He is also a Non-Executive Director of Washington H. Soul Pattinson and Company Limited.

Thomas C. Millner has over 20 years' experience within the financial services and funds management industry and over 10 years as a Director of Australian publicly listed companies.

Thomas C. Millner has a Bachelor of Industrial Design degree and a Graduate Diploma in Applied Finance.

He is a Fellow of the Financial Services Institute of Australasia and Graduate of the Australian Institute of Company Directors.

### OTHER CURRENT LISTED DIRECTORSHIPS

- ▶ Washington H. Soul Pattinson and Company Limited – Appointed 2011

### FORMER LISTED DIRECTORSHIPS IN LAST THREE YEARS

- ▶ NIL

### SPECIAL RESPONSIBILITIES

- ▶ NIL

### INTERESTS IN SHARES AND OPTIONS

- ▶ 4,874,368 Ordinary Shares in New Hope Corporation Limited (comprising 21,153 shares directly held and 4,853,215 shares held through family related interests)
- ▶ NIL Options or Performance Rights over Ordinary Shares in New Hope Corporation Limited



**IAN M. WILLIAMS** BEC, LLB, GAICD  
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

**EXPERIENCE**

Ian M. Williams was appointed as a Non-Executive Director of the Company on 1 November 2012.

Ian M. Williams is an experienced Non-Executive Director and corporate advisor and was a corporate partner of international law firms Herbert Smith Freehills and Ashurst for 20 years. He is a graduate of Sydney University and Oxford University and the Australian Institute of Company Directors.

He is Chair of Lindsay Australia and NXT Building Group, a Director of KGL Resources, National Group Corporation, Spicers Paper, Softbank Robotics Australia, Stoddart Group and Baseball Australia and Vice-President of the Australia Japan Business Co-operation Committee.

**OTHER CURRENT LISTED DIRECTORSHIPS**

- ▶ Lindsay Australia Limited – Appointed September 2021
- ▶ KGL Resources Limited – Appointed June 2022

**FORMER LISTED DIRECTORSHIPS IN THE LAST THREE YEARS**

- ▶ NIL

**SPECIAL RESPONSIBILITIES**

- ▶ Chair of the Audit and Risk Committee
- ▶ Member of the Sustainability & People Committee
- ▶ Member of Nomination Committee
- ▶ Director of New Hope Japan KK

**INTERESTS IN SHARES AND OPTIONS**

- ▶ NIL Ordinary Shares in New Hope Corporation Limited
- ▶ NIL Options or Performance Rights over Ordinary Shares in New Hope Corporation Limited



**STEVEN R. BOULTON**  
(INDEPENDENT NON-EXECUTIVE DIRECTOR)

**EXPERIENCE**

Steven R. Boulton recently joined the Board of New Hope Corporation Limited on 29 July 2022. He is an accomplished CEO and board director with more than 40 years of experience in infrastructure, investment/funds management and asset management sectors.

He is Chairman of both SeaSwift, and a Non-Executive Director of Fulton Hogan and Airlie Energy.

Steven R. Boulton has a Graduate Diploma in Applied Corporate Governance, a Bachelor of Business (Business Management & HR Management) degree and a Master of Technology Management. He is a Fellow of the Australian Institute of Company Directors, the Governance Institute of Australia and Australian Institute of Managers and Leaders. He is also a Certified Professional of the Australian Human Resources Institute.

**OTHER CURRENT LISTED DIRECTORSHIPS**

- ▶ NIL

**FORMER LISTED DIRECTORSHIPS IN THE LAST THREE YEARS**

- ▶ NIL

**SPECIAL RESPONSIBILITIES**

- ▶ NIL

**INTERESTS IN SHARES AND OPTIONS**

- ▶ NIL Ordinary Shares in New Hope Corporation Limited
- ▶ NIL Options or Performance Rights over Ordinary Shares in New Hope Corporation Limited

# INFORMATION ON DIRECTORS (CONTINUED)

## COMPANY SECRETARY

**DOMINIC H. O'BRIEN** BA, LLB (HONS), LLM, GAICD  
(COMPANY SECRETARY APPOINTED  
1 FEBRUARY 2022)

Dominic H. O'Brien joined the Company on 1 December 2020 as General Manager, People and Legal. Dominic H. O'Brien was appointed in 2022 as Executive General Manager and Company Secretary, leading the Company's People, Legal, Company Secretary, Corporate Affairs, Risk and Health & Safety functions.

Dominic H. O'Brien has over 23 years' experience as a legal practitioner and in senior management and executive roles gained in Australia and internationally, having worked at Allens Lawyers, MIM Holdings, Xstrata and Peabody Energy during his career. Dominic H. O'Brien holds a Bachelor of Arts and Bachelor of Laws (Hons) from the University of Queensland, a Master of Laws from the Queensland University of Technology and is a Graduate of the Australian Institute of Company Directors.

**ROBERT J. BISHOP** B.COMM, B.BUS (MAR), GAICD  
(COMPANY SECRETARY UNTIL  
1 FEBRUARY 2022)

Robert J. Bishop joined the Company in 2019 as General Manager of Corporate Development and in 2020 was appointed as Chief Financial Officer and Company Secretary, assuming responsibility for the Group's finance and company secretarial functions. In 2022, Robert J. Bishop was appointed as Chief Executive Officer and ceased being Company Secretary on 1 February 2022.

Robert J. Bishop has more than 20 years' experience in the resources and manufacturing sectors. Prior to joining the company, Mr Bishop was Chief Financial Officer and Company Secretary of AMCI Investments Pty Ltd and is a Graduate of the Australian Institute of Company Directors.

# REMUNERATION REPORT

The information provided in the Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001* (Cth) (Corporations Act).

## PERSONS ADDRESSED AND SCOPE OF THE REMUNERATION REPORT

The Remuneration Report sets out the remuneration information of the Company's Key Management Personnel (KMP) in accordance with section 300A of the Corporations Act and associated regulations. KMP are defined as those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company.

The names and positions held by the Company's KMPs in office at any time during the 2022 financial year are outlined below:

| NAME                             | POSITIONS HELD                                         | COMMENCED    | CEASED      |
|----------------------------------|--------------------------------------------------------|--------------|-------------|
| <b>Directors</b>                 |                                                        |              |             |
| Robert D. Millner                | Non-Executive Director                                 | 01 Dec 1995  |             |
|                                  | Chair                                                  | 27 Nov 1998  |             |
| Todd J. Barlow                   | Non-Executive Director                                 | 22 Apr 2015  |             |
|                                  | Chair of the Nomination Committee                      | 24 Apr 2016  |             |
| Jacqueline E. McGill AO          | Independent Non-Executive Director                     | 22 Jun 2020  |             |
|                                  | Chair of the Sustainability and People Committee (SPC) | 17 Nov 2020  |             |
| Thomas C. Millner                | Non-Executive Director                                 | 16 Dec 2015  |             |
| Ian M. Williams                  | Independent Non-Executive Director                     | 01 Nov 2012  |             |
|                                  | Chair of the Audit and Risk Committee (ARC)            | 25 Nov 2019  |             |
| Steven R. Boulton                | Non-Executive Director of Controlled Subsidiary        | 02 Sep 2019  |             |
|                                  | Independent Non-Executive Director                     | 29 July 2022 |             |
| <b>Executive KMP</b>             |                                                        |              |             |
| Robert J. Bishop <sup>1</sup>    | Chief Financial Officer (CFO)                          | 01 Aug 2020  | 14 Feb 2022 |
|                                  | Company Secretary (CoSec)                              | 17 Nov 2020  | 01 Feb 2022 |
|                                  | Acting Chief Executive Officer (CEO)                   | 01 Dec 2021  | 13 Feb 2022 |
|                                  | Chief Executive Officer (CEO)                          | 14 Feb 2022  |             |
| Rebecca S. Rinaldi               | Acting Chief Financial Officer (CFO)                   | 01 Feb 2022  | 13 Feb 2022 |
|                                  | Chief Financial Officer (CFO)                          | 14 Feb 2022  |             |
| Dominic H. O'Brien               | Executive General Manager (EGM)                        | 01 Feb 2022  |             |
|                                  | Company Secretary (CoSec)                              | 01 Feb 2022  |             |
| <b>Former Executive KMP</b>      |                                                        |              |             |
| Reinhold H. Schmidt <sup>2</sup> | Chief Executive Officer (CEO)                          | 1 Sep 2020   | 14 Jan 2022 |

1 Robert J. Bishop was Acting CEO for the period 1 December 2021 to 13 February 2022 during the period of personal leave and post resignation of Reinhold H. Schmidt.

2 Reinhold H. Schmidt began a short period of personal leave on 1 December 2021 which became extended to 14 January 2022. Following this period of personal leave, Reinhold H. Schmidt resigned from his position and ceased as KMP effective 14 January 2022.

# REMUNERATION REPORT (CONTINUED)

## REMUNERATION GOVERNANCE

The performance of the Company can only be achieved by identifying and retaining high calibre Directors and Executives with appropriate experience and capability. Developing an appropriate remuneration strategy is a key factor in ensuring employees are engaged and motivated to perform over the long-term.

The Board maintains overall responsibility for the remuneration of the Executive KMP and ensures the structures are competitive and aligned with the long-term interests of the Company and shareholders. While the Board maintains overall responsibility and approval for the Executive KMP remuneration, it delegates oversight to the Sustainability and People Committee (SPC, formerly known as the Health, Safety, Environment and People Committee) to regularly review, report and make recommendations to the Board in relation to remuneration.

To ensure that remuneration is consistent with current industry practices, the SPC seeks and considers advice from a wide range of sources including:

- ▶ Shareholders;
- ▶ External remuneration consultants;
- ▶ Other experts and independent consultants;
- ▶ Legal advisors;
- ▶ Management; and
- ▶ Independent surveys, reviews, market information and reports.

Advice from other experts and independent consultants will typically cover Non-Executive Director fees, Executive KMP remuneration and pay structures and equity plans.

The SPC has procedures in place to ensure that all engagements with independent external remuneration consultants, and recommendations (if any) are free from undue influence. At times, remuneration consultants may be required to interact with management to obtain the relevant information needed to form any remuneration recommendations. In these instances, a Non-Executive Director will always have oversight of interactions between independent consultants and management. The Board confirms that remuneration recommendations made during the 2022 financial year were made free from undue influence as these procedures were adhered to.

## REVIEW OF REMUNERATION ARRANGEMENTS

At the commencement of the 2022 financial year, the SPC sought information and advice (including remuneration recommendations) from independent remuneration advisers, Godfrey Remuneration Group Pty Ltd (GRG) on the matters and for the professional fees set out following:

- ▶ KMP remuneration package composition, relativities and quantum – \$16,000;
- ▶ the review and re-design of STI and LTI plans applicable to KMP and other eligible employees- \$58,000.

Following the receipt of advice and recommendations from GRG, the SPC proposed revised KMP remuneration arrangements, both in terms of quantum and relative composition, for appointments made to KMP roles during the 2022 financial year. The SPC also proposed adoption of revised STI and LTI plans designed by GRG, together with related documents prepared by GRG to implement and administer the respective plans. The Board consulted with management, considered feedback received from shareholders on remuneration arrangements and ultimately determined to implement the SPC's recommended proposals. During the review process, awards which might ordinarily have been decided and granted throughout the year were deferred pending final Board decisions arising from the review process with intention that awardees not be prejudiced by any delay to the timing of award grants. The outcomes of the review process and material terms of the revised STI and LTI plans which have been adopted are detailed in this remuneration report.

## SECURITIES TRADING POLICY

The Company has adopted a Securities Trading Policy to assist Directors and certain employees (and their associates) to comply with their obligations under the insider trading prohibitions of the Corporations Act) and to protect the reputation of the Company, its Directors and employees. Specifically, the Company's Securities Trading Policy prohibits trading in Company securities by certain personnel except during specific trading windows and with written consent.

In addition to guidance on inside information and dealing in our securities, the Policy prohibits our Directors and certain employees from entering into margin lending or other secured financing arrangements, short-term trading in, or "short-selling", our securities, or entering into any hedging arrangement that limits the economic risk of securities or entitlements to acquire our securities (such as options or share rights) including hedging or similar arrangements.

The Securities Trading Policy is available on the Company's website: [newhopegroup.com.au/corporate-governance](https://newhopegroup.com.au/corporate-governance)



## EMPLOYMENT CONTRACTS

Employment contracts with the Executive KMP detail the individual terms and conditions of employment. They provide for a cash salary, superannuation and non-cash benefits, details of which are provided on page 37 of this report. Executive KMP may elect to salary sacrifice a portion of their cash salary into superannuation or other benefits. The details of key employment terms are detailed below.

| NAME                         | TERM OF AGREEMENT<br>AND NOTICE PERIOD <sup>1</sup> | BASE REMUNERATION<br>PLUS SUPERANNUATION | TERMINATION PAYMENTS <sup>2</sup> |
|------------------------------|-----------------------------------------------------|------------------------------------------|-----------------------------------|
| <b>Current Executive KMP</b> |                                                     |                                          |                                   |
| Robert J. Bishop             | No fixed-term   6-month notice period               | 956,292 <sup>3</sup>                     | 6-months' base remuneration       |
| Rebecca S. Rinaldi           | No fixed-term   3-month notice period               | 516,724 <sup>3</sup>                     | 3-months' base remuneration       |
| Dominic H. O'Brien           | No fixed-term   3-month notice period               | 526,724 <sup>3</sup>                     | 3-months' base remuneration       |
| <b>Former Executive KMP</b>  |                                                     |                                          |                                   |
| Reinhold H. Schmidt          | No fixed-term   six month notice period             | 1,500,000 <sup>3</sup>                   | Six months' base remuneration     |

1 This notice period applies equally to all parties.

2 Base salary is payable if the Company terminates Executive KMP with notice, and without cause (e.g. for reasons other than unsatisfactory performance) as defined in their employment contracts. In the event of summary termination, it is without notice or payment in lieu.

3 Fixed remuneration quoted is current as at 31 July 2022 and is reviewed annually by the SPC.

## REMUNERATION STRUCTURE – NON-EXECUTIVE DIRECTORS

Remuneration of Non-Executive Directors is determined by the Board with reference to market rates for comparable companies and reflective of the responsibilities and commitment required of the Non-Executive Director.

Non-Executive Directors are paid within an aggregate fee limit approved by shareholders. The current limit is \$1,750,000 per financial year and was approved by shareholders on 15 November 2012. In the 2022 financial year, the aggregate amount expended for Non-Executive Directors' remuneration was at 54 per cent of this limit. The Board will not seek an increase to the aggregate fee limit at the 2022 AGM.

Non-Executive Directors are paid a fixed annual fee (inclusive of superannuation where relevant) and do not participate in any performance-related incentive awards or receive shares or share options. Non-Executive Directors do not receive retirement benefits other than inclusive superannuation payments. Non-Executive Director fees currently consist of base fees for the Chair and Non-Executive Directors of the Board and fees for the Chairs and Members of the SPC and ARC.

Fees paid to Non-Executive Directors are set out in the table below.

|                         | BOARD   | AUDIT AND RISK<br>COMMITTEE | SUSTAINABILITY<br>AND PEOPLE<br>COMMITTEE (SPC) | NOMINATION<br>COMMITTEE | CONTROLLED<br>SUBSIDIARY |
|-------------------------|---------|-----------------------------|-------------------------------------------------|-------------------------|--------------------------|
| <b>2022<sup>1</sup></b> |         |                             |                                                 |                         |                          |
| Chair                   | 242,092 | 55,021                      | 17,341                                          | n/a                     | 47,374                   |
| Member                  | 143,054 | 11,004                      | 11,004                                          | n/a                     | 33,013                   |
| <b>2021</b>             |         |                             |                                                 |                         |                          |
| Chair                   | 240,992 | 54,771                      | 17,263                                          | n/a                     | 47,159                   |
| Member                  | 142,404 | 10,954                      | 10,954                                          | n/a                     | 32,863                   |

1 On 1 July 2022, the superannuation guarantee percentage increased from 10.0 per cent to 10.5 per cent. 2022 fees include this increase for one month of the 2022 financial year.

# REMUNERATION REPORT (CONTINUED)

## REMUNERATION STRUCTURE — EXECUTIVE KMP

Remuneration of the Executive KMP is underpinned by the Company's Vision and Core Values.

### THE COMPANY'S REMUNERATION OBJECTIVES

Attract quality  
Directors and  
Executives

Deliver the Group's  
short-term  
objectives

Deliver sustainable  
and long-term  
Shareholder Value

Aligned to the Company's  
Vision, Purpose and  
Core Values

### OUR VISION

Energising our People, Communities and Customers

### OUR PURPOSE

To deliver long-term Shareholder Value through responsible investment, Marketing and Asset Management

### OUR CORE VALUES

#### INTEGRITY

We are ethical,  
honest and can be  
trusted to do the  
right thing

#### RESPECT

We listen and treat  
others as we expect  
to be treated

#### ACCOUNTABILITY

We are empowered  
and accountable for  
our actions

#### WELLBEING

We all seek to  
prevent harm,  
promote safety and  
enhance health

#### RESILIENCE

We are adaptable  
and see opportunity  
in change

#### COLLABORATION

We work together  
and focus on the  
best outcome

The following table summarises the Company's policy regarding Executive KMP remuneration.

|                             | TOTAL FIXED REMUNERATION (TFR)                                                                                                                                                                  | SHORT-TERM INCENTIVE (STI)                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | LONG-TERM INCENTIVE (LTI)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Purpose</b>              | To attract, motivate and retain Executive KMP with the appropriate experience and capabilities to deliver our Vision and Purpose in accordance with our Core Values.                            | Create a strong link between performance and reward over the short to medium-term.<br><br>Focus the attention on delivering against short-term goals that underpin the success of the Company.                                                                                                                                                                                                                                                                                                 | Create a strong link between performance and reward over the long-term. Encourage sustainable, long-term value creation through equity ownership.<br><br>Align the long-term interests of shareholders with the Executive KMP who have a key role in influencing the creation of long-term value.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Link to Performance</b>  | Motivate Executive KMP to drive a strong and positive culture and deliver on the business strategy and outcomes.                                                                                | Gateways to reward and KMP Personalised scorecards include strategic annual objectives linking individual and company performance.                                                                                                                                                                                                                                                                                                                                                             | Performance hurdles are set by the Board over three-year periods to deliver sustained shareholder value.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Performance Measures</b> | Individual accountabilities that support the execution of the business strategy.<br><br>The Executive KMP receive a fixed amount which is recommended annually by the SPC and set by the Board. | Gateways to performance assessment include:<br><ul style="list-style-type: none"> <li>▶ Nil fatalities;</li> <li>▶ Nil serious environmental harm;</li> <li>▶ Nil serious cultural heritage harm; and</li> <li>▶ Threshold EBITDA achieved.</li> </ul> Individual performance indicators are based upon the short-term requirements of the role and the Company.<br><br>Company key performance indicators (KPIs) which link performance to achievement of the short-term business objectives. | For the 2022 financial year grant, performance will be measured over a rolling three-year period with reference to a combination of:<br><ul style="list-style-type: none"> <li>▶ Total shareholder return (TSR) achieved by the Company relative to comparative index.</li> <li>▶ Comparative costs control performance assessed by measuring ranking in the top 40 thermal coal mines in Australia;</li> <li>▶ Execution of business strategy and ESG objectives assessed by the Board; and</li> <li>▶ Risk management and safety and well-being outcomes assessed by the Board.</li> </ul> There is also a concurrent service condition alongside the above performance conditions which provides that Rights will lapse if the participant resigns before the end of the performance period. |
| <b>Delivery</b>             | Competitive market based fixed remuneration comprising base salary, superannuation, and other non-cash benefits.                                                                                | Awards are payable in cash following the release of the Annual Financial results upon the company gateway and company scorecard and individual performance targets being achieved.                                                                                                                                                                                                                                                                                                             | LTI is delivered in Performance Rights which can be exercised into Ordinary Shares upon meeting required performance hurdles and satisfying the requisite service conditions over the performance period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

# REMUNERATION REPORT (CONTINUED)

## TOTAL FIXED REMUNERATION STRUCTURE

TFR is based on the position, scope and leadership accountability of the KMP. TFR is determined by a process of review of Company requirements and individual experience and capability, relevant comparative remuneration both in the market and internally, and, where appropriate, external independent advice on remuneration structure, policies and practices.

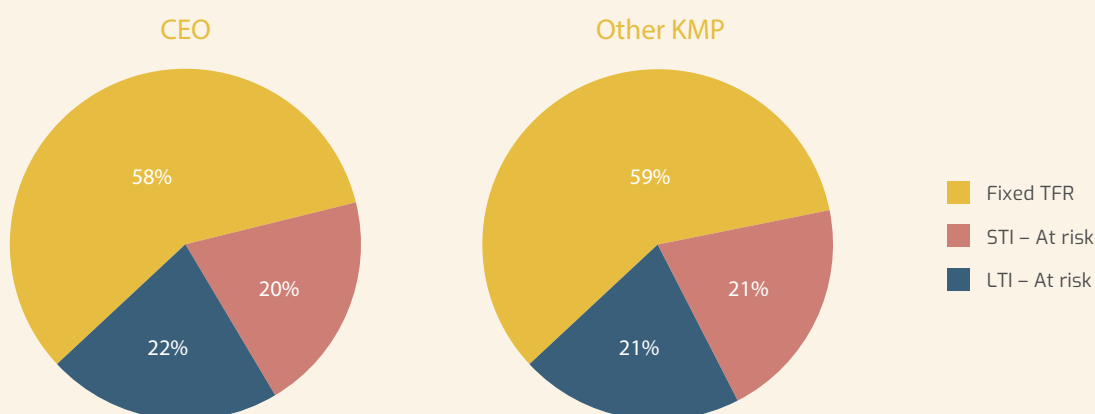
## SHORT-TERM AND LONG-TERM INCENTIVE STRUCTURES

The Board considers the use of STI and LTI as reasonable means of remunerating Executive KMP on the basis they:

- ▶ Encourage Executive KMP to achieve objectives linked to shareholder value creation;
- ▶ Reward performance including actions and behaviours enabling value creation and driving company success;
- ▶ Provide flexibility to the Company to actively manage the way in which it remunerates and incentivises Executive KMP; and
- ▶ Contribute to the attraction and retention of skilled talent in a competitive market.

The following diagram sets out the remuneration mix of TFR, STI award and LTI award value at target for the Executive KMP for the 2022 financial year.

### REMUNERATION MIX



**VARIABLE EXECUTIVE REMUNERATION — SHORT-TERM INCENTIVES**

| ASPECT                                  | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                     |         |                           |  |  |        |         |     |       |       |           |       |       |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------------------|--|--|--------|---------|-----|-------|-------|-----------|-------|-------|
| Form of Award                           | Awards are delivered in Cash.                                                                                                                                                                                                                                                                                                                                                                                   |         |                           |  |  |        |         |     |       |       |           |       |       |
| Performance Period                      | The Company's financial year (12 months).                                                                                                                                                                                                                                                                                                                                                                       |         |                           |  |  |        |         |     |       |       |           |       |       |
| STI Opportunity                         | <div>The target and maximum awards payable for KMP are outlined below:</div> <table><tr><th></th><th>OPPORTUNITY AS A % OF TFR</th><th></th></tr><tr><th></th><th>TARGET</th><th>STRETCH</th></tr><tr><td>CEO</td><td>35.0%</td><td>52.5%</td></tr><tr><td>Other KMP</td><td>35.0%</td><td>52.5%</td></tr></table>                                                                                              |         | OPPORTUNITY AS A % OF TFR |  |  | TARGET | STRETCH | CEO | 35.0% | 52.5% | Other KMP | 35.0% | 52.5% |
|                                         | OPPORTUNITY AS A % OF TFR                                                                                                                                                                                                                                                                                                                                                                                       |         |                           |  |  |        |         |     |       |       |           |       |       |
|                                         | TARGET                                                                                                                                                                                                                                                                                                                                                                                                          | STRETCH |                           |  |  |        |         |     |       |       |           |       |       |
| CEO                                     | 35.0%                                                                                                                                                                                                                                                                                                                                                                                                           | 52.5%   |                           |  |  |        |         |     |       |       |           |       |       |
| Other KMP                               | 35.0%                                                                                                                                                                                                                                                                                                                                                                                                           | 52.5%   |                           |  |  |        |         |     |       |       |           |       |       |
| Award Determination and Payment         | <div>STI award is determined following a review of performance over the year against the Company and individual KPIs as assessed by the CEO and the Board.</div> <div>Awards will generally be paid in cash in the month of October following the end of the performance period.</div>                                                                                                                          |         |                           |  |  |        |         |     |       |       |           |       |       |
| Gate                                    | <div>To enable payment of STI to KMP, key financial and non-financial gateways must be satisfied. The gateways are:</div> <div><div>▶ Nil fatalities;</div><div>▶ Nil serious environmental harm;</div><div>▶ Nil serious cultural heritage harm; and</div><div>▶ Threshold EBITDA achieved</div></div>                                                                                                         |         |                           |  |  |        |         |     |       |       |           |       |       |
| Cessation of Employment During a Period | Generally, no STI will be awarded if cessation of employment occurs prior to end of the performance period. The Board in its absolute discretion may determine that in other cases of cessation of employment, such as retirement, death or total or permanent disability, awards will be pro-rated with respect to the percent of the Performance Period that has elapsed.                                     |         |                           |  |  |        |         |     |       |       |           |       |       |
| Board Discretion                        | The Board retains discretion to increase or decrease, including to nil, the extent of STI awarded to Executive KMP if it forms the view that it is appropriate to do so given the circumstances that prevailed during the Performance Period.                                                                                                                                                                   |         |                           |  |  |        |         |     |       |       |           |       |       |
| Major Corporate Transactions            | Awards vest pro-rata relative to the percent of the Measurement Period that has elapsed in the event of a change of control transaction going unconditional, unless determined otherwise by the Board.                                                                                                                                                                                                          |         |                           |  |  |        |         |     |       |       |           |       |       |
| Malus and Clawback                      | STI awards may be reduced or cancelled, and action may be taken to recover awards in the event of erroneous or misleading data, misconduct, misstatement of accounts, serious reputational damage or corporate failure.                                                                                                                                                                                         |         |                           |  |  |        |         |     |       |       |           |       |       |
| Company and Individual KPIs             | <div>The Company KPIs assess wholistic Company performance referencing Group financial, costs, production, health, safety, risk and controls, environment and community measures.</div> <div>The Individual KPIs include specific safety, operational, project and strategic measures in addition to the level of demonstration of the Company's Core Values and behaviours. KPI components are weighted.</div> |         |                           |  |  |        |         |     |       |       |           |       |       |

# REMUNERATION REPORT (CONTINUED)

## SHORT-TERM INCENTIVE OUTCOMES – LINK TO PERFORMANCE

### SUMMARY OF 2022 FINANCIAL YEAR STI PERFORMANCE MEASURES AND OUTCOMES

Performance is assessed by examination of outcomes against threshold, target and stretch levels across a range of measures. The measures are holistic to the Company's activities and are specified at a Company and Individual level. Targets are determined annually at levels which appropriately represent improved performance over prior periods to drive actions and initiatives providing continuous improvement outcomes. Stretch is set at levels which would represent material improvement. An outline of the relevant range of measure is set out below. The SPC and Board considers that these measures and their relevant threshold, target and stretch levels create a strong link between performance and reward over the short to medium-term and focus management attention on delivering against short-term goals that underpin the success of the Company.

|                           | MEASURE                                 | TARGET WEIGHTING | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                      | OUTCOME   |        |         |
|---------------------------|-----------------------------------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|--------|---------|
|                           |                                         |                  |                                                                                                                                                                                                                                                                                                                                                                                                                  | THRESHOLD | TARGET | STRETCH |
| Non-Financial             | Health, Safety, Environment & Community | 10%              | Rewards continuous improvement on HSEC measured through a balance of lead and lag indicators. Indicators include frequency and potential/severity analysis of: all injuries, total recordable injuries, hazard identification and reduction, environmental incidents, and non-vexatious community complaints. Initiatives designed to improve HSEC performance and effectiveness of actions are also considered. |           |        | ▼       |
|                           | Risk, Audit and Controls                | 10%              | Rewards effective mitigation of existing risks and detect emerging risks through assessment and control frameworks. Indicators include execution and effectiveness of risk plan and critical control activities, timely completion of audit corrective actions, and completion rate of training initiatives designed to educate employees about risk areas and improve risk mitigation practices and outcomes.   |           | ▼      |         |
| Financial                 | Group EBITDA                            | 20%              | Rewards improvement to earnings.                                                                                                                                                                                                                                                                                                                                                                                 |           |        | ▼       |
|                           | Group Cost/Tonne                        | 20%              | Rewards improvement to cost management.                                                                                                                                                                                                                                                                                                                                                                          |           |        | ▼       |
|                           | Overburden (Prime)                      | 10%              | Rewards improvement to mine-planning.                                                                                                                                                                                                                                                                                                                                                                            |           | ▼      |         |
|                           | Group Production                        | 10%              | Rewards improvement to production.                                                                                                                                                                                                                                                                                                                                                                               |           |        | ▼       |
| Total Company Performance |                                         | 80%              |                                                                                                                                                                                                                                                                                                                                                                                                                  |           | 110%   |         |

Individual measures assess the efforts and effectiveness of actions and outcomes against targets set by the SPC and approved by the Board which focus on improvement in strategy, culture and people, diversity and inclusion, safety, risk management, sustainability, financial stability and value creation.

| KMP                | TARGET<br>WEIGHTING | OUTCOME   |        |         |
|--------------------|---------------------|-----------|--------|---------|
|                    |                     | THRESHOLD | TARGET | STRETCH |
| Robert J. Bishop   | 20%                 |           |        | ▼       |
| Rebecca S. Rinaldi | 20%                 |           |        | ▼       |
| Dominic H. O'Brien | 20%                 |           |        | ▼       |

## 2022 FINANCIAL YEAR PERFORMANCE COMMENTARY

Group safety performance measured by all injury frequency rate (AIFR) and total recordable injury frequency rate (TRIFR) improved. Other targeted safety improvement initiatives focussed on improving hazard and incident investigation and reporting by potential were implemented. Revised company policy and governance structures to support transparent determination and implementation of community engagement programs and activities were implemented. Community complaints declined. Environmental reporting frameworks were improved. Environmental incidents declined excluding water discharge during flood events. Due to sites' water management practices, water quality was not impacted and the regulator determined no action to be taken. The SPC recommended and the Board agreed that stretch health, safety, environment and community performance was achieved.

Transparency and reporting around risk plan and critical control activities improved during the year. Targeted actions were largely achieved throughout the year with delays to action completion dates occurring due to delays in supply of materials required to complete construction and commissioning of operational improvements. A detailed equipment fire risk review was completed during the year with all improvement actions adopted in full and completed on time. Training initiatives designed to educate employees about risk areas and improve risk mitigation practices and outcomes were delivered with completion and minimum pass rates achieved. The SPC recommended and the Board agreed that targeted risk, audit and controls community performance was achieved.

The Group achieved stretch performance against targeted EBITDA and cost reduction performance. Overburden (prime) and production performance were adversely impacted by uncontrollable, extreme weather events and labour availability disruption due to COVID-19. During the year, Management implemented mitigation strategies which were successful in reducing the impacts of the uncontrollable events. If the uncontrollable events impacts were excluded, performance in excess of target was achieved. The SPC recommended and the Board agreed that financial targets were exceeded by an overall average factor of 1.41.

The SPC recommended and the Board agreed, in consultation with the CEO, to implement a detailed action plan of targeted improvements and initiatives to be delivered with achievements and outcomes assessed on scorecard basis. Accountability for delivery rested with the CEO with specific areas of responsibility delegated to KMP and other senior management roles. The developed and agreed action plan was wholistic encompassing targeted improvements in strategy definition and implementation plans, company culture and values focussed decision making, people engagement, Bengalla enterprise agreement re-negotiation without disruption, diversity and inclusion initiatives to improve participation by under-represented groups, safety governance and due diligence practices, enterprise risk framework review, risk management and controls effectiveness, responsible operator practices, rehabilitation outcomes, environmental performance, sustainability reporting, marketing strategy, financial stability and capital management strategy development and articulation, investor and proxy advisory engagement, and value creation through successful execution of transactions and strategy. The collective actions and achievements of management and the Company are detailed elsewhere in this report. The SPC recommended and the Board agreed that targeted performance was met and/or exceeded across the range of detailed measures. The Board consequently determined individual performance outcomes as set out in the individual performance measures table above. Individual STI awards were calculated accordingly.

In light of the performance outcomes detailed in the table above, the Board has determined to make the following Executive KMPs' STI awards in relation to the 2022 financial year:

|                              | STI MAXIMUM<br>\$ | STI PAYABLE<br>\$ | STI PAYABLE<br>% | STI FORFEITED<br>\$ | STI FORFEITED<br>% |
|------------------------------|-------------------|-------------------|------------------|---------------------|--------------------|
| <b>Current Executive KMP</b> |                   |                   |                  |                     |                    |
| Robert J. Bishop             | 502,053           | 452,518           | 90.1%            | 49,535              | 9.9%               |
| Rebecca S. Rinaldi           | 271,280           | 244,514           | 90.1%            | 26,766              | 9.9%               |
| Dominic H. O'Brien           | 276,530           | 258,464           | 93.5%            | 18,066              | 6.5%               |

# REMUNERATION REPORT (CONTINUED)

## SPECIAL INCENTIVE AWARDS

In light of the significant efforts and achievements across the Group and the exceptional returns generated throughout FY22, the SPC recommended and the Board determined to make special incentive awards payments to all employees in the Group. The Board considered it appropriate to exercise a discretion to provide all employees with a special incentive award additional to determined STIP awards to demonstrate the link between reward and the success of the Group and to reinforce the Group's employee value proposition that the Group's remuneration and reward arrangements are designed to attract and retain motivated and talented employees. The special incentive awards paid to all employees in the Group were structured as either a fixed cash payment or a cash payment calculated as a percentage of FY22 STIP award achieved, depending upon role in the Group. Special incentive awards were made to the Executive KMP as set out in the table below. The awards to Executive KMP were delivered as a restricted right which can be exercised into Ordinary Shares upon meeting a 12-month service condition from the date of award. The award will be recognised over the service period, in line with the attached 12-month service condition.

|                              | SPECIAL INCENTIVE AWARD<br>\$ | PERCENTAGE OF TFR<br>\$ | RESTRICTED RIGHTS<br>AWARDED |
|------------------------------|-------------------------------|-------------------------|------------------------------|
| <b>Current Executive KMP</b> |                               |                         |                              |
| Robert J. Bishop             | 226,259                       | 24%                     | 54,986                       |
| Rebecca S. Rinaldi           | 122,257                       | 24%                     | 29,711                       |
| Dominic H. O'Brien           | 129,232                       | 25%                     | 31,406                       |

\* The Share Price used to calculate the grant of Restricted Rights was based on a volume weighted average price (VWAP) of \$4.1148 over the 20 trading days preceding 1 August 2022.

## VARIABLE EXECUTIVE REMUNERATION — LONG-TERM INCENTIVES

| ASPECT             | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |         |                           |  |  |        |         |     |     |     |           |     |     |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------------------|--|--|--------|---------|-----|-----|-----|-----------|-----|-----|
| Instrument         | LTI is delivered in Performance Rights which can be exercised into Ordinary Shares upon meeting required performance hurdles and satisfying the requisite service conditions over the measurement period. The Rights are "Indeterminate Rights" which may be settled in the form of a Company Share (including a Restricted Share), or cash equivalent, upon valid exercise.                                                                                                 |         |                           |  |  |        |         |     |     |     |           |     |     |
| Award Opportunity  | <div>The target and maximum awards payable for KMP are outlined below:</div> <table><tr><th></th><th colspan="2">OPPORTUNITY AS A % OF TFR</th></tr><tr><th></th><th>TARGET</th><th>STRETCH</th></tr><tr><td>CEO</td><td>37%</td><td>74%</td></tr><tr><td>Other KMP</td><td>35%</td><td>70%</td></tr></table>                                                                                                                                                                |         | OPPORTUNITY AS A % OF TFR |  |  | TARGET | STRETCH | CEO | 37% | 74% | Other KMP | 35% | 70% |
|                    | OPPORTUNITY AS A % OF TFR                                                                                                                                                                                                                                                                                                                                                                                                                                                    |         |                           |  |  |        |         |     |     |     |           |     |     |
|                    | TARGET                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | STRETCH |                           |  |  |        |         |     |     |     |           |     |     |
| CEO                | 37%                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 74%     |                           |  |  |        |         |     |     |     |           |     |     |
| Other KMP          | 35%                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 70%     |                           |  |  |        |         |     |     |     |           |     |     |
| Grant Frequency    | LTI is granted annually.                                                                                                                                                                                                                                                                                                                                                                                                                                                     |         |                           |  |  |        |         |     |     |     |           |     |     |
| Grant calculation  | <div>The number of Rights in each Tranche of LTI to be granted are calculated via the application of the following formula:</div> <div>Number of Rights = Total Fixed Remuneration (TFR) x LTI % ÷ 20-day VWAP</div> <div>Where LTI % is the maximum LTI opportunity as a % of TFR.</div> <div>The Share Price used to calculate the grant of Rights was based on a volume weighted average price (VWAP) of \$1.9005 over the 20 trading days preceding 1 August 2021.</div> |         |                           |  |  |        |         |     |     |     |           |     |     |
| Measurement Period | Three financial years from 1 August 2021 to 31 July 2024.                                                                                                                                                                                                                                                                                                                                                                                                                    |         |                           |  |  |        |         |     |     |     |           |     |     |
| Service Period     | The Executive KMP must remain an employee of the Company during the performance period to be eligible for LTI award vesting.                                                                                                                                                                                                                                                                                                                                                 |         |                           |  |  |        |         |     |     |     |           |     |     |

| ASPECT                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|------|--------|------------------------------------------------------------|---------------|-----------|----------------------------------------------------------------------------------------|------|-----|------------------------------|--------------|----------|-----------|-------|-----|-----------------|-------|----|
| Performance Conditions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | For 2022 financial year LTI grants, the following performance conditions apply:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Tranche 1 Performance Rights (55% weighting at Target) are subject to an TSR vesting condition. This vesting condition ranks the Company's TSR growth over the performance period against the TSRs of companies in a blend of Global Coal and ASX100-200 companies.                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | The vesting scale for this performance vesting metric is as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <table><tr><th>PERFORMANCE LEVEL</th><th>COMPANY'S TSR OVER MEASUREMENT PERIOD</th><th>VESTING % OF TRANCHE</th></tr><tr><td>Stretch</td><td>P75</td><td>100%</td></tr><tr><td>Between Target and Stretch</td><td>&gt; P50 &amp; &lt; P75</td><td>Pro-rata</td></tr><tr><td>Target</td><td>P50</td><td>50%</td></tr><tr><td>Below Target</td><td>&lt; P50</td><td>0%</td></tr></table>                                                                                                                                                                                                                                | PERFORMANCE LEVEL                                                                                              | COMPANY'S TSR OVER MEASUREMENT PERIOD                                                                          | VESTING % OF TRANCHE | Stretch                                                                                                                                                 | P75  | 100%   | Between Target and Stretch                                 | > P50 & < P75 | Pro-rata  | Target                                                                                 | P50  | 50% | Below Target                 | < P50        | 0%       |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | PERFORMANCE LEVEL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | COMPANY'S TSR OVER MEASUREMENT PERIOD                                                                          | VESTING % OF TRANCHE                                                                                           |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Stretch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | P75                                                                                                            | 100%                                                                                                           |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Between Target and Stretch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | > P50 & < P75                                                                                                  | Pro-rata                                                                                                       |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | P50                                                                                                            | 50%                                                                                                            |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Below Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | < P50                                                                                                          | 0%                                                                                                             |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Tranche 2 Performance Rights (15% weighting) are subject to a comparative costs control vesting condition. This vesting condition measures the statistical ranking of Bengalla Mine's cost control performance compared to Australia's top 40 export thermal coal mines.                                                                                                                                                                                                                                                                                                                                              |                                                                                                                |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | The vesting scale for this performance vesting metric is as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <table><tr><th>PERFORMANCE LEVEL</th><th>BENGALLA MINE'S COST POSITION RELATIVE TO AUSTRALIA'S TOP 40 EXPORT THERMAL COAL MINES OVER MEASUREMENT PERIOD</th><th>VESTING % OF TRANCHE</th></tr><tr><td>Stretch</td><td>≤ 4%</td><td>100%</td></tr><tr><td>Between Target and Stretch</td><td>&lt; 7% &amp; &gt; 4%</td><td>Pro-rata</td></tr><tr><td>Target</td><td>= 7%</td><td>50%</td></tr><tr><td>Between Threshold and Target</td><td>&lt; 10% &amp; &gt; 7%</td><td>Pro-rata</td></tr><tr><td>Threshold</td><td>= 10%</td><td>25%</td></tr><tr><td>Below Threshold</td><td>&gt; 10%</td><td>0%</td></tr></table> | PERFORMANCE LEVEL                                                                                              | BENGALLA MINE'S COST POSITION RELATIVE TO AUSTRALIA'S TOP 40 EXPORT THERMAL COAL MINES OVER MEASUREMENT PERIOD | VESTING % OF TRANCHE | Stretch                                                                                                                                                 | ≤ 4% | 100%   | Between Target and Stretch                                 | < 7% & > 4%   | Pro-rata  | Target                                                                                 | = 7% | 50% | Between Threshold and Target | < 10% & > 7% | Pro-rata | Threshold | = 10% | 25% | Below Threshold | > 10% | 0% |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | PERFORMANCE LEVEL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | BENGALLA MINE'S COST POSITION RELATIVE TO AUSTRALIA'S TOP 40 EXPORT THERMAL COAL MINES OVER MEASUREMENT PERIOD | VESTING % OF TRANCHE                                                                                           |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Stretch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | ≤ 4%                                                                                                           | 100%                                                                                                           |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Between Target and Stretch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | < 7% & > 4%                                                                                                    | Pro-rata                                                                                                       |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | = 7%                                                                                                           | 50%                                                                                                            |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Between Threshold and Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | < 10% & > 7%                                                                                                   | Pro-rata                                                                                                       |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| Threshold                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | = 10%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 25%                                                                                                            |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| Below Threshold                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | > 10%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 0%                                                                                                             |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| Tranche 3 Performance Rights (7.5% weighting) are subject to a strategic vesting condition.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| The vesting scale for this performance vesting metric is as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| <table><tr><th>Performance Level</th><th>Company Strategic Objectives</th><th>% Vesting of Tranche</th></tr><tr><td>Stretch</td><td>Operational performance and returns from transactions executed materially exceed transaction objectives</td><td>100%</td></tr><tr><td>Target</td><td>Transactions executed achieve target returns and synergies</td><td>50%</td></tr><tr><td>Threshold</td><td>Implementation of strategic plan actions</td><td>25%</td></tr></table>                                                                            | Performance Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Company Strategic Objectives                                                                                   | % Vesting of Tranche                                                                                           | Stretch              | Operational performance and returns from transactions executed materially exceed transaction objectives                                                 | 100% | Target | Transactions executed achieve target returns and synergies | 50%           | Threshold | Implementation of strategic plan actions                                               | 25%  |     |                              |              |          |           |       |     |                 |       |    |
| Performance Level                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Company Strategic Objectives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | % Vesting of Tranche                                                                                           |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| Stretch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Operational performance and returns from transactions executed materially exceed transaction objectives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 100%                                                                                                           |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Transactions executed achieve target returns and synergies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 50%                                                                                                            |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| Threshold                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Implementation of strategic plan actions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 25%                                                                                                            |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| Tranche 4 Performance Rights (7.5% weighting) are subject to an ESG vesting condition.                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| The vesting scale for this performance vesting metric is as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| <table><tr><th>PERFORMANCE LEVEL</th><th>COMPANY ESG OBJECTIVES</th><th>% VESTING OF TRANCHE</th></tr><tr><td>Stretch</td><td>Material improvement in ESG practices, disclosure and performance (e.g., increase in sustainability analytics scores and other independent recognition)</td><td>100%</td></tr><tr><td>Target</td><td>Achieve key actions from ESG improvement plan</td><td>50%</td></tr><tr><td>Threshold</td><td>Complete review of ESG disclosure and practices/strategy and document improvement plan</td><td>25%</td></tr></table> | PERFORMANCE LEVEL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | COMPANY ESG OBJECTIVES                                                                                         | % VESTING OF TRANCHE                                                                                           | Stretch              | Material improvement in ESG practices, disclosure and performance (e.g., increase in sustainability analytics scores and other independent recognition) | 100% | Target | Achieve key actions from ESG improvement plan              | 50%           | Threshold | Complete review of ESG disclosure and practices/strategy and document improvement plan | 25%  |     |                              |              |          |           |       |     |                 |       |    |
| PERFORMANCE LEVEL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | COMPANY ESG OBJECTIVES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | % VESTING OF TRANCHE                                                                                           |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| Stretch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Material improvement in ESG practices, disclosure and performance (e.g., increase in sustainability analytics scores and other independent recognition)                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 100%                                                                                                           |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Achieve key actions from ESG improvement plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 50%                                                                                                            |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |
| Threshold                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Complete review of ESG disclosure and practices/strategy and document improvement plan                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 25%                                                                                                            |                                                                                                                |                      |                                                                                                                                                         |      |        |                                                            |               |           |                                                                                        |      |     |                              |              |          |           |       |     |                 |       |    |

# REMUNERATION REPORT (CONTINUED)

| ASPECT                                            | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                            |                                    |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------------|---------|----------------------------------------------------------------------------------------------------------------------------------------------------|------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| Performance Conditions                            | Tranche 5 Performance Rights (7.5% weighting) are subject to a safety vesting condition.<br>The vesting scale for this performance vesting metric is as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                            |                                    |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |
|                                                   | <table><tr><th>PERFORMANCE LEVEL</th><th>COMPANY SAFETY OBJECTIVES</th><th>% VESTING OF TRANCHE</th></tr><tr><td>Stretch</td><td>Material improvement in safety metrics over period, and third-party audit confirms effectiveness of safety governance and due diligence practices.</td><td>100%</td></tr><tr><td>Target</td><td>Improvement in safety metrics year on year over the measurement period, and safety metrics remain below industry average.</td><td>50%</td></tr><tr><td>Threshold</td><td>Implement recommendations from the Safety Governance Practices and Due Diligence review, and no fatalities during the measurement period caused by failure of Company Health and Safety Management System.</td><td>25%</td></tr></table> | PERFORMANCE LEVEL                                                                                                                                                                                          | COMPANY SAFETY OBJECTIVES          | % VESTING OF TRANCHE | Stretch | Material improvement in safety metrics over period, and third-party audit confirms effectiveness of safety governance and due diligence practices. | 100% | Target | Improvement in safety metrics year on year over the measurement period, and safety metrics remain below industry average.                            | 50% | Threshold | Implement recommendations from the Safety Governance Practices and Due Diligence review, and no fatalities during the measurement period caused by failure of Company Health and Safety Management System. | 25% |
|                                                   | PERFORMANCE LEVEL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | COMPANY SAFETY OBJECTIVES                                                                                                                                                                                  | % VESTING OF TRANCHE               |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |
|                                                   | Stretch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Material improvement in safety metrics over period, and third-party audit confirms effectiveness of safety governance and due diligence practices.                                                         | 100%                               |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |
|                                                   | Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Improvement in safety metrics year on year over the measurement period, and safety metrics remain below industry average.                                                                                  | 50%                                |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |
|                                                   | Threshold                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Implement recommendations from the Safety Governance Practices and Due Diligence review, and no fatalities during the measurement period caused by failure of Company Health and Safety Management System. | 25%                                |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |
|                                                   | Tranche 6 Performance Rights (7.5% weighting) are subject to a risk management vesting condition.<br>The vesting scale for this performance vesting metric is as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                            |                                    |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |
|                                                   | <table><tr><th>PERFORMANCE LEVEL</th><th>COMPANY RISK MANAGEMENT OBJECTIVES</th><th>% VESTING OF TRANCHE</th></tr><tr><td>Stretch</td><td>Third party audit confirms effectiveness of the Risk Framework and Practices at an industry best practices level.</td><td>100%</td></tr><tr><td>Target</td><td>Third party audit confirms compliance with Risk Framework and Practices, and all material risk actions completed on time as per framework deadlines.</td><td>50%</td></tr><tr><td>Threshold</td><td>Implement recommendations from the Risk Framework and Practices review.</td><td>25%</td></tr></table>                                                                                                                                 | PERFORMANCE LEVEL                                                                                                                                                                                          | COMPANY RISK MANAGEMENT OBJECTIVES | % VESTING OF TRANCHE | Stretch | Third party audit confirms effectiveness of the Risk Framework and Practices at an industry best practices level.                                  | 100% | Target | Third party audit confirms compliance with Risk Framework and Practices, and all material risk actions completed on time as per framework deadlines. | 50% | Threshold | Implement recommendations from the Risk Framework and Practices review.                                                                                                                                    | 25% |
|                                                   | PERFORMANCE LEVEL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | COMPANY RISK MANAGEMENT OBJECTIVES                                                                                                                                                                         | % VESTING OF TRANCHE               |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |
|                                                   | Stretch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Third party audit confirms effectiveness of the Risk Framework and Practices at an industry best practices level.                                                                                          | 100%                               |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |
| Target                                            | Third party audit confirms compliance with Risk Framework and Practices, and all material risk actions completed on time as per framework deadlines.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 50%                                                                                                                                                                                                        |                                    |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |
| Threshold                                         | Implement recommendations from the Risk Framework and Practices review.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 25%                                                                                                                                                                                                        |                                    |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |
| Cessation of Employment During the Service Period | Generally, all unvested LTI awards will be forfeited if employment ceases prior to the completion of the Service Period. The Board in its absolute discretion may determine that in other cases of cessation of employment, such as retirement, death, total or permanent disability, awards will result in retaining unvested Performance Rights for testing at the end of the performance period.                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                            |                                    |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |
| Malus and Clawback                                | LTI awards may be reduced or cancelled and action may be taken to recover vested awards in the event of erroneous or misleading data, misconduct, misstatement of accounts, serious reputational damage or corporate failure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                            |                                    |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |
| Retesting                                         | There is no retesting applicable to any LTI award.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                            |                                    |                      |         |                                                                                                                                                    |      |        |                                                                                                                                                      |     |           |                                                                                                                                                                                                            |     |

| ASPECT                                  | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Dividend and Voting Entitlements</b> | Performance Rights carry no entitlement to voting prior to being exercised into Ordinary Shares. At the time and to the extent Performance Rights are vested, the Company will make a dividend equivalent payment in respect of dividends that would have been paid on the shares underlying vested rights during the measurement period. Participants also receive dividend equivalent payments in respect of vested Rights at the time a dividend is paid by the Company.              |
| <b>Major Corporate Transactions</b>     | Awards vest pro-rata relative to the percent of the Measurement Period that has elapsed as well as the change in share price up to the point of a change of control transaction going unconditional, unless determined otherwise by the Board.                                                                                                                                                                                                                                           |
| <b>Board Discretion</b>                 | The Board retains discretion to increase or decrease, including to nil, the extent of vesting in relation to each Tranche of Performance Rights if it forms the view that it is appropriate to do so given the circumstances that prevailed during the Measurement Period. In exercising this discretion, the Board shall take into account, amongst other factors it considers relevant, Company performance from the perspective of Shareholders over the relevant Measurement Period. |

The performance conditions detailed on page 43–44 are wholistic to the Company's activities. Targets are determined at levels which appropriately represent improved performance over prior periods to drive actions and initiatives providing continuous improvement outcomes. Stretch is set at levels which would represent material improvement. The SPC and Board considers that these measures and their relevant threshold, target and stretch levels create a strong link between performance and reward over the long-term and encourage sustainable, long-term value creation through equity ownership.

# REMUNERATION REPORT (CONTINUED)

## REMUNERATION – STATUTORY TABLES

Details of the remuneration of Directors and the Executive KMP of the Company during the 2022 financial year are set out below.

|                                           | SHORT-TERM BENEFITS  |                |                                | LONG-TERM BENEFITS | POST-EMPLOYMENT              | OTHER                             | SHARE-BASED PAYMENTS  |                  |
|-------------------------------------------|----------------------|----------------|--------------------------------|--------------------|------------------------------|-----------------------------------|-----------------------|------------------|
|                                           | CASH SALARY AND FEES | CASH BONUS     | NON-CASH BENEFITS <sup>1</sup> | LONG SERVICE LEAVE | SUPER-ANNUATION <sup>2</sup> | TERMINATION BENEFITS <sup>3</sup> | EQUITY SETTLED SHARES | TOTAL \$         |
| <b>2022</b>                               |                      |                |                                |                    |                              |                                   |                       |                  |
| <b>Non-Executive Directors</b>            |                      |                |                                |                    |                              |                                   |                       |                  |
| Robert D. Millner                         | 220,000              | –              | –                              | –                  | 22,092                       | –                                 | –                     | 242,092          |
| Todd J. Barlow <sup>4</sup>               | 130,000              | –              | –                              | –                  | 13,054                       | –                                 | –                     | 143,054          |
| Jacqueline E. McGill AO                   | 155,759              | –              | –                              | –                  | 15,641                       | –                                 | –                     | 171,400          |
| Thomas C. Millner                         | 130,000              | –              | –                              | –                  | 13,054                       | –                                 | –                     | 143,054          |
| Ian M. Williams                           | 220,000              | –              | –                              | –                  | 22,092                       | –                                 | –                     | 242,092          |
| Steven R. Boulton <sup>6</sup>            | –                    | –              | –                              | –                  | –                            | –                                 | –                     | –                |
| <b>Total Non-Executive Directors</b>      | <b>855,759</b>       | <b>–</b>       | <b>–</b>                       | <b>–</b>           | <b>85,933</b>                | <b>–</b>                          | <b>–</b>              | <b>941,692</b>   |
| <b>Other KMP</b>                          |                      |                |                                |                    |                              |                                   |                       |                  |
| Robert J. Bishop <sup>5</sup>             | 807,899              | 452,518        | 29,061                         | 26,518             | 25,129                       | –                                 | 504,530               | 1,845,655        |
| Rebecca S. Rinaldi <sup>6</sup>           | 245,154              | 244,514        | 21,899                         | 8,218              | 13,959                       | –                                 | 111,789               | 645,533          |
| Dominic H O'Brien <sup>6</sup>            | 250,716              | 258,464        | 11,991                         | 5,962              | 10,280                       | –                                 | 134,632               | 672,044          |
| Reinhold H. Schmidt <sup>3 &amp; 6</sup>  | 738,216              | –              | –                              | –                  | 11,784                       | 410,680                           | (275,244)             | 885,436          |
| <b>Total Other KMP</b>                    | <b>2,041,985</b>     | <b>955,496</b> | <b>62,951</b>                  | <b>40,698</b>      | <b>61,152</b>                | <b>410,680</b>                    | <b>475,707</b>        | <b>4,048,668</b> |
| <b>Total Remuneration – 2022</b>          | <b>2,897,744</b>     | <b>955,496</b> | <b>62,951</b>                  | <b>40,698</b>      | <b>147,085</b>               | <b>410,680</b>                    | <b>475,707</b>        | <b>4,990,360</b> |
| <b>2021</b>                               |                      |                |                                |                    |                              |                                   |                       |                  |
| <b>Non-Executive Directors</b>            |                      |                |                                |                    |                              |                                   |                       |                  |
| Robert D. Millner                         | 220,000              | –              | –                              | –                  | 20,992                       | –                                 | –                     | 240,992          |
| Todd J. Barlow <sup>7</sup>               | 130,000              | –              | –                              | –                  | 12,404                       | –                                 | –                     | 142,404          |
| Jacqueline E. McGill AO                   | 153,839              | –              | –                              | –                  | 14,680                       | –                                 | –                     | 168,519          |
| Thomas C. Millner                         | 130,000              | –              | –                              | –                  | 12,404                       | –                                 | –                     | 142,404          |
| Ian M. Williams                           | 220,000              | –              | –                              | –                  | 20,992                       | –                                 | –                     | 240,992          |
| William H. Grant OAM <sup>6</sup>         | 46,357               | –              | –                              | –                  | 4,404                        | –                                 | –                     | 50,761           |
| <b>Total Non-Executive Directors</b>      | <b>900,196</b>       | <b>–</b>       | <b>–</b>                       | <b>–</b>           | <b>85,876</b>                | <b>–</b>                          | <b>–</b>              | <b>986,072</b>   |
| <b>Executive Directors</b>                |                      |                |                                |                    |                              |                                   |                       |                  |
| Shane O. Stephan <sup>8 &amp; 9</sup>     | 114,187              | –              | 34,280                         | 2,036              | 3,616                        | –                                 | (32,753)              | 121,366          |
| <b>Other KMP</b>                          |                      |                |                                |                    |                              |                                   |                       |                  |
| Reinhold H. Schmidt <sup>6 &amp; 8</sup>  | 1,355,848            | 595,019        | 113,904                        | 24,402             | 22,163                       | –                                 | 50,044                | 2,161,380        |
| Robert J. Bishop <sup>5 &amp; 8</sup>     | 541,460              | 206,412        | 18,323                         | 12,387             | 24,648                       | –                                 | 16,095                | 819,325          |
| Andrew L Boyd <sup>8 &amp; 9</sup>        | 303,467              | –              | 125,734                        | 5,547              | 9,039                        | 519,349                           | (147,790)             | 815,346          |
| Benjamin C. Armitage <sup>8 &amp; 9</sup> | 180,765              | –              | 7,941                          | (41,059)           | 9,039                        | 400,008                           | (69,798)              | 486,896          |
| <b>Total Other KMP</b>                    | <b>2,381,540</b>     | <b>801,431</b> | <b>265,902</b>                 | <b>1,277</b>       | <b>64,889</b>                | <b>919,357</b>                    | <b>(151,449)</b>      | <b>4,282,947</b> |
| <b>Total Remuneration – 2021</b>          | <b>3,395,923</b>     | <b>801,431</b> | <b>300,182</b>                 | <b>3,313</b>       | <b>154,381</b>               | <b>919,357</b>                    | <b>(184,202)</b>      | <b>5,390,385</b> |

- 1 Non-cash benefits include movements in annual leave provisions and fringe benefit tax incurred by the Company related to property under termination arrangements.
- 2 Superannuation guarantee requirements for the 2022 and 2021 financial years is in line with the Australian Taxation Office's legislated requirements.
- 3 Termination payments aligned to contractual terms and conditions and finalised in individual deed of release.
- 4 Thomas C. Millner elected to waive his committee fees for the 2022 financial year.
- 5 Robert J. Bishop was Acting CEO for the period from 1 December 2021 to 13 February 2022 included acting allowance of \$230,000 p.a (pro rata). Effective 14 February 2022 Robert J. Bishop was appointed permanently to the position of CEO.
- 6 Individuals who commenced or ceased as KMP during the 2022 financial year. Refer to page 33 for commencement and cessation dates.
- 7 Todd J. Barlow's base salary excludes Committee fees of \$20,000 (2021: \$20,000) for his services as member of the Audit and Risk Committee and member of the Sustainability, and People Committee. He elected to waive his remuneration for these services.
- 8 A temporary part-time arrangement (nine-day fortnight) was implemented as a cost saving initiative in response to the impact of the COVID-19 pandemic, reducing base salaries from 1 July 2020 to 31 December 2020 by approximately 10 per cent.
- 9 Individuals who commenced or ceased as KMP during the 2021 financial year.

## SHARE-BASED COMPENSATION

The terms and conditions of each LTI award series awarded to Executive KMP in the current or future reporting periods and the associated pricing model inputs are detailed in the table below.

### KMP

| NAME               | LTI SERIES | GRANT DATE | VESTING DATE | NUMBER GRANTED | VALUE PER SHARE     | NUMBER VESTED | VESTED % | NUMBER FORFEITED | FORFEITED % | NUMBER LAPSED | LAPSED % | TOTAL AWARD VALUE IN FUTURE FINANCIAL YEARS <sup>3</sup> |
|--------------------|------------|------------|--------------|----------------|---------------------|---------------|----------|------------------|-------------|---------------|----------|----------------------------------------------------------|
| Robert J. Bishop   | 2021       | Dec-20     | Aug-24       | 133,169        | \$0.76 <sup>1</sup> | –             | –        | –                | –           | –             | –        | 101,208                                                  |
|                    | 2022       | Sep-22     | Aug-24       | 173,425        | \$5.16 <sup>1</sup> | –             | –        | –                | –           | –             | –        | 894,872                                                  |
|                    | 2022       | Sep-22     | Aug-24       | 141,893        | \$5.50 <sup>2</sup> | –             | –        | –                | –           | –             | –        | 780,412                                                  |
| Rebecca S. Rinaldi | 2022       | Sep-22     | Aug-24       | 80,714         | \$5.16 <sup>1</sup> | –             | –        | –                | –           | –             | –        | 416,485                                                  |
|                    | 2022       | Sep-22     | Aug-24       | 66,039         | \$5.50 <sup>2</sup> | –             | –        | –                | –           | –             | –        | 363,214                                                  |
| Dominic H. O'Brien | 2022       | Sep-22     | Aug-24       | 97,207         | \$5.16 <sup>1</sup> | –             | –        | –                | –           | –             | –        | 501,588                                                  |
|                    | 2022       | Sep-22     | Aug-24       | 79,533         | \$5.50 <sup>2</sup> | –             | –        | –                | –           | –             | –        | 437,432                                                  |

- 1 Fair values at grant date are independently determined using the Black-Scholes options pricing model that considers the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.
- 2 Share price at grant date
- 3 Calculated with reference to the grant date fair value. This value may change depending on the actual share price at vesting date.

### FORMER KMP

| NAME                             | LTI SERIES | GRANT DATE | VESTING DATE | NUMBER GRANTED <sup>1</sup> | VALUE PER SHARE | NUMBER VESTED | VESTED % | NUMBER FORFEITED | FORFEITED % | NUMBER LAPSED | LAPSED % | TOTAL AWARD VALUE IN FUTURE FINANCIAL YEARS <sup>2</sup> |
|----------------------------------|------------|------------|--------------|-----------------------------|-----------------|---------------|----------|------------------|-------------|---------------|----------|----------------------------------------------------------|
| Reinhold H. Schmidt <sup>2</sup> | 2021       | Dec-20     | Aug-24       | 414,056                     | \$0.76          | –             | –        | 414,056          | –           | –             | –        | –                                                        |

- 1 Fair values at grant date are independently determined using the Black-Scholes options pricing model that considers the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.
- 2 Ceased as KMP 14 January 2022

# REMUNERATION REPORT (CONTINUED)

## EQUITY HOLDINGS

The tables below show the number of Performance Rights (STI and LTI) and shares in New Hope Corporation Limited that were held during the 2022 financial year by KMP and their related parties either directly, indirectly or beneficially.

### PERFORMANCE RIGHTS HOLDINGS LTI – KMP

| NAME               | BALANCE AT THE START OF THE YEAR | GRANTED AS REMUNERATION | VESTED | FORFEITED | LAPSED | BALANCE AT THE END OF THE YEAR | UNVESTED |
|--------------------|----------------------------------|-------------------------|--------|-----------|--------|--------------------------------|----------|
| Robert J. Bishop   | 133,169                          | 315,318                 | –      | –         | –      | 448,487                        | 448,487  |
| Rebecca S. Rinaldi | –                                | 146,753                 | –      | –         | –      | 146,753                        | 146,753  |
| Dominic H. O'Brien | –                                | 176,740                 | –      | –         | –      | 176,740                        | 176,740  |

### PERFORMANCE RIGHTS HOLDINGS LTI – FORMER KMP

| NAME                | BALANCE AT THE START OF THE YEAR | GRANTED AS REMUNERATION | VESTED | FORFEITED | LAPSED | BALANCE AT THE END OF THE YEAR | UNVESTED |
|---------------------|----------------------------------|-------------------------|--------|-----------|--------|--------------------------------|----------|
| Reinhold H. Schmidt | 414,056                          | –                       | –      | (414,056) | –      | –                              | –        |

### SHAREHOLDING

| NAME                    | BALANCE AT THE START OF THE YEAR | PURCHASED/ (SOLD) | RECEIVED ON THE VESTING OF PERFORMANCE RIGHTS | CEASED AS KMP | BALANCE AT THE END OF THE YEAR |
|-------------------------|----------------------------------|-------------------|-----------------------------------------------|---------------|--------------------------------|
| Robert D. Millner       | 4,177,774                        | 1,045,000         | –                                             | –             | 5,222,774                      |
| Todd J. Barlow          | 19,900                           | –                 | –                                             | –             | 19,900                         |
| Jacqueline E. McGill AO | 30,000                           | 20,000            | –                                             | –             | 50,000                         |
| Thomas C. Millner       | 4,004,368                        | 870,000           | –                                             | –             | 4,874,368                      |
| Ian M. Williams         | –                                | –                 | –                                             | –             | –                              |
| Robert J. Bishop        | –                                | –                 | –                                             | –             | –                              |
| Rebecca S. Rinaldi      | –                                | –                 | –                                             | –             | –                              |
| Dominic H. O'Brien      | –                                | 150,000           | –                                             | –             | 150,000                        |

### SHARES ISSUED ON THE VESTING OF PERFORMANCE RIGHTS

Since the end of the 2022 financial year, no Performance Rights have vested and converted to Ordinary Shares in the Company.

### LOANS TO DIRECTORS AND EXECUTIVES

There were no loans to Directors or Executives granted during the 2022 financial year, nor were there any outstanding loans as at 31 July 2022.

### VOTING AT THE COMPANY'S 2021 ANNUAL GENERAL MEETING

At the AGM held on 18 November 2021, shareholders approved the resolution to pass the 2021 Remuneration Report by 89.16 per cent.

End of Remuneration Report

## NON-AUDIT SERVICES

Deloitte Touche Tohmatsu has acted as auditor for the Group for the entire 2022 year. The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

During the 2022 Financial Year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms (refer Note 32):

|                                                                                                | 2022             | 2021           |
|------------------------------------------------------------------------------------------------|------------------|----------------|
| <b>Deloitte and Related Network Firms</b>                                                      |                  |                |
| Audit or Review of Financial Reports:                                                          |                  |                |
| Group                                                                                          | 641,000          | 538,669        |
| Subsidiaries and Joint Operations                                                              | 264,233          | 127,667        |
|                                                                                                | 905,233          | 666,336        |
| Other Assurance and Agreed-Upon Procedures under Other Legislation or Contractual Arrangements |                  |                |
| Group                                                                                          | 10,000           | 105,000        |
|                                                                                                | 10,000           | 105,000        |
| Other Services                                                                                 |                  |                |
| Advisory Services                                                                              | 442,285          | 51,500         |
|                                                                                                | 442,285          | 51,500         |
| <b>Total</b>                                                                                   | <b>1,357,518</b> | <b>822,836</b> |

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 51.

## ROUNDING

The Company is of a kind referred to in *ASIC Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission (ASIC), relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with that ASIC Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

## MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 31 July 2022 and the number of meetings attended by each Director:

|                                | FULL MEETINGS<br>OF DIRECTORS |          | AUDIT AND RISK<br>COMMITTEE |          | SUSTAINABILITY AND<br>PEOPLE COMMITTEE |          | NOMINATION<br>COMMITTEE |          |
|--------------------------------|-------------------------------|----------|-----------------------------|----------|----------------------------------------|----------|-------------------------|----------|
|                                | HELD                          | ATTENDED | HELD                        | ATTENDED | HELD                                   | ATTENDED | HELD                    | ATTENDED |
| Robert D. Millner              | 14                            | 14       | –                           | –        | –                                      | –        | –                       | –        |
| Todd J. Barlow                 | 14                            | 14       | 5                           | 5        | 4                                      | 3        | 1                       | 1        |
| Jacqueline E. McGill AO        | 14                            | 13       | 5                           | 5        | 4                                      | 4        | 1                       | 1        |
| Thomas C. Millner              | 14                            | 14       | –                           | –        | –                                      | –        | –                       | –        |
| Ian M. Williams                | 14                            | 14       | 5                           | 5        | 4                                      | 4        | 1                       | 1        |
| Steven R. Boulton <sup>1</sup> | –                             | –        | –                           | –        | –                                      | –        | –                       | –        |

<sup>1</sup> Appointed on 29 July 2022

Signed at Sydney, 19 September 2022, in accordance with a resolution of Directors.



R.D. Millner  
Director



Deloitte Touche Tohmatsu  
ABN 74 490 121 060  
Level 23, Riverside Centre  
123 Eagle Street  
Brisbane, QLD, 4000  
Australia

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[www.deloitte.com.au](http://www.deloitte.com.au)

The Board of Directors  
New Hope Corporation Limited  
Level 16, 175 Eagle Street  
Brisbane, QLD, 4000

19 September 2022

Dear Board Members,

#### **Auditor's Independence Declaration to New Hope Corporation Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of New Hope Corporation Limited.

As lead audit partner for the audit of the financial report of New Hope Corporation Limited for the year ended 31 July 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,

A handwritten signature in blue ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in blue ink that reads "Stephen Tarling".

**Stephen Tarling**  
Partner  
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

# TAX CONTRIBUTION REPORT

The Group is pleased to present its Tax Contribution Report for the financial year ended 31 July 2022. The Group considers that this disclosure, as a 'large' business under the Voluntary Tax Transparency Code, assists stakeholders in understanding its position as a responsible corporate taxpayer and is a key part of its social and economic responsibility.

Our guiding principle in relation to taxation is to pay the right amount of tax at the appropriate time. We will comply with all tax obligations and engage in a constructive manner with the tax authorities.

The Group's core values underpin the execution of the strategic vision and guide our decisions and actions. These principles are critical to the successful management of our tax affairs.

## TAX POLICY AND GOVERNANCE

### APPROACH TO TAX

Our approach to tax is aligned with our Code of Conduct and our long term business strategy.

- ▶ New Hope acts to pay the right amount of tax, in the right place, at the right time.
- ▶ We comply with our legal obligations for tax, we file our tax returns on time with full disclosure of all relevant matters, and pay our taxes on time.
- ▶ The Group has a low risk threshold in respect of taxation matters.
- ▶ The Group's approach to tax compliance, governance and risk is focused on people. A flat management structure and clear understanding of responsibilities by those involved in managing the tax affairs of the Group is key to successful tax management for the Group.

### TAX GOVERNANCE

The Group's tax affairs are overseen by the Board of Directors who approve the overall tax strategy and appetite for tax related risk. Executive management are responsible for ensuring that resources are capable of accurately and effectively discharging all tax related obligations in line with the overall tax strategy. The executive team employs finance personnel with relevant experience and engages external consultants when appropriate. Tax governance is managed within the Group's broader governance processes and our Corporate Governance Statement can be found at: [www.newhopegroup.com.au/content/investors/corporate-governance](http://www.newhopegroup.com.au/content/investors/corporate-governance).

### TAX STRATEGY

The key elements of New Hope's tax strategy are to:

- ▶ Effectively manage risk by applying our approach to tax listed above;
- ▶ Observe all applicable laws, rules, regulations and disclosure requirements;
- ▶ Apply diligent professional care and judgment to arrive at well-supported conclusions;
- ▶ Develop and foster good working relationships with tax authorities, government bodies and other relevant parties; and
- ▶ Seek expert advice on any positions where tax law is unclear or subject to interpretation, and ensure positions ultimately adopted are supportable and well documented.

### INTERNATIONAL RELATED PARTY DEALINGS

The Group's international party dealings are limited to dealings with a subsidiary in Japan which provide coal sales marketing support. The related party transactions are at arm's length terms, and all related party transaction are reviewed by the tax function to ensure compliance with the relevant tax authorities. Our international transactions are disclosed in our tax returns and in the OECD lodgements in each country.

In line with the Group's record earnings performance in the year ended 31 July 2022, total tax contributions increased to \$626.5 million from \$138.1 million in the previous financial year.

- ▶ Effective tax rate: 29.8 per cent (2021: 28.4 per cent)
- ▶ Corporate tax payable: \$389.0 million (2021: \$24.6 million payable)
- ▶ Mining royalties paid: \$178.8 million (2021: \$60.6 million)

**CORPORATE TAX**

**\$389** MILLION  
UP 1481%

**ROYALTIES**

**\$181.8** MILLION  
UP 194%

**TAX CONTRIBUTIONS SUMMARY**

| YEAR ENDED                                  | 2022<br>'000   | 2021<br>'000   |
|---------------------------------------------|----------------|----------------|
| Corporate Tax                               | 389,050        | 24,669         |
| Corporate Tax – adjustment from prior years | (2,712)        | (3,582)        |
| Mining Royalties <sup>1</sup>               | 178,795        | 60,615         |
| Oil Royalties                               | 2,956          | 1,346          |
| Employee Taxes Withheld                     | 38,115         | 36,081         |
| Fringe Benefits Tax                         | 1,193          | 1,712          |
| Payroll Tax                                 | 6,236          | 5,930          |
| Other Taxes, Rates and Levies               | 12,907         | 11,367         |
| <b>Total Tax Contributions</b>              | <b>626,540</b> | <b>138,138</b> |

1 Mining Royalties includes amounts paid to third party landholders in line with State legislation requirements.

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# SUSTAINABILITY REPORT

For the year ended 31 July 2022

Since our first Sustainability Report was published within our 2017 Annual Report, we have worked to improve the quality of our sustainability reporting each year, endeavouring to provide further transparency about the environmental, social and governance matters which are most relevant to our stakeholders.

In recent years we published a standalone Sustainability Report, however, in 2022 we are again including our Sustainability Report within our Annual Report. This will allow the Sustainability Report to reach our shareholders at the same time as our core published reporting.

All content within this Sustainability Report is subject to a detailed internal review and approval process involving subject matter experts and relevant executives. The Board reviews the disclosures to satisfy itself that the Sustainability Report provides a balanced, accurate and relevant view of our sustainability performance and approves its publication.

As with the rest of our Annual Report, this Sustainability Report applies to the 1 August 2021 to 31 July 2022 reporting period.

## OUR APPROACH TO SUSTAINABILITY

Each year, we review and identify the environmental, social and governance (ESG) issues which are material to the decisions of our stakeholders, communities and the long-term sustainability of our business.

This process is informed by the following frameworks:

- ▶ The United Nations Sustainable Development Goals (UN SDGs)
- ▶ Global Reporting Initiative (GRI) Standards (including the GRI's latest impact materiality guidance)
- ▶ Taskforce on Climate-related Financial Disclosures (TCFD) (through separate reporting).
- ▶ Group Risk Management Framework and guidance provided by key bodies, including the International Council on Mining and Metals (ICMM).

While our reporting on sustainability is continually being refined, we have strived to align our approach with disclosure of sustainability metrics and outcomes in accordance with industry specific GRI Standards (GRI-12), which link to UNSDGs. For a full listing of sustainability issues and the associated links to the reporting frameworks, refer to the Sustainability section of our website.

The material topics which have been included within this Sustainability Report following this review are:

### ENVIRONMENT

- ▶ Rehabilitation
- ▶ Waste and recycling management
- ▶ Water stewardship
- ▶ Emissions

### COMMUNITIES

- ▶ Community engagement
- ▶ Economic development of local and regional communities

### OUR PEOPLE

- ▶ Health, safety, and wellbeing
- ▶ Mental health and wellbeing
- ▶ Diversity of board and workforce

Beyond the scope of this report, more extensive data and information about our approach to sustainability will be progressively added to the Sustainability section of our website to provide readily accessible information to our stakeholders.

We intend to continue to review the materiality of specific sustainability related issues to ensure we respond to evolving stakeholder and business priorities and expectations.

## OPERATIONS WITHIN THE SCOPE OF THIS REPORT

Unless otherwise specified, the following operations are included within the scope of information provided in this report:

- ▶ Bengalla Mine – Coal mining and rehabilitation and coal marketing<sup>1,2</sup>
- ▶ New Acland Mine – Coal mining and rehabilitation and coal marketing (currently in care and maintenance)<sup>1</sup>
- ▶ West Moreton Operations (Jeebropilly, New Oakleigh and Chuwar) – Rehabilitation
- ▶ North Surat – Exploration and potential future development
- ▶ Queensland Bulk Handling – Port facility
- ▶ Bridgeport Energy – Oil and gas exploration and production
- ▶ Acland Pastoral Company and Bengalla Agricultural Company – Agriculture.

Data tables in the Sustainability Report will report at a Group level, unless specific assets are explicitly called out.

During the reporting period, New Hope divested its 90 per cent interest in the Lenton/Burton development project. Accordingly, Lenton/Burton is not included in this report or in data relating to prior comparative periods.

## ENTITIES REFERRED TO IN THIS REPORT

In this report:

- ▶ **“New Hope”** or the **“Company”** refers to New Hope Corporation Limited and, as the context requires, New Hope’s subsidiary entities.
- ▶ **“Bengalla”** refers to the Bengalla Mine and also refers to its operator, the Bengalla Mining Company Pty Ltd, in which a wholly-owned New Hope subsidiary holds an 80 per cent interest.
- ▶ **“Bridgeport”** refers to Bridgeport Energy Pty Ltd and its subsidiary entities. Bridgeport is a wholly-owned subsidiary of New Hope.
- ▶ **“New Acland”** refers the New Acland Mine and also refers to its operator, New Acland Coal Pty Ltd, which is a wholly-owned subsidiary of New Hope.
- ▶ **“QBH”** refers to the Queensland Bulk Handling facility and also refers to its operator, Queensland Bulk Handling Pty Ltd. QBH is a wholly-owned subsidiary of New Hope.

1 KEY SITE: Due to the scale of Bengalla and New Acland relative to the other parts of our business, the disclosures within this report largely focuses on the performance of these two operations, with references to other assets’ performance by exception.

2 New Hope subsidiaries manage the Bengalla Mine and hold an 80 per cent interest in the mine through the Bengalla Joint Venture. For the purposes of this report, data relating to the Bengalla Mine is reported on an operational control (or 100 per cent) basis, rather than based on New Hope’s effective 80 per cent interest, unless otherwise stated.

# GOVERNANCE

**New Hope's Board oversees and is responsible for sustainability performance against our business objectives, purpose, and values.**

The Sustainability and People Committee (SPC), which comprises three members of the New Hope Board, oversees, monitors and reviews the Company's practices and governance in the area of sustainability, environment, climate change, social performance and human rights and security. The charter for the SPC is available on the Company's website.

The SPC also provides input into our annual materiality assessment of ESG issues and receives an update on findings of external reviews to validate the priority material sustainability topics. The implementation of our sustainability priorities is carried out by senior management.

The Company seeks to adopt leading practice and contemporary governance standards, and apply these in a manner consistent with our culture and values. Further information about the governance of the Company is provided in the Company's Corporate Governance Statement which is available in the Corporate Governance section of our website.

The Company's governance framework guides our people and partners to uphold our expectation to act fairly, ethically and in accordance with the law. The framework includes a 'Speak Up' Policy (Whistleblower Policy) to encourage the reporting of potential misconduct, an Anti-Bribery and Corruption Policy, a Modern Slavery Policy and a range of other policies to ensure that our commitment to uphold the highest ethical business practices is fulfilled.

# ENVIRONMENT

## REHABILITATION

Through our mining activities, the most visible interaction we have with the environment is land disturbance. As part of our commitment to being a responsible operator and in line with our environmental licences, we undertake progressive rehabilitation of our mined land. To achieve this, we have developed a range of practical, achievable solutions which ensure responsible rehabilitation practices are implemented throughout the mine life cycle.

We work to restore and improve land features including contours and vegetation, to optimise water drainage and maximise productive soil characteristics of the disturbed land to support long-term environmental resilience. We take a precautionary approach to environmental management and comply with all relevant environmental laws and regulations. We recognise our operations exist in a broader ecosystem, and therefore also support the preservation and enhancement of nearby ecosystems through funding contributions and volunteering of time.

### DEVELOPMENT OF A KOALA HABITAT CORRIDOR AT NEW ACLAND

In the reporting period, through an Enforceable Undertaking agreement with the Queensland Department of Environment and Science (DES), relating to a dispute over the authorisation of mining in West Pit, New Hope committed to invest \$2 million into the development of a koala habitat corridor at the New Acland site. The project will increase rehabilitation outcomes from previously mined areas, and connect and substantially expand existing koala habitats from Lagoon Creek to native vegetation north of Acland town. 100 hectares of land will be planted with eucalyptus, paper bark and other refuge trees, designed to support koala habitat and enhance the standard of rehabilitation post-mining. Bottle Tree Hill, which is an existing conservation area, will also be protected in perpetuity.

Having moved into a care and maintenance phase, planned rehabilitation activities continued as planned at New Acland during the reporting period.

### ESTABLISHING HIGH-DENSITY WOODY VEGETATION AT BENGALLA

At Bengalla, New Hope progressively rehabilitates land at a rate consistent with the rate of mine site development. This ensures the area of disturbed land is minimised during the active life of the mine. In the reporting period, 27 hectares were rehabilitated, which is slightly greater than in previous years. Consistent with the environmental licence, rehabilitation activities include establishment of high-density woody vegetation areas, which were not present immediately prior to mining operations. This provides an enhanced and nature-positive outcome. To date, approximately 56 hectares of high-density woody vegetation have been established, improving visual amenity for the towns of Muswellbrook and Denman, and supporting habitat corridors for native fauna as the stands mature. Compared with pastoral grassland, high-density woody vegetation supports greater ecosystem biodiversity and resilience. A total area of 308 hectares has been rehabilitated to pastoral and high-density woody vegetated land at Bengalla since 2005.

As a responsible operator, we believe in the importance of supporting the resilience of the land on which we operate, and the broader natural environment. Recognising this, Bengalla has supported a trial seed mulching program to rehabilitate land surrounding Lake Liddell, with \$21,575 donated to the program through the Bengalla Community Development Fund. This initiative supports biodiversity and resilience of the local ecosystem.

### DISTURBED AND REHABILITATED LAND<sup>1</sup>

| INDICATORS                                              | GROUP TOTAL | NEW ACLAND | BENGALLA | WEST MORETON | BRIDGEPORT |
|---------------------------------------------------------|-------------|------------|----------|--------------|------------|
| Total cumulative land disturbed (ha)                    | <4,128      | 1,524      | 963      | 1,441        | <200       |
| Total land rehabilitated during the reporting year (ha) | 27          | –          | 27       | –            | –          |
| Total cumulative land rehabilitated (ha)                | 2,024       | 690.2      | 308      | 1,008        | 18         |

<sup>1</sup> Only sites remaining under New Hope control are shown. Land is counted as rehabilitated based on certification processes applying for the relevant site, meaning rehabilitation activities may be ongoing without necessarily being certified during the reporting period.

**WASTE COLLECTION AND RECYCLING (WASTE REMOVED FROM SITE)**

| INDICATOR                                        | YEAR TO 31 JULY 2022 | YEAR TO 31 JULY 2021 |
|--------------------------------------------------|----------------------|----------------------|
| Total hazardous and non-hazardous waste (tonnes) | 3,301                | 3,709                |
| Total hazardous waste (tonnes)                   | 617                  | 1,014                |
| Total non-hazardous waste (tonnes)               | 2,684                | 2,695                |
| Total waste recycled (tonnes)                    | 1,470                | 1,295                |
| Total hazardous waste recycled (tonnes)          | 568                  | 522                  |
| Total non-hazardous waste recycled (tonnes)      | 902                  | 773                  |
| Percentage of total waste recycled               | 45%                  | 35%                  |

**WASTE AND RECYCLING  
MANAGEMENT**

New Hope adopts a responsible approach to the management of both regulated and non-regulated waste. Our sites have environmental management plans (EMPs) that detail requirements for disposal, tracking, and reporting of mineral and non-mineral wastes. We continue to focus on effective waste stream segregation to maximise recycling and reuse, and ensure compliance with relevant legislative requirements and regulations.

We identify and collect environmentally hazardous (mainly effluents and waste oils) and non-hazardous waste (including scrap steel, mixed solid waste, and timber) and recycle where possible through reliable and regulated third-party providers. Non-mineral waste generated at our sites that cannot be recycled and is considered non-hazardous is disposed of at appropriate landfill facilities by responsible and trusted third-party providers. Hazardous non-mineral waste that cannot be re-used or recycled is collected and removed from site for treatment and specialised disposal.

**BENGALLA'S TAILINGS MANAGEMENT**

The Bengalla Mine site does not have a tailings dam. Instead, fine reject material is treated, dewatered, and combined with other coarse reject streams generated from the product processing (overburden and rock waste) and conveyed to reject bins. Haul trucks load the reject material for co-disposal with overburden and rock waste, forming the base layer of rehabilitated land. This method reduces void size and removes legacy environmental and safety risks relating to effluent seepage associated with tailings dam management. Processing water is recovered and reused in site operations through dewatering. Additionally, by not operating tailings dams, there is a significant reduction in land disturbance and ongoing rehabilitation requirements at the site.

**DECREASE IN WASTE AND INCREASING  
RECYCLING AT OUR OTHER MINE SITES**

With New Acland moving into care and maintenance while we await approvals to resume operations, waste generated at our other sites has remained relatively constant or has decreased since the last reporting period.

**WASTE MANAGEMENT INCIDENTS**

In the last reporting period, no incidents of waste management non-compliance have been reported.

# ENVIRONMENT (CONTINUED)



Before



After

## WEST MORETON (CHUWAR) REHABILITATION SITE SURRENDERED

The site of Chuwar was an open cut mine in the 1980s, located in the Ipswich coal fields, less than an hour's drive from the centre of Brisbane. In the reporting period, Chuwar became the first open cut coal mine in Queensland to relinquish its Environmental Authority (EA), and after the reporting period the associated Mining Leases were also surrendered. The Queensland Government critically assessed the project and concluded that all rehabilitation requirements had been met in full, deeming the site safe, stable, non-polluting, and able to support grazing. The rehabilitation work at Chuwar is a clear and practical demonstration of the successful and responsible completion of the full life cycle of a mining project.

## WATER STEWARDSHIP

Water is a critical resource in our operations that is also a valuable resource shared with our communities. Recognising this, our sites have individual, tailored water management plans in place which are reviewed on an ongoing basis to ensure that we sustainably manage water resources and manage potential impacts to the environment and other water users.

### BENGALLA

The main clean water source at Bengalla is the Hunter River accessed under water licences. Other sources of water include sediment water runoff from disturbed and rehabilitated areas and water from the mine including groundwater inflow.

Water is pumped to dams or collected in sediment traps and settling dams and directed to storage dams for re-use onsite where appropriate.

We also recycle water from both the bathhouse and the vehicle wash bay through the wastewater treatment plant for reuse onsite.

Where reasonable and feasible clean water is redirected away from disturbed areas. To manage above average rainfall our discharge dam provides 700ML of capacity to manage excess water in support of our site water management system. During the reporting period, 840ML was discharged under the Hunter River Salinity Trading Scheme to the Hunter River.

Bengalla also holds credits to discharge water into the Hunter River during periods of high flow and flood flow under the Hunter River Salinity Trading Scheme.

### NEW ACLAND

At New Acland, we minimise our impact on the groundwater system by utilising a purpose built 45-kilometre pipeline to transfer recycled wastewater from the city of Toowoomba. The recycled water purchased from Toowoomba city is sufficient for all production activities at the New Acland site, and also services our neighbouring pastoral operations for crop irrigation and stock water. The ability to draw on recycled water provides the mine with significant resilience in periods of drought when the mine is in full operation, eliminates draw from natural waterways and provides a valuable revenue stream for Toowoomba Regional Council from its produced water.

New Acland also makes use of runoff water for dust suppression and in the coal handling and preparation plant.

Groundwater is only used for potable water supply and for bathrooms. No groundwater is used with production activities at the New Acland site.

## WATER WITHDRAWAL BY CATEGORY – MINING OPERATIONS<sup>1</sup>

| CATEGORY                                      | BENGALLA |       | NEW ACLAND |      |
|-----------------------------------------------|----------|-------|------------|------|
|                                               | FY21     | CY20  | FY22       | FY21 |
| Surface water captured (ML)                   | 1,969    | 1,326 | 1920       | 1200 |
| Groundwater drawn (ML) <sup>2</sup>           | 139      | 113   | 116        | 339  |
| River water sourced (Bengalla only) (ML)      | 768      | 1,147 | NA         | NA   |
| Recycled water sourced (New Acland only) (ML) | NA       | NA    | 292        | 428  |

1 For operating mines for the most recently reported period and prior corresponding period. Bengalla's information is reported on calendar year (CY) basis.

2 Groundwater drawn Includes water drawn into open cut pits, and water drawn for potable use at New Acland. Bengalla groundwater drawn figures shown are for the most recent calendar year.

## EMISSIONS

New Hope reports on emissions, energy consumption and energy production to the Clean Energy Regulator annually, in accordance with the National Greenhouse and Energy Report (NGER) scheme legislation. This includes recording and disclosing our Scope 1 and Scope 2 emissions on an operational control basis.

As a site which emits over 100,000 tonnes in Scope 1 emissions, Bengalla is also subject to the Safeguard Mechanism under the National Greenhouse and Energy Reporting Act 2007, which requires net emissions from operations to be kept below applicable baseline limits.

The tables below set out emissions and energy related data across our operations, reflecting data reported through the NGER reporting scheme. Due to timing requirements for reporting data to the Clean Energy Regulator under the NGER reporting scheme after the release of our Annual Report, analysis presented is for the Australian financial year ending 30 June 2021.

Against the prior financial year, the period to 30 June 2021 saw a reduction in New Hope's overall emissions and energy consumption. Contributions to this reduction included the end of mining at Jeebropilly, reducing operations at New Acland, and temporarily reduced operations at Bengalla due to a major scheduled dragline shutdown.

### TOTAL EMISSIONS AND ENERGY USE – YEAR ON YEAR

| INDICATORS                                                | FY21      | FY20      |
|-----------------------------------------------------------|-----------|-----------|
| Total Scope 1 and Scope 2 Emissions (tCO <sub>2</sub> -e) | 569,233   | 702,779   |
| Total energy consumed (Gigajoules (GJ))                   | 3,678,311 | 3,938,219 |

The following table shows a breakdown of emissions, emissions intensity, and energy consumed by our operations for the year to 30 June 2021.

### OPERATIONAL EMISSIONS AND ENERGY CONSUMPTION – YEAR TO 30 JUNE 2021

| INDICATOR                                          | UNIT OF MEASUREMENT         | BENGALLA (100% BASIS)   | NEW ACLAND             | BRIDGEPORT             | QBH                           | OTHER  |
|----------------------------------------------------|-----------------------------|-------------------------|------------------------|------------------------|-------------------------------|--------|
| Total Scope 1 and Scope 2 greenhouse gas emissions | tCO <sub>2</sub> -e         | 503,093                 | 40,760                 | 19,072                 | 4,681                         | 1,617  |
| Operational throughput                             | Tonnes/bbl/tonnes processed | 12,277,354 (ROM tonnes) | 3,963,215 (ROM tonnes) | 258,614 (bbl produced) | 4,054,889 (tonnes throughput) | N/A    |
| GHG emissions intensity                            | tCO <sub>2</sub> -e/t       | 0.0410 per ROM tonne    | 0.0103 per ROM tonne   | 0.0737 per bbl         | 0.0012 per tonne throughput   | N/A    |
| Total energy consumed                              | Gigajoules (GJ)             | 2,808,053               | 461,832                | 354,760                | 33,301                        | 20,365 |



### HYDROGEN AT KENMORE

The Bridgeport Kenmore field produces approximately 3.5ML per year of water associated with oil production. Whilst part of this water is used for stock watering under an authorised beneficial use agreement with the state and local landowners, Bridgeport is in the feasibility stage of a hydrogen generation project from this water. A flash distillation unit (delivered and undergoing testing) driven by a solar array at Kenmore will make distilled water from the produced water and feed an electrolyser sited at Eromanga. The concept is to provide truck and aircraft refuelling capability in the Quilpie Council area by installing solar panels to power a 1MW demonstration electrolyser at Eromanga to generate hydrogen from the produced water. As part of this project a further 4MW of power and 0.5MW of battery storage for the community and industrial users in this remote community area is being considered which can potentially reduce reliance on the national electricity grid by Eromanga residents and reduce their power costs.

# ENVIRONMENT (CONTINUED)

## EMISSIONS ANALYSIS AND ABATEMENT OPPORTUNITIES

Given the increasing regulatory and community focus on the issue of carbon emissions and the likelihood of lower baseline targets, in 2022 substantial work was carried out to better understand our emissions footprint at our largest operation, Bengalla.

The table below shows the key sources of the mine's Scope 1 and Scope 2 emissions. Approximately 10 per cent of the mine's emissions come from electricity consumption (Scope 2), while 55 per cent is from fugitive emissions (Scope 1) and the balance is from the consumption of fuel in vehicles used on site (also Scope 1).

The 2022 emissions study also identified opportunities for future emissions abatement, with a number of specific potential projects for future emissions reductions identified.

Achievable emissions abatement opportunities with positive value will be the first to be considered for implementation.

In the longer term, opportunities for abatement exist through a decarbonised electricity grid, on-site solar, investment in off-site renewable energy projects, and the potential electrification of our fleet of haul trucks and other heavy equipment.

To varying degrees, these opportunities are contingent on technological developments and the federal and state policy environment.

Over time we expect that the learnings from activities carried out at Bengalla will support future abatement work across our other operations.

## REGULATORY COMPLIANCE

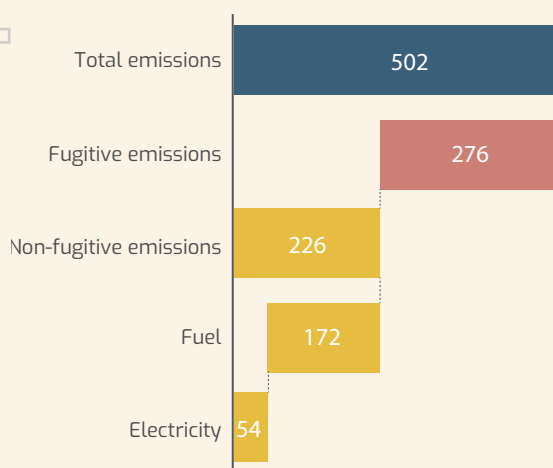
We work closely with our stakeholders, including state and federal government agencies, traditional custodians and our communities, to ensure appropriate business systems and processes are in place to manage compliance with environmental regulatory approvals. We undertake stringent internal compliance auditing on an ongoing basis to measure compliance against environmental obligations and relevant standards.

During the reporting period, there were two environment-related regulatory actions involving New Hope sites:

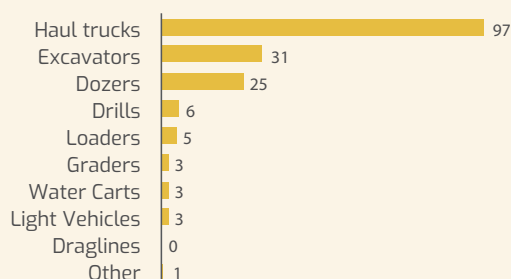
- In April 2022, the Queensland Department of Environment and Science (DES) issued an infringement notice to Bridgeport (Surat Basin) Pty Ltd in relation to an unintentional hydrocarbon release from a flowline at the Moonie field. A penalty of \$13,785 was imposed with the notice.
- In June 2022, New Acland Coal Pty Ltd (NAC) entered into an enforceable undertaking with DES in respect of alleged unauthorised mining in the area known as West Pit, and part of South Pit, at New Acland. Pursuant to the enforceable undertaking, NAC will invest \$2 million into a rehabilitation project to develop a koala habitat.

### BENGALLA SCOPE 1 AND 2 EMISSIONS ANALYSIS

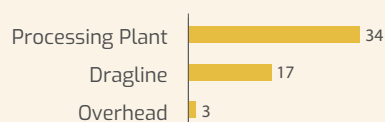
#### FY21 TOTAL EMISSIONS (SCOPE 1 AND 2) (kt CO<sub>2</sub>-e)



#### FY21 FUEL EMISSIONS (kt CO<sub>2</sub>-e)



#### FY21 ELECTRICITY EMISSIONS (kt CO<sub>2</sub>-e)



## CCUS AT MOONIE

Bridgeport's Moonie Oil Field is the oldest continuously producing oilfield in Queensland. After 60 years of primary production, the Moonie field reservoir provides an ideal opportunity for tertiary oil recovery by re-pressurising the reservoir with injected CO<sub>2</sub> to flush the remaining oil and at the same time capturing and sequestering the CO<sub>2</sub> as a carbon capture utilisation and storage (CCUS) outcome. The technology of enhanced oil recovery (EOR) by this method is not new, with many fields in North America having used this tertiary recovery and storage technique for decades. CCUS is one of the priority low emissions technologies set out in the Australian Government's "Technology Investment Roadmap".

The Moonie CCUS- EOR project, which is undergoing environmental regulatory approval via an Environmental Impact Statement (EIS) process, will take CO<sub>2</sub> captured by the Carbon Transport and Storage Company (CTSCo) from the nearby Millmerran Power Station and utilise it in the Moonie reservoir. The CO<sub>2</sub> injection will allow enhanced recovery of the remaining oil in the field, while permanently trapping waste CO<sub>2</sub> which would have otherwise been released to the atmosphere from a thermal coal fired power plant. Once the tertiary oil recovery stage of the project is completed, then the site has the potential to be re-purposed purely as a carbon capture and storage (CCS) facility. Learning from the project will also contribute to the knowledge base of the industry to advance deployment of the technology at scale.

# COMMUNITIES

Our operations play an important role in the communities in which we operate. Our role as a responsible and sustainable corporate citizen is to support and promote broad economic and social benefits for the communities in which we operate. As a sustainable operator, we have a duty to continue developing long-term, meaningful, and mutually beneficial relationships in our communities, creating a positive social impact.

## COMMUNITY ENGAGEMENT

New Hope's approach to sustainability is highly dependent upon the strength of our relationships with our broad range of stakeholders. Our stakeholders are any group or individual who influences or is impacted by our business and our constructive and transparent engagement with them is the foundation of our approach to sustainability.

As a long-standing member of the communities in which we operate, we proactively engage with a wide variety of stakeholders including First Nations peoples, local landholders, near neighbours, community groups, employees, and government bodies. We work to ensure local community access to decision making processes, grievance mechanisms, and other remediation processes to increase engagement and help address any actual or potential negative impacts from our activities.

### BENGALLA IN THE UPPER HUNTER COMMUNITY

Bengalla employees consider themselves embedded in the fabric of the Upper Hunter community.

The Community Consultative Committee (CCC) provides a forum for community discussion and contains representation from Bengalla, Muswellbrook Shire Council, Wanaruah Local Aboriginal Land Council, and three representatives from the local community.

Bengalla also engages with local community business leaders via the Muswellbrook Chamber of Commerce (MCC), with the mine's General Manager a Director on the MCC Board.

Through annual Voluntary Planning Agreement (VPA) meetings, Bengalla and the Muswellbrook Shire Council collaborate to identify community priorities and opportunities for local infrastructure development. In the last reporting period, Bengalla provided \$832,978.75 in support to the Muswellbrook Shire Council via VPA contributions.

Bengalla also engages with local community groups through promotion and support of community programs and events. These initiatives provide opportunities to communicate with local groups, and develop a sense of community and local network.

Through long-standing relationships, Bengalla provides annual support to select community groups and programs, including:

- ▶ The Bengalla Cup Race Day
- ▶ The Muswellbrook Chamber of Commerce and Industry Business Awards
- ▶ The Muswellbrook Art Prize
- ▶ The Blue Heeler Film Festival
- ▶ The Upper Hunter Show
- ▶ The Upper Hunter Education Fund
- ▶ PCYC Muswellbrook
- ▶ Warbirds over Scone

Community groups seek Bengalla's support through a Community Development Fund application process, which also helps Bengalla identify and prioritise areas of community need.

## SUPPORTING THE LOCAL COMMUNITY – NEW ACLAND

As an enduring member of the Darling Downs region, New Acland continues to support employability and skills development opportunities for the next generation workforce. The mine also continued to support local community organisations through donations, such as \$360,000 for Oakey PCYC Youth Connect Program.

### COMMUNITY SUPPORT

| INDICATOR                                    | YEAR ENDING<br>31 JULY 2022 | YEAR ENDING<br>31 JULY 2021 |
|----------------------------------------------|-----------------------------|-----------------------------|
| Total number of community support recipients | 79                          | 78                          |
| Sponsorships and partnerships                | \$1,032,763                 | \$337,000                   |
| Development contributions (VPA)              | \$832,979                   | \$713,627                   |

## PRESERVING ABORIGINAL HERITAGE

New Hope aims to work in partnership with the traditional custodians of the land where our projects are located to ensure sites of cultural significance are identified and protected.

We respect and acknowledge the UN Declaration on the Rights of Indigenous Peoples and the human rights principles it embodies, including the principle of free, prior and informed consent. In alignment with the principles of the International Council on Mining and Metals (ICMM), we work to obtain the consent of traditional custodians for activities located on their traditional lands.

We are committed to work hand in hand with our traditional custodians to ensure Aboriginal heritage is managed sustainably and responsibly.



## NEW ACLAND AND YOUTH CONNECT

*The PCYC Youth Connect Program supports young people between 12 and 24 to develop necessary life skills, training, and pathways to employment.*

*After applications to local, state and federal government for funding for the Youth Connect Program were unsuccessful, PCYC Toowoomba approached New Hope to develop a partnership for support of the program operating in Oakey. Our partnership with PCYC saw New Hope commit \$360,000 over a two-year period to fund vital PCYC community services.*

*Our funding support contributed to employment of one full-time PCYC Youth Services Project Manager, one full-time PCYC Youth Worker, the delivery of youth-focused community development activities, and the operational costs of the program for a two-year period.*

*This program reinforces New Hope's commitment to supporting local economies through employment, and the development of skills in the communities of our operations.*



Warbirds over Scone



Where There's a Will branded truck tray

# COMMUNITIES (CONTINUED)

## AIR QUALITY AND NOISE

We recognise that dust, noise and other impacts of our operations have an effect on members of the community who live near our sites.

Both Bengalla and New Acland maintain offsite dust and noise monitoring equipment which provides real time data to inform their operations.

The sites operate environmental hotline for community issues relating to their operations. In all cases, we attempt to respectfully respond to and resolve any stakeholder complaints in a timely manner and to the best of our abilities. Complaints received in the last reporting period are provided below.

Noise complaints decreased from 22 to 11 compared to the prior reporting period, falling at both New Acland and Bengalla.

Dust complaints also decreased from the prior reporting period, and are substantially lower than earlier years, assisted by wetter climatic conditions.

Our sites provide regular reporting on their environmental monitoring at: <https://newhopegroup.com.au/general-reporting>.

Detailed registers of complaints received and how they were actioned are available at: <https://newhopegroup.com.au/complaints-incidents-registers>

### COMPLAINTS RECEIVED BY CATEGORY (ALL SITES)

| INDICATOR                                              | YEAR ENDING<br>31 JULY 2022 | YEAR ENDING<br>31 JULY 2021 |
|--------------------------------------------------------|-----------------------------|-----------------------------|
| Noise complaints                                       | 11                          | 22                          |
| Air quality complaints                                 | 1                           | 8                           |
| Blasting complaints<br>(overpressure, vibration, fume) | 31                          | 42                          |
| Visual complaints (light)                              | 0                           | 3                           |
| Other complaints                                       | 2                           | 4                           |
| Total complaints                                       | 45                          | 79                          |

## ECONOMIC DEVELOPMENT OF LOCAL AND REGIONAL ECONOMIES

Our operations are an important source of employment, investment, and income for local communities. Through local procurement of goods and services, our operations contribute to and support supplier development, and deliver considerable local employment. This enhances purchasing power in the community and therefore stimulates local businesses, and indirectly encourages further infrastructure investment.

New Hope operations procured \$182.4 million in local services and materials and paid \$147.2 million in total salaries and wages, and \$625.9 million in taxes and royalties in the last reporting period, as detailed in the Tax Contribution Report. We recognise that payment of tax is an important element of our commitment to ensure communities benefit from our operations. We strive for full and timely compliance with the letter and intent of the prevailing tax law and we seek strong, collaborative working relationships with all relevant revenue authorities. We are committed to transparency across all aspects of our business, including in relation to our tax obligations.

Indirect economic benefits to the regions include championing local education, skills development, and employment. We support local skills development and employment through our annual apprenticeship, work experience, and scholarship programs. In the last reporting period, our:

- ▶ Apprenticeship program provided opportunities for 5 apprentices to start their trade career. Bengalla currently hosts 16 apprentices across the 1<sup>st</sup> to 4<sup>th</sup> year of their trade.
- ▶ Work experience program/work placement/vacation work program provided 10 school students and undergraduates with opportunities to further develop their experience and gain exposure to a real-world work environment.

New Hope also provides ongoing stimulus and employment to the local economy and agricultural industry generally through our pastoral companies.



## BENGALLA SUPPORTS LOCAL EMPLOYABILITY

90 per cent of Bengalla's workforce resides within the Muswellbrook, Singleton, and Upper Hunter shires, ensuring ongoing and valuable economic contributions to the local economy. Bengalla's ongoing apprenticeship, work experience and education support programs help foster the next generation of workers in the region.

Bengalla has over a long period of time maintained relationships with local schools. Bengalla has awarded one engineering and eight undergraduate scholarships per year since 2000, fostering local education and providing career pathways for students. Last reporting period, Bengalla awarded an additional engineering scholarship to a student local to the Muswellbrook area. As part of the engineering scholarship, Bengalla offers practical experience through on-site vacation work, providing opportunities for participants to develop their skills, and partner with industry experts at the Bengalla Mine.

Bengalla, through its Community Strategic Plan, has identified the opportunity to assist local charities in the hospitality sector. Last year Bengalla supported the Scone Neighbourhood Resource Centre through a sponsorship to assist with establishing the Made in Scone Café. This will be a training environment for individuals experiencing barriers to long term employment and to develop skills and gain work experience. Bengalla also provided \$35,000 to the Polly Farmer Foundation's Follow the Dream Program. This is an after-school enrichment program for Aboriginal students in years 7-12, which supports students to develop their talents, so they can successfully complete their secondary education and reach their potential.

## SUPPORTING NEW ACLAND'S LOCAL WORKFORCE

With the New Acland Mine entering care and maintenance until the remaining approvals are finalised, our focus has been on ensuring our employees are supported during the transition process. Over the past two years, departing employees have undergone additional training, been awarded nationally accredited skills certifications, received résumé and interview coaching, and had their pre-employment medical examinations updated.

Our rehabilitation program supports ongoing and productive land use beyond the life of the mine. Rehabilitation and post mining agricultural activities provide sustainable employment opportunities to the region. The Acland Pastoral Company (APC) was established to conduct agricultural operations on rehabilitated land. APC operations support three full-time employees and include grazing of 2,000 head of cattle and 2,400 hectares of crops which are sold in the Darling Downs region, providing stimulus to the local community and agricultural industry. Through our rehabilitation and agricultural activities, we have been able to support 25 people in transitioning to a post-mining environment.

## QUEENSLAND AND NEW SOUTH WALES FLOOD APPEAL

*In early 2022, tens of thousands of people in parts of Queensland and New South Wales experienced weeks of intense rainfall and flash flooding.*

*Many of the communities we work closely with, including some of our own team members, were directly impacted by the recent flood events. To support communities and help with rebuilding, New Hope donated \$100,000 to the Queensland and New South Wales Flood Appeal.*

*The donation was made to GIVIT, an organisation that partnered with the New South Wales and Queensland governments to ensure that 100 per cent of public-donated funds reached the communities impacted by recent storms and flooding.*

*We hope that our contribution can help those communities and people who may still be struggling long after the waters have receded.*

## LOCAL DEVELOPMENT AND INVESTMENT

| INDICATOR                                               | YEAR ENDING<br>31 JULY 2022 | YEAR ENDING<br>31 JULY 2021 |
|---------------------------------------------------------|-----------------------------|-----------------------------|
| <b>EMPLOYABILITY</b>                                    |                             |                             |
| Scholarships                                            | 10                          | 9                           |
| Apprenticeships                                         | 16                          | 16                          |
| Work experience/<br>trainees                            | 10                          | 25                          |
| Wages and salaries<br>(including on-costs) <sup>1</sup> | \$147.2M                    | \$164.5M                    |
| <b>NUMBER OF LOCAL SUPPLIERS</b>                        |                             |                             |
| New South Wales                                         | 281                         | 358                         |
| Queensland                                              | 304                         | 363                         |
| <b>PAYMENTS TO LOCAL SUPPLIERS AND CONTRACTORS</b>      |                             |                             |
| New South Wales                                         | \$91.9M                     | \$141.6M                    |
| Queensland                                              | \$90.5M                     | \$156.0M                    |

<sup>1</sup> Across whole of Group, with Bengalla shown on an 80 per cent basis.

# OUR PEOPLE

## HEALTH, SAFETY, AND WELLBEING

The health, safety, and wellbeing of our employees is a major priority for our business. We see our employees as our greatest asset and strive to promote a work culture that reflects our commitment to health, safety, and wellbeing. New Hope recognises that work-related injuries, ill health or fatalities are still prevalent in the coal sector. Because of this, we continue to review operations and processes in an effort to provide a work environment that is both safe and healthy.

Our Health and Safety Plan is based around the principles of Plan, Do, Check, and Act and is aimed at proactively mitigating the risk of avoidable injuries. We are constantly investigating ways to improve our identification, management, and monitoring of health and safety risks. To ensure consistency across our sites, we use standardised risk management tools outlined in our Environmental Health and Safety Management System. During the reporting period, the system was audited to review the quality of the tools used to manage risk, and the results of the audits were used to improve procedural and supporting systems and their operational application. For all mine site personnel, New Hope provides statutory health and safety training.

During the reporting period, new health and safety metrics were introduced across the New Hope business in response to recommendations made by the Brady Review into fatalities in coal mining. Our focus in the last year has been to work towards understanding and implementing these recommendations. Emphasis has been placed on refining our hazard identification and near miss recording capabilities, and recording new metrics including All Injury Frequency Rate, and Hazard/Near Miss Frequency. In conjunction with these changes, New Hope's Standard for Event Reporting Investigation and Analysis was also reviewed. The revised Incident Reporting Standard was published in the last quarter of the reporting period. Finally, revised metric reporting templates were developed and introduced to our sites to standardise reporting processes, thereby improving our visibility and monitoring of our health and safety performance across all sites.

Additional changes in the last reporting period include the review of the Group Risk Management Framework. This Group-level change has triggered a review of the Health, Safety and Environment Risk Management Procedure, which involved further development of training modules, and updating the Health, Safety & Environment Risk matrix.



## WORKPLACE BEHAVIOURS AND RAISING CONCERNS

In the reporting period, we developed a Sexual Assault and Sexual Harassment (SASH) action plan and commenced implementation, which included training delivered to senior leaders and discussions with employees about SASH risks and the expected standards of behaviour. SASH actions will continue to be progressed.

In support of the SASH action plan, we developed and released a new Appropriate Workplace Behaviours Policy and enhanced the workplace expectations sections of our Code of Conduct.

A key focus of the SASH action plan has been to help our team members understand the role they can play as active bystanders, whether in relation to sexual harassment, bullying, discrimination or other inappropriate behaviours. A new Issues Resolution Procedure provides a road map for team members in dealing with these behaviours, including guidance on how to resolve workplace-related issues and what to expect when raising a concern.

All team members remain able to raise concerns through our Whistleblower channels and are entitled to protections from reprisal under our Whistleblower Policy.

### HELPING HANDS TEAM BUILDING EXERCISE

*New Hope has recently engaged with the Helping Hands Program as part of the onboarding and team building exercise program at Bengalla mine. The Helping Hands Program involves participants building prosthetic hands that are then donated to amputee landmine and industrial accident victims throughout the developing world. This activity not only creates real and lasting contributions to people's lives, but reinforces the importance of workplace health and safety in our business. To date, 25 Bengalla employees have participated in the program, building six hands for donation. A further 200 employees are planned to participate in the program over the next 12 months, equating to 50 hands for donation.*

## WORKPLACE HYGIENE

New Hope undertakes hygiene monitoring across our operational sites and in line with legislated requirements for the jurisdictions in which we operate.

Based on nature of the risks relevant to each site, monitoring is undertaken for a variety of health hazards such as airborne contaminants including respirable quartz, respirable and inhalable coal dust, diesel particulate matter and welding fumes.

Along with airborne contaminants, monitoring for noise and vibration is also undertaken.

Results of monitoring activities are reviewed to ensure that new and existing controls are appropriately implemented and maintained.

## COVID-19

COVID-19 prevention and workforce management, for sites and individuals continues to be a major focus. In particular, a pandemic risk assessment was completed in the reporting period to ensure our internal control systems and processes are robust.

Additionally, to improve our employees' understanding of COVID-19, New Hope undertook Group-wide workshops to provide education around the facts and myths associated with the virus.

We are proud of the following achievements:

**21%** REDUCTION IN FIRST AID CASES

**66%** REDUCTION IN LOST TIME INJURIES

**DECREASE** IN TOTAL RECORDABLE INJURY FREQUENCY RATE

**QBH** 10 YEARS LOST TIME INJURY FREE

**BRIDGEPORT** 8 YEARS LOST TIME INJURY FREE

# OUR PEOPLE (CONTINUED)

The table below outlines the Group's performance on key health and safety measures in the reporting period.

## HEALTH AND SAFETY PERFORMANCE

| INDICATOR                                                                | YEAR ENDING<br>31 JULY 2022 | YEAR ENDING<br>31 JULY 2021 | YEAR ENDING<br>31 JULY 2020 |
|--------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Fatalities (employees and contractors)                                   | 0                           | 0                           | 0                           |
| Total recordable injuries (employees and contractors)                    | 5                           | 13                          | 8                           |
| Number of hours worked (employees and contractors)                       | 1,914,178                   | 2,413,936                   | 2,696,907                   |
| Rate of recordable work-related injuries (TRIFR)                         | 2.61                        | 5.39                        | 5.99                        |
| New occupational illness cases                                           | 0                           | 3                           | 3                           |
| Safety interactions (operational mine sites only)                        | 5,717                       | 11,575                      | 11,505                      |
| Number of first aid incidents                                            | 52                          | 65                          | 55                          |
| Number of medically treated incidents                                    | 2                           | 10                          | 6                           |
| Number of lost-time incidents (LTI) (including disabling and restricted) | 3                           | 3                           | 2                           |

## MENTAL HEALTH AND WELLBEING

We are focused on promoting and supporting the mental health and wellbeing of all our employees. We see this as particularly important given the regional environment of our operations. We recognise that access to mental health services is substantially more limited in regional communities than in major cities.

Our model for wellness is decentralised, with individual sites targeting what is important to them and their people. Our sites have Health and Safety Committees which promote and champion wellness initiatives, going beyond targeting interventions for occupational exposures.

To support the positive mental health and wellbeing of our workforce, we provide and promote access to our Employee Assistance Program (EAP) which includes provision for counselling, as required. Our focus is raising awareness, proactive identification, and management of mental health issues. Key initiatives that we have supported in the last reporting period include employee training programs for mental health identification through our peer support and mental health first aid programs.

In the last reporting period, over 50 employees and their family members utilised EAP services.

Pre-employment and periodic medical assessments provided by New Hope assist early identification and intervention of employee health risks, further supporting the mental health and wellbeing of our people.

## DIVERSITY OF BOARD AND WORKFORCE

During the reporting period, the Sustainability and People Committee set a gender diversity target for recruiting new employees of 40 per cent male:40 per cent female:20 per cent any gender (40:40:20). This target applies to all hires across the Group, including the Board and senior executives, and will be assessed and reported upon on an annual basis commencing in the 2023 financial year.

We have implemented initiatives and practices to support gender diversity, such as educating people involved in recruitment activity about unconscious bias, providing gender diversity training and establishing weekly recruitment reports which include gender diversity statistics (and other diversity statistics more broadly) to enable monitoring of recruitment processes, actions and outcomes. As an industry, we must and can do more to build on our commitment to developing a diverse workforce that is reflective of society and to foster a workplace culture that truly embraces diversity and inclusiveness.

During the reporting period there was a slight increase in the percentage of female workforce participation across the Group, from 13 per cent to 15 per cent.

**DIVERSITY OF BOARD AND WORKFORCE**

| INDICATOR           | FY22     |           | FY21     |           |
|---------------------|----------|-----------|----------|-----------|
|                     | FEMALE   | MALE      | FEMALE   | MALE      |
| Board               | 1 (17%)  | 5 (83%)   | 1 (20%)  | 4 (80%)   |
| Executive           | 1 (33%)  | 2 (67%)   | 0 (0%)   | 2 (100%)  |
| Senior management   | 1 (13%)  | 7 (87%)   | 1 (9%)   | 10 (91%)  |
| Management          | 6 (13%)  | 39 (87%)  | 7 (15%)  | 40 (85%)  |
| Frontline employees | 94 (15%) | 535 (85%) | 83 (13%) | 579 (87%) |

Note: Table shows employees at the end of the financial year. Excludes site-based contractors.



# FINANCIAL REPORT

The Company is a company limited by shares on the Australian Securities Exchange (ASX). The Company is incorporated and domiciled in Australia and its registered office and principal place of business is:

New Hope Corporation Limited,  
Level 16, 175 Eagle Street,  
Brisbane, QLD, 4000.

## Financial Statements

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A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' Report on pages 12 to 51, which is not part of this Financial Report. The Financial Report was authorised for issue by the Directors on 19 September 2022. The Company has the power to amend and reissue the Financial Report.

Through the use of the internet, the Company has ensured that corporate reporting is timely, complete and available globally at minimum cost to the Company. All Financial Reports and other announcements to the ASX are available on the Investor Relations pages of the website: [www.newhopegroup.com.au/investor-information](http://www.newhopegroup.com.au/investor-information).

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2022

|                                                                                                 | NOTES | 2022<br>\$000  | 2021<br>\$000 |
|-------------------------------------------------------------------------------------------------|-------|----------------|---------------|
| <b>Revenue and Other Income</b>                                                                 |       |                |               |
| Revenue                                                                                         | 2     | 2,552,395      | 1,048,239     |
| Other Income                                                                                    | 3(a)  | 6,043          | 5,739         |
|                                                                                                 |       | 2,558,438      | 1,053,978     |
| <b>Expenses</b>                                                                                 |       |                |               |
| Cost of Sales                                                                                   | 3(b)  | (984,607)      | (658,721)     |
| Marketing and Transportation                                                                    |       | (115,327)      | (198,207)     |
| Administration                                                                                  |       | (16,324)       | (12,339)      |
| Other Expenses                                                                                  |       | (9,823)        | (2,620)       |
| Financing Expenses                                                                              | 20(d) | (26,730)       | (26,675)      |
| Impairment of Assets                                                                            | 3(b)  | (4,989)        | (44,696)      |
| <b>Profit before Income Tax</b>                                                                 |       | 1,400,638      | 110,720       |
| Income Tax (Expense)/Benefit                                                                    | 4(a)  | (417,629)      | (31,370)      |
| <b>Net Profit for the Year</b>                                                                  |       | 983,009        | 79,350        |
| Net Profit attributable to New Hope Shareholders                                                |       | 983,009        | 79,350        |
| <b>Other Comprehensive Income/(Loss) for the year, net of Tax</b>                               |       |                |               |
| <b>Items that may be reclassified to Profit or Loss:</b>                                        |       |                |               |
| Exchange difference on the Translation of Foreign Operations                                    | 23(f) | (145)          | (26)          |
| Changes to the fair value of Cash Flow Hedges, net of Tax                                       | 23(f) | (113,694)      | (69,982)      |
| Transfer to Profit or Loss for Cash Flow Hedges, net of Tax                                     | 23(f) | 6,609          | 38,470        |
| <b>Items that will not be reclassified to Profit or Loss:</b>                                   |       |                |               |
| Changes to the fair value of Equity Investments, net of Tax                                     | 23(f) | 261            | 37            |
| <b>Other Comprehensive Income/(Loss) for the Year, net of Tax</b>                               |       | (106,969)      | (31,501)      |
| <b>Total Comprehensive Income for the Year</b>                                                  |       | <b>876,040</b> | <b>47,849</b> |
| <b>Total Comprehensive Income for the Year attributable to New Hope Shareholders</b>            |       | <b>876,040</b> | <b>47,849</b> |
| <b>Earnings per share for Profit attributable to the Ordinary Equity Holders of the Company</b> |       |                |               |
| Basic Earnings per Share – Cents/Share                                                          | 6     | 118.1          | 9.5           |
| Diluted Earnings per Share – Cents/Share                                                        | 6     | 106.0          | 9.5           |

The above Statement of Comprehensive Income should be read in conjunction with the accompanying Notes to the Financial Statements.

# STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2022

|                                      | NOTES | 2022<br>\$000    | 2021<br>\$000    |
|--------------------------------------|-------|------------------|------------------|
| <b>Current Assets</b>                |       |                  |                  |
| Cash and Cash Equivalents            | 16    | 715,714          | 424,663          |
| Receivables                          | 7     | 501,972          | 123,323          |
| Term Deposits                        | 17    | 100,000          | –                |
| Derivative Financial Instruments     | 21    | –                | 9,746            |
| Inventories                          | 9     | 59,743           | 73,343           |
| Assets Classified as Held for Sale   | 10    | –                | 10,067           |
| <b>Total Current Assets</b>          |       | <b>1,377,429</b> | <b>641,142</b>   |
| <b>Non-Current Assets</b>            |       |                  |                  |
| Receivables                          | 7     | 39,557           | 364              |
| Derivative Financial Instruments     | 21    | 1,365            | –                |
| Equity Investments                   | 18    | 94,973           | 229              |
| Deferred Tax Assets                  | 4(e)  | 14,795           | 214              |
| Property, Plant and Equipment        | 11    | 1,756,246        | 1,951,833        |
| Intangible Assets                    | 12    | 71,627           | 76,552           |
| Exploration and Evaluation Assets    | 13    | 71,043           | 105,533          |
| <b>Total Non-Current Assets</b>      |       | <b>2,049,606</b> | <b>2,134,725</b> |
| <b>Total Assets</b>                  |       | <b>3,427,035</b> | <b>2,775,867</b> |
| <b>Current Liabilities</b>           |       |                  |                  |
| Trade and Other Payables             | 8     | 94,478           | 78,786           |
| Derivative Financial Instruments     | 21    | 17,335           | –                |
| Borrowings                           | 20    | 10,690           | 11,019           |
| Current Tax Liabilities              |       | 379,500          | 24,528           |
| Provisions                           | 15    | 31,833           | 53,433           |
| Financial Guarantee Liability        | 10(b) | 2,463            | –                |
| Unearned Revenue                     | 19    | 906              | –                |
| <b>Total Current Liabilities</b>     |       | <b>537,205</b>   | <b>167,766</b>   |
| <b>Non-Current Liabilities</b>       |       |                  |                  |
| Borrowings                           | 20    | 277,831          | 586,879          |
| Derivative Financial Instruments     | 21    | 127,263          | –                |
| Provisions                           | 15    | 166,361          | 274,609          |
| Unearned Revenue                     | 19    | 2,844            | –                |
| <b>Total Non-Current Liabilities</b> |       | <b>574,299</b>   | <b>861,488</b>   |
| <b>Total Liabilities</b>             |       | <b>1,111,504</b> | <b>1,029,254</b> |
| <b>Net Assets</b>                    |       | <b>2,315,531</b> | <b>1,746,613</b> |
| <b>Equity</b>                        |       |                  |                  |
| Contributed Equity                   | 23(c) | 97,536           | 97,536           |
| Reserves                             | 23(f) | (89,229)         | 16,890           |
| Retained Earnings                    | 23(g) | 2,307,224        | 1,632,187        |
| <b>Total Equity</b>                  |       | <b>2,315,531</b> | <b>1,746,613</b> |

The above Statement of Financial Position should be read in conjunction with the accompanying Notes to the Financial Statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2022

|                                                             | NOTES     | CONTRIBUTED<br>EQUITY<br>\$000 | RESERVES<br>\$000 | RETAINED<br>EARNINGS<br>\$000 | TOTAL<br>\$000   |
|-------------------------------------------------------------|-----------|--------------------------------|-------------------|-------------------------------|------------------|
| <b>Balance as at 1 August 2021</b>                          |           | 97,536                         | 16,890            | 1,632,187                     | 1,746,613        |
| Profit for the Year                                         |           | –                              | –                 | 983,009                       | 983,009          |
| Other Comprehensive (Loss)/Income                           |           | –                              | (106,969)         | –                             | (106,969)        |
| <b>Total Comprehensive Income/(Loss)</b>                    |           | –                              | <b>(106,969)</b>  | <b>983,009</b>                | <b>876,040</b>   |
| <b>Transactions with Owners in their capacity as Owners</b> |           |                                |                   |                               |                  |
| Dividends Paid                                              | 22(a)     | –                              | –                 | (307,972)                     | (307,972)        |
| Share-Based Payment Transactions                            | 23(d),(f) | –                              | 850               | –                             | 850              |
|                                                             |           | –                              | 850               | (307,972)                     | (307,122)        |
| <b>Balance as at 31 July 2022</b>                           |           | <b>97,536</b>                  | <b>(89,229)</b>   | <b>2,307,224</b>              | <b>2,315,531</b> |
| <b>Balance as at 1 August 2020</b>                          |           | 96,692                         | 42,553            | 1,586,135                     | 1,725,380        |
| Profit/(Loss) for the Year                                  |           | –                              | –                 | 79,350                        | 79,350           |
| Other Comprehensive (Loss)/Income                           |           | –                              | (31,501)          | –                             | (31,501)         |
| <b>Total Comprehensive Income/(Loss)</b>                    |           | –                              | <b>(31,501)</b>   | <b>79,350</b>                 | <b>47,849</b>    |
| <b>Transactions with Owners in their capacity as Owners</b> |           |                                |                   |                               |                  |
| Dividends Paid                                              | 22(a)     | –                              | –                 | (33,298)                      | (33,298)         |
| Convertible Notes Issued                                    | 23(d),(f) | –                              | 6,610             | –                             | 6,610            |
| Share-Based Payment Transactions                            | 23(d),(f) | 844                            | (772)             | –                             | 72               |
|                                                             |           | 844                            | 5,838             | (33,298)                      | (26,616)         |
| <b>Balance as at 31 July 2021</b>                           |           | <b>97,536</b>                  | <b>16,890</b>     | <b>1,632,187</b>              | <b>1,746,613</b> |

The above Statements of Changes in Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

|                                                                   | NOTES | 2022<br>\$000    | 2021<br>\$000   |
|-------------------------------------------------------------------|-------|------------------|-----------------|
| <b>Cash Flows from Operating Activities</b>                       |       |                  |                 |
| Receipts from Customers                                           |       | 2,240,254        | 1,042,813       |
| Payments to Suppliers and Employees                               |       | (1,053,316)      | (750,444)       |
| Net Interest Paid                                                 |       | (16,975)         | (15,620)        |
| Net Income Taxes (Paid)/Received                                  |       | (31,326)         | 19,317          |
| <b>Net Cash Inflow from Operating Activities</b>                  | 5     | <b>1,138,637</b> | <b>296,065</b>  |
| <b>Cash Flows from Investing Activities</b>                       |       |                  |                 |
| Payments for Property, Plant and Equipment                        |       | (65,361)         | (49,850)        |
| Proceeds from Sale of Property, Plant and Equipment               |       | 26,492           | 22,724          |
| Payments for Equity Investment                                    | 18    | (94,483)         | –               |
| Payments for Exploration and Evaluation Assets                    | 13    | (12,468)         | (10,813)        |
| Term Deposits                                                     | 17    | (100,000)        | –               |
| Proceeds for Sale of Business                                     | 10(b) | 21,625           | –               |
| Refunds/(Payments) for Security and Bond Guarantees               |       | 1,671            | (4,821)         |
| <b>Net Cash (Outflow) from Investing Activities</b>               |       | <b>(222,524)</b> | <b>(42,760)</b> |
| <b>Cash Flows from Financing Activities</b>                       |       |                  |                 |
| Proceeds from Secured Debt                                        | 20(a) | –                | 20,000          |
| Repayments of Secured Debt                                        | 20(a) | (310,000)        | (70,000)        |
| Net Proceeds from Convertible Notes                               | 20(c) | –                | 195,702         |
| Repayment of Lease Liabilities                                    |       | (10,161)         | (13,876)        |
| Dividends Paid                                                    | 22(a) | (307,972)        | (33,298)        |
| <b>Net Cash Inflow/(Outflow) from Financing Activities</b>        |       | <b>(628,133)</b> | <b>98,528</b>   |
| <b>Net Increase in Cash and Cash Equivalents</b>                  |       | <b>287,980</b>   | <b>351,833</b>  |
| Cash and Cash Equivalents at the beginning of the Financial Year  |       | 424,663          | 70,377          |
| Effects of Exchange Rate changes on Cash and Cash Equivalents     |       | 3,071            | 2,453           |
| <b>Cash and Cash Equivalents at the end of the Financial Year</b> |       | <b>715,714</b>   | <b>424,663</b>  |

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

The Financial Report covers New Hope Corporation Limited and its subsidiaries as the consolidated entity and together are referred to as New Hope, the Company or the Group in this Financial Report. The Financial Report for the year ended 31 July 2022 was authorised for issue in accordance with a resolution of the Directors on 19 September 2022.

## BASIS OF PREPARATION

This Financial Report is a general purpose financial report which:

- Has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations and the *Corporations Act 2001*;
- Complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). For the purposes of preparing the consolidated Financial Statements, the Company is a for profit entity;
- Adopts policies which are consistent with those of the previous financial year and corresponding interim reporting period with the exception of changes required on adoption of new accounting standards as identified in Note 33;
- Does not adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to Note 33 for more information on this and other accounting policies;
- Has been prepared under the historical cost convention, as modified by the revaluation of equity investments, trade receivables held at fair value, derivative instruments carried at fair value and agricultural assets carried at fair value;
- Is for a company which is of a kind referred to in *ASIC Corporations Instrument 2016/191*, issued by the Australian Securities and Investment Commission, relating to the 'rounding off' of amounts in the Consolidated Financial Statements. Amounts in the Consolidated Financial Statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar; and
- Presents comparative information that has been reclassified where appropriate to enhance comparability.

The Directors have presented these Consolidated Financial Statements on a going concern basis and have a reasonable expectation that the Group will be able to pay its debts as and when they fall due for at least the next 12 months.

The Company has successfully navigated the economic impacts of COVID-19 to date and continues to monitor and respond to the evolving situation.

## BASIS OF CONSOLIDATION

### (A) SUBSIDIARIES

The Consolidated Financial Statements incorporate the assets and liabilities of all subsidiaries of New Hope Corporation Limited (Company or parent entity) as at 31 July 2022 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling Interests in the results and equity of subsidiaries are shown separately in the Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity respectively.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## BASIS OF CONSOLIDATION (CONTINUED)

### (B) INTERESTS IN OTHER ENTITIES

For information on Joint Arrangements and interests in Other unincorporated entities refer to Note 25.

### OTHER ACCOUNTING POLICIES

Significant and other accounting policies relevant to gaining an understanding of the Consolidated Financial Statements have been grouped with the relevant Notes to the Financial Statements.

### KEY JUDGEMENTS AND ESTIMATES

The preparation of Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed within the following notes:

|         | PAGE                                              |
|---------|---------------------------------------------------|
| Note 4  | Deferred Tax Assets                               |
| Note 11 | Impairment Assessment                             |
| Note 11 | Estimation of Coal and Oil Reserves and Resources |
| Note 12 | Goodwill Impairment Assessments                   |
| Note 13 | Exploration and Evaluation Expenditure            |
| Note 14 | Impairment of Assets                              |
| Note 15 | Provisions – Rehabilitation                       |

## 1. FINANCIAL REPORTING SEGMENTS

### ACCOUNTING POLICY

Operating Segments have been determined based on reports reviewed by Key Management Personnel (KMP) which are used to make strategic decisions. KMP has been identified as the Board, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Executive General Manager and Company Secretary. The reportable segments reflect how performance is measured, and decisions regarding allocations of resources are made by KMP.

The Group disaggregates revenue based on the geographical region to which goods and services are provided to customers. Outlined in Note 1(c) is the disaggregation of the Group's Revenue from Contracts with Customers. Refer to Note 2 for further information on the Group's Revenue accounting policy.

### A. DESCRIPTION OF SEGMENTS

The Group has three reportable segments, namely Coal Mining in Queensland (including mining related production, processing, transportation, port operations and marketing), Coal Mining in New South Wales (including mining related production, processing, transportation and marketing) and Other (including coal exploration, oil and gas related exploration, development, production and processing, pastoral operations and administration). Treasury and Income Tax expense have not been allocated to an Operating Segment and are reconciling items.

Other immaterial coal mining and related operations that do not meet the quantitative thresholds requiring separate disclosure in AASB 8 Operating Segments have been combined with the Other segment. Segment information is presented on the same basis as that used for internal reporting purposes.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 1. FINANCIAL REPORTING SEGMENTS (CONTINUED)

### B. SEGMENT INFORMATION

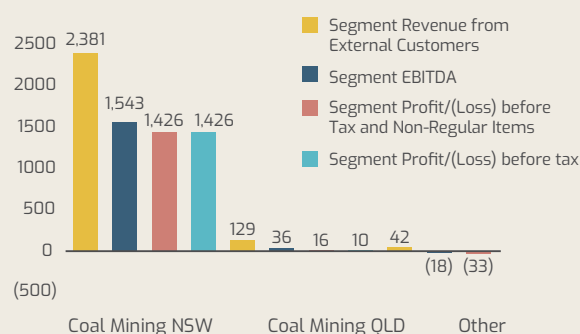
| YEAR ENDED 31 JULY 2022                                               | NOTES | COAL MINING<br>NSW<br>\$000 | COAL MINING<br>QLD<br>\$000 | OTHER<br>\$000   | TOTAL<br>\$000   |
|-----------------------------------------------------------------------|-------|-----------------------------|-----------------------------|------------------|------------------|
| Total Segment Revenue                                                 |       | 2,380,925                   | 128,570                     | 53,821           | 2,563,316        |
| Intersegment Revenue                                                  |       | (111)                       | –                           | (12,317)         | (12,428)         |
| Revenue from External Customers                                       |       | 2,380,814                   | 128,570                     | 41,504           | 2,550,888        |
| Interest Revenue                                                      |       |                             |                             |                  | 1,507            |
| <b>Total Revenue from External Customers</b>                          |       |                             |                             |                  | <b>2,552,395</b> |
| <b>Underlying EBITDA before Non-Regular Items<sup>2</sup></b>         |       |                             |                             |                  | <b>1,577,357</b> |
| <b>Segment Underlying EBITDA before Non-Regular Items<sup>2</sup></b> |       | <b>1,542,818</b>            | <b>36,296</b>               | <b>795</b>       | <b>1,579,909</b> |
| Depreciation and Amortisation                                         | 3     | (115,628)                   | (17,736)                    | (7,772)          | (141,136)        |
| Net Interest Expense <sup>3</sup>                                     |       | (873)                       | (2,918)                     | (10,839)         | (14,630)         |
| <b>Segment Profit/(Loss) before Tax and Non-Regular Items</b>         |       | <b>1,426,317</b>            | <b>15,642</b>               | <b>(17,816)</b>  | <b>1,424,143</b> |
| Non-Regular Items before Tax <sup>1</sup>                             |       | –                           | (5,304)                     | (15,649)         | (20,953)         |
| <b>Segment Profit/(Loss) before Tax after Non-Regular Items</b>       |       | <b>1,426,317</b>            | <b>10,338</b>               | <b>(33,465)</b>  | <b>1,403,190</b> |
| Treasury Loss before Income Tax and Non-Regular Items                 |       |                             |                             |                  | (2,552)          |
| Non-Regular Treasury Items before Tax                                 |       |                             |                             |                  | –                |
| Treasury Loss before Income Tax                                       |       |                             |                             |                  | (2,552)          |
| <b>Profit/(Loss) before Tax (after Non-Regular Items)</b>             |       |                             |                             |                  | <b>1,400,638</b> |
| Income Tax (Expense)/Benefit                                          | 4(a)  |                             |                             |                  | (417,629)        |
| <b>Profit/(Loss) after Tax and Non-Regular Items</b>                  |       |                             |                             |                  | <b>983,009</b>   |
| <b>Reportable Segment Assets</b>                                      |       | <b>2,133,391</b>            | <b>234,966</b>              | <b>1,058,678</b> | <b>3,427,035</b> |
| Total Segment Assets includes:                                        |       |                             |                             |                  |                  |
| Additions of Non-Current Capital Assets                               |       | 52,936                      | 27,940                      | 15,939           | 96,815           |
| Increase in Impairment of Assets                                      |       | –                           | –                           | (4,989)          | (4,989)          |

1 Non-Regular Items for the financial year ended 31 July 2022 relate to Group Redundancy Costs, Liquidation Related Expenses, Strategic Growth and M&A.

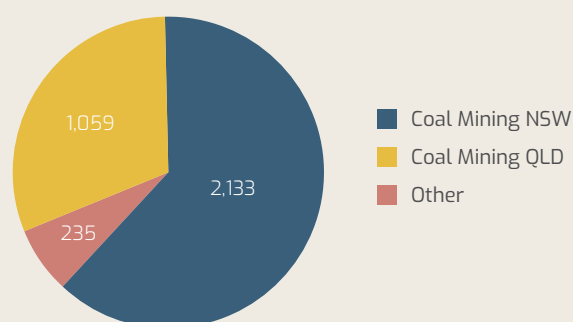
2 Underlying Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and Net Profit before Tax (NPBT) and before Non-Regular Items are non-IFRS measures. This non-IFRS information has not been audited by Deloitte.

3 Net interest expense comprises finance income and expenses minus unwinding of discount on provisions and commitment fees on loan facility. Refer to note 20D.

#### 2022 SEGMENT PERFORMANCE (\$MILLION)



#### 2022 SEGMENT ASSETS (\$MILLION)



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 1. FINANCIAL REPORTING SEGMENTS (CONTINUED)

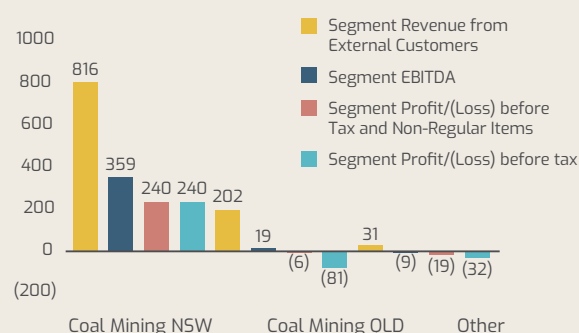
### B. SEGMENT INFORMATION (CONTINUED)

| YEAR ENDED 31 JULY 2021                                               | NOTES | COAL MINING<br>NSW<br>\$000 | COAL MINING<br>QLD<br>\$000 | OTHER<br>\$000  | TOTAL<br>\$000   |
|-----------------------------------------------------------------------|-------|-----------------------------|-----------------------------|-----------------|------------------|
| Total Segment Revenue                                                 |       | 815,784                     | 201,526                     | 46,060          | 1,063,370        |
| Intersegment Revenue                                                  |       | (134)                       | –                           | (15,050)        | (15,184)         |
| Revenue from External Customers                                       |       | 815,650                     | 201,526                     | 31,010          | 1,048,186        |
| Interest Revenue                                                      |       |                             |                             |                 | 53               |
| <b>Total Revenue from External Customers</b>                          |       |                             |                             |                 | <b>1,048,239</b> |
| <b>Underlying EBITDA before Non-Regular Items<sup>2</sup></b>         |       |                             |                             |                 | <b>367,197</b>   |
| <b>Segment Underlying EBITDA before Non-Regular Items<sup>2</sup></b> |       | <b>359,076</b>              | <b>18,798</b>               | <b>(9,151)</b>  | <b>368,723</b>   |
| Depreciation and Amortisation                                         | 3     | (118,279)                   | (22,136)                    | (8,938)         | (149,353)        |
| Interest Expense                                                      |       | (1,155)                     | (3,065)                     | (953)           | (5,173)          |
| <b>Segment Profit/(Loss) before Tax and Non-Regular Items</b>         |       | <b>239,642</b>              | <b>(6,403)</b>              | <b>(19,042)</b> | <b>214,197</b>   |
| Non-Regular Items before Tax <sup>1</sup>                             |       | –                           | (74,681)                    | (12,802)        | (87,483)         |
| <b>Segment Profit/(Loss) before Tax after Non-Regular Items</b>       |       | <b>239,642</b>              | <b>(81,084)</b>             | <b>(31,844)</b> | <b>126,714</b>   |
| Treasury Loss before Income Tax and Non-Regular Items                 |       |                             |                             |                 | (14,884)         |
| Non-Regular Treasury Items before Tax                                 |       |                             |                             |                 | (1,110)          |
| Treasury Loss before Income Tax                                       |       |                             |                             |                 | (15,994)         |
| <b>Profit/(Loss) before Tax (after Non-Regular Items)</b>             |       |                             |                             |                 | <b>110,720</b>   |
| Income Tax (Expense)/Benefit                                          | 4(a)  |                             |                             |                 | (31,370)         |
| <b>Profit/(Loss) after Tax and Non-Regular Items</b>                  |       |                             |                             |                 | <b>79,350</b>    |
| <b>Reportable Segment Assets</b>                                      |       | <b>1,655,866</b>            | <b>404,228</b>              | <b>715,773</b>  | <b>2,775,867</b> |
| Total Segment Assets includes:                                        |       |                             |                             |                 |                  |
| Additions to Non-Current Capital Assets                               |       | 79,625                      | 4,837                       | 12,955          | 97,417           |
| Increase in Impairment of Assets                                      |       | –                           | (40,307)                    | (4,389)         | (44,696)         |

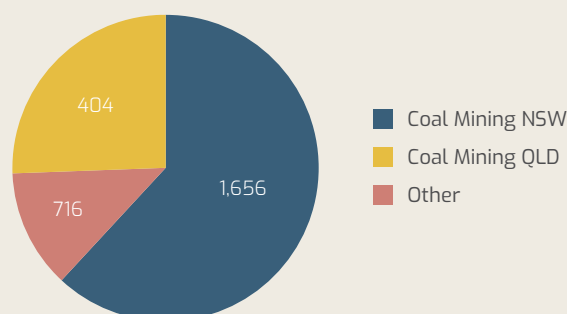
1 Non-Regular Items for the financial year ended 31 July 2021 relate to Coal Mining Asset and Coal Exploration Asset Impairments, Onerous Contracts, New Acland Ramp Down Costs, Group Redundancy Costs, Liquidation Related Expenses, Strategic Growth and M&A and Debt Waiver Consent Fees.

2 Underlying Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and Net Profit before Tax (NPBT) and before Non-Regular Items are non-IFRS measures. This non-IFRS information has not been audited by Deloitte.

#### 2021 SEGMENT PERFORMANCE (\$MILLION)



#### 2021 SEGMENT ASSETS (\$MILLION)



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 1. FINANCIAL REPORTING SEGMENTS (CONTINUED)

### C. OTHER SEGMENT INFORMATION

#### (i) SEGMENT REVENUE

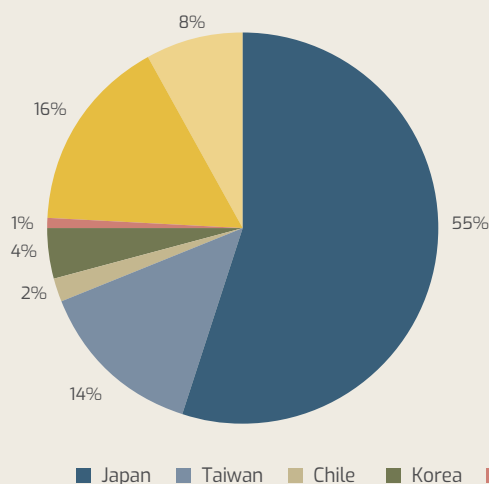
| YEAR ENDED 31 JULY 2022                             | NOTES    | COAL MINING<br>NSW<br>\$000 | COAL MINING<br>QLD<br>\$000 | OTHER<br>\$000 | TOTAL<br>\$000   |
|-----------------------------------------------------|----------|-----------------------------|-----------------------------|----------------|------------------|
| <b>Total Segment Revenue by Geographical Region</b> |          |                             |                             |                |                  |
| Japan                                               |          | 1,115,027                   | 78,512                      | –              | 1,193,539        |
| Taiwan                                              |          | 301,923                     | –                           | –              | 301,923          |
| Chile                                               |          | 34,539                      | 4,467                       | –              | 39,006           |
| Korea                                               |          | 45,687                      | 30,591                      | –              | 76,278           |
| India                                               |          | 14,680                      | –                           | –              | 14,680           |
| Other <sup>1</sup>                                  |          | 350,229                     | –                           | –              | 350,229          |
| Australia                                           |          | 130,707                     | 15,003                      | 37,019         | 182,729          |
| <b>Revenue from Customer Contracts<sup>2</sup></b>  |          | <b>1,992,792</b>            | <b>128,574</b>              | <b>37,019</b>  | <b>2,158,384</b> |
| Provisional Pricing                                 |          |                             |                             |                | 382,498          |
| Other Revenue                                       |          |                             |                             |                | 11,512           |
| <b>Total Revenue</b>                                | <b>2</b> |                             |                             |                | <b>2,552,394</b> |

1 Other revenue from customer contracts relates to third party customer contracts with undisclosed geographical information.

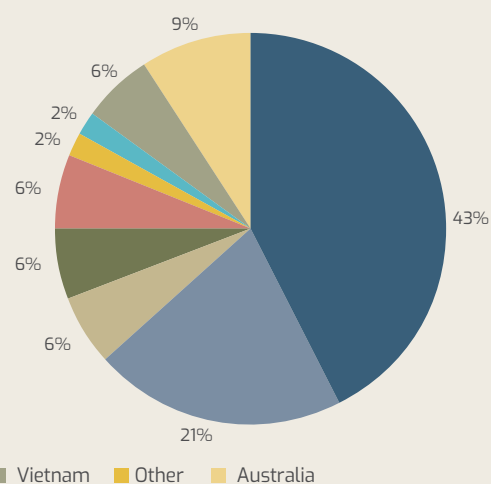
2 Revenue from customers contracts includes income from commodity sales and services. Refer Note 2.

Revenues of \$277,350,000 (2021 – \$161,911,000) are derived from a single external customer, representing 13 per cent of total Revenue from Customer Contracts. These revenues are attributed to the Taiwan geographical segment. Provisional pricing adjustments of \$353,277,000 (2021: \$34,716,000) relate to this customer. There are no other individual customers who represent more than 10 per cent of revenue from customer contracts for the year ended 31 July 2022.

2022 REVENUE BY DESTINATION \$000



2021 REVENUE BY DESTINATION \$000



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 1. FINANCIAL REPORTING SEGMENTS (CONTINUED)

### C. OTHER SEGMENT INFORMATION (CONTINUED)

#### (I) SEGMENT REVENUE (CONTINUED)

| YEAR ENDED 31 JULY 2021                             | NOTES    | COAL MINING<br>NSW<br>\$000 | COAL MINING<br>QLD<br>\$000 | OTHER<br>\$000 | TOTAL<br>\$000   |
|-----------------------------------------------------|----------|-----------------------------|-----------------------------|----------------|------------------|
| <b>Total Segment Revenue by Geographical Region</b> |          |                             |                             |                |                  |
| Japan                                               |          | 345,200                     | 82,314                      | –              | 427,514          |
| Taiwan                                              |          | 205,211                     | –                           | –              | 205,211          |
| Chile                                               |          | 16,969                      | 46,046                      | –              | 63,015           |
| Korea                                               |          | 45,672                      | 15,971                      | –              | 61,643           |
| India                                               |          | 37,322                      | 21,969                      | –              | 59,291           |
| China                                               |          | 20,638                      | –                           | –              | 20,638           |
| Vietnam                                             |          | –                           | 15,885                      | –              | 15,885           |
| Other <sup>1</sup>                                  |          | 56,196                      | –                           | –              | 56,196           |
| Australia                                           |          | 48,855                      | 12,536                      | 24,920         | 86,311           |
| <b>Revenue from Customer Contracts<sup>2</sup></b>  |          | <b>776,063</b>              | <b>194,721</b>              | <b>24,920</b>  | <b>995,704</b>   |
| Provisional Pricing                                 |          |                             |                             |                | 42,341           |
| Other Revenue                                       |          |                             |                             |                | 10,194           |
| <b>Total Revenue</b>                                | <b>2</b> |                             |                             |                | <b>1,048,239</b> |

<sup>1</sup> Other revenue from customer contracts relates to third party customer contracts with undisclosed geographical information.

<sup>2</sup> Revenue from customers contracts includes income from commodity sales and services. Refer Note 2.

Revenues of \$161,911,000 (2020 – \$58,538,000) are derived from a single external customer, representing 16 per cent of total Revenue from Customer Contracts. These revenues are attributed to the Taiwan geographical segment. Provisional pricing adjustments of \$34,716,000 (2020: \$8,199,000) relating to this customer. There are no other individual customers who represent more than 10 per cent of revenue from customer contracts for the year ended 31 July 2021.

#### (II) SEGMENT ASSETS

The amounts provided to KMP with respect to total assets are measured in a manner consistent with that of the Consolidated Financial Statements. These assets are allocated based on the operations of the Segment. All Non-Current Assets are located in Australia.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 2. REVENUE

### ACCOUNTING POLICY

The Group recognises Sales Revenue related to the transfer of promised goods or services when the performance obligations under the contract have been satisfied. The amount of Revenue recognised reflects the consideration to which the Group is or expects to be entitled for satisfying the performance obligation.

Revenue is recognised for the major business activities as follows:

- Coal Sales Revenue is recognised at the point in time when control of the products have been transferred to the customer in accordance with the sales terms, in this instance when the risks and benefits of ownership has transferred. The transfer of title, risks and rewards, and therefore the fulfilment of performance obligations normally occurs at the time of loading the shipment for export sales, and generally at the time the coal is delivered to the customer for domestic sales.
- Coal sales are reflected at final prices by the end of the reporting period, except for certain Coal Sales that are provisionally priced at the date revenue is recognised, which include a future price reference that is adjusted for discount and quality.
- Oil Sales Revenue is recognised at the point in time when control of the products have been transferred to the customer in accordance with the sales terms, in this instance when the risks and benefits of ownership have transferred. This is normally when the oil is delivered to the customer.
- The Group's products are sold to customers under contracts that vary in tenure and pricing mechanisms, primarily being monthly or quarterly indexes.
- Service Fee Income and Management Fee Income is recognised as Revenue over time as the services are performed.

|                                              | NOTES    | 2022<br>\$000    | 2021<br>\$000    |
|----------------------------------------------|----------|------------------|------------------|
| <b>Sales Revenue</b>                         |          |                  |                  |
| Revenue from Commodity Sales                 |          | 2,143,384        | 983,528          |
| Revenue from Provisional Pricing Adjustments |          | 382,498          | 42,341           |
| Services                                     |          | 15,002           | 12,226           |
|                                              |          | 2,540,884        | 1,038,095        |
| <b>Other Revenue</b>                         |          |                  |                  |
| Property Rent                                |          | 2,172            | 1,509            |
| Interest                                     | 20(d)    | 1,644            | 85               |
| Sundry Revenue <sup>1</sup>                  |          | 7,695            | 8,550            |
| <b>Total Revenue</b>                         | 1(b),(c) | <b>2,552,395</b> | <b>1,048,239</b> |

1 Included within Sundry Revenue for the 2021 financial year is an amount relating to COVID-19 Government relief in the form of JobKeeper payments received by the Group of \$5,861,000. No JobKeeper payments were received by the Group in FY2022.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 3. OTHER INCOME AND EXPENSES

Profit/(Loss) before Income Tax includes the following specific income/(expenses):

### A. OTHER INCOME

|                             | NOTES | 2022<br>\$000 | 2021<br>\$000 |
|-----------------------------|-------|---------------|---------------|
| Insurance Recovery          |       | –             | 5,739         |
| Land Access Compensation    |       | 5             | –             |
| Gain from Lenton Divestment | 10(b) | 6,038         | –             |
| <b>Total Other Income</b>   |       | <b>6,043</b>  | <b>5,739</b>  |

### B. BREAKDOWN OF EXPENSES

|                                                                                                                               | NOTES | 2022<br>\$000    | 2021<br>\$000    |
|-------------------------------------------------------------------------------------------------------------------------------|-------|------------------|------------------|
| <b>(I) COST OF SALES<sup>1&amp;2</sup></b>                                                                                    |       |                  |                  |
| Purchase Coal                                                                                                                 |       | (237,570)        | (9,446)          |
| Royalties                                                                                                                     |       | (181,752)        | (62,038)         |
| Other Production Costs                                                                                                        |       |                  |                  |
| Mining                                                                                                                        |       | (272,039)        | (264,253)        |
| Non-Mining                                                                                                                    |       | (18,903)         | (23,605)         |
| <b>Total Cost of Sales</b>                                                                                                    |       | <b>(710,264)</b> | <b>(359,342)</b> |
| 1 Employee-Related Expenses relating to Cost of Sales of \$134,086,000 (FY2021: 152,084,000) have been excluded               |       |                  |                  |
| 2 Depreciation and Amortisation Expenses relating to Cost of Sales of \$140,257,000 (FY2021: 147,138,000) have been excluded. |       |                  |                  |
| <b>(II) EMPLOYEE-RELATED EXPENSES</b>                                                                                         |       |                  |                  |
| Salary and wages                                                                                                              |       | (130,138)        | (135,992)        |
| Superannuation                                                                                                                |       | (9,157)          | (9,399)          |
| Share-based payments expense                                                                                                  |       | (850)            | (72)             |
| Redundancy expenses                                                                                                           |       | (5,491)          | (15,733)         |
| Other employee benefits expenses                                                                                              |       | (1,542)          | (3,330)          |
| <b>Total employee-related expenses</b>                                                                                        |       | <b>(147,178)</b> | <b>(164,526)</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 3. OTHER INCOME AND EXPENSES (CONTINUED)

### B. BREAKDOWN OF EXPENSES (CONTINUED)

|                                                              | NOTES | 2022<br>\$000   | 2021<br>\$000   |
|--------------------------------------------------------------|-------|-----------------|-----------------|
| (III) DEPRECIATION AND AMORTISATION                          |       |                 |                 |
| Depreciation                                                 |       |                 |                 |
| Buildings                                                    | 11    | (1,180)         | (1,937)         |
| Plant and equipment                                          | 11    | (59,315)        | (61,255)        |
| <b>Total Depreciation</b>                                    |       | <b>(60,495)</b> | <b>(63,192)</b> |
| Amortisation                                                 |       |                 |                 |
| Mining reserves and leases                                   | 11    | (58,857)        | (61,664)        |
| Mine and port development                                    | 11    | (4,968)         | (5,637)         |
| Oil producing assets                                         | 11    | (4,946)         | (5,529)         |
| Software                                                     | 12    | (458)           | (551)           |
| Right-of-use assets                                          | 11    | (7,888)         | (9,256)         |
| Mining information                                           | 12    | (2,969)         | (2,969)         |
| Water rights                                                 | 12    | (555)           | (555)           |
| <b>Total Amortisation</b>                                    |       | <b>(80,641)</b> | <b>(86,161)</b> |
| (IV) IMPAIRMENT OF ASSETS                                    |       |                 |                 |
| Impairment of QLD coal mining assets                         | 14    | –               | (40,307)        |
| Impairment of coal exploration and evaluation assets         | 14    | (4,989)         | (1,618)         |
| Impairment of building assets                                | 14    | –               | (2,771)         |
| <b>Total Impairment Charge</b>                               |       | <b>(4,989)</b>  | <b>(44,696)</b> |
| (V) OTHER EXPENSES                                           |       |                 |                 |
| Liquidation related expenses <sup>1</sup>                    |       | (9,823)         | (2,620)         |
| Onerous contract expenses <sup>2</sup>                       |       | –               | (37,276)        |
| Net (Loss)/Gain on disposal of property, plant and equipment |       | (563)           | 4,981           |
| Lease costs expensed <sup>3</sup>                            |       | –               | (51)            |

1 Liquidation related costs have been included in Other Expenses. Refer to Note 15(d).

2 Onerous contract expense is included in Marketing and Transportation expenses. Refer to Note 15(c).

3 Expenses relating to Leases of Low Value Assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 4. INCOME TAXES

### ACCOUNTING POLICY

The Income Tax Expense or Revenue for the period is the tax payable on the current period's Taxable Income, based on the relevant Income Tax Rate for each jurisdiction, adjusted by changes in Deferred Tax Assets and Liabilities attributable to Temporary Differences, and unused Tax Losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the jurisdictions where the Company's subsidiaries and associates operate and generate taxable income.

Deferred Income Tax is provided in full, using the liability method, on Temporary Differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, the Deferred Income Tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable Profit or Loss. Deferred Income Tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Statement of Financial Position date and are expected to apply when the related Deferred Income Tax Asset is realised or the Deferred Income Tax Liability is settled.

### Tax Consolidation Legislation

New Hope Corporation Limited and its wholly owned Australian controlled entities are subject to tax consolidation legislation. All entities within the group are party to both Tax Sharing and Funding Agreements (TSA and TFA). The TSA, in the opinion of the Directors, limits the joint and several liability of each entity in the case of default by New Hope Corporation Limited. The TFA provides the basis to account for compensation for tax related items transferred between the subsidiaries and the head entity of the group. The head entity, New Hope Corporation Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts.

In addition to its own Current and Deferred Tax amounts, the Company also recognises the Current Tax Liabilities (or Assets) and the Deferred Tax Assets arising from unused Tax Losses and unused Tax Credits assumed from controlled entities in the Tax Consolidated Group. Assets or liabilities arising under TFAs with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the TFA are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

### A. INCOME TAX (EXPENSE)/BENEFIT

|                                                           | 2022<br>\$000 | 2021<br>\$000 |
|-----------------------------------------------------------|---------------|---------------|
| Income Tax – Current Tax Expense                          | (389,050)     | (24,631)      |
| Income Tax – Adjustments for Current Tax of Prior Periods | 2,733         | 3,582         |
| Income Tax – Deferred Tax (Expense)/Benefit               | (31,312)      | (10,321)      |
|                                                           | (417,629)     | (31,370)      |
| Effective Tax Rate                                        | 29.8%         | 28.3%         |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 4. INCOME TAXES (CONTINUED)

### B. NUMERICAL RECONCILIATION OF INCOME TAX (EXPENSE)/BENEFIT TO PRIMA FACIE TAX RECEIVABLE/(PAYABLE)

|                                                                                         | 2022<br>\$000    | 2021<br>\$000   |
|-----------------------------------------------------------------------------------------|------------------|-----------------|
| Profit/(Loss) before Income Tax                                                         | 1,400,638        | 110,720         |
| Income Tax calculated at 30% (2021: 30%)                                                | (420,191)        | (33,216)        |
| Tax effect of amounts which are not deductible/(taxable) in calculating Taxable Income: |                  |                 |
| CGT Income not assessable                                                               | –                | 1,716           |
| Non-Assessable accounting gain from property disposals                                  | 3,334            | –               |
| Non-Assessable Interest relating to convertible notes                                   | (614)            |                 |
| Other Non-Temporary Items                                                               | (1,805)          | 89              |
|                                                                                         | (419,276)        | (31,411)        |
| Under/(Over) provided in prior year                                                     | 1,647            | 41              |
| <b>Income Tax (Expense)/Benefit</b>                                                     | <b>(417,629)</b> | <b>(31,370)</b> |

### C. TAX (EXPENSE)/BENEFIT RELATING TO ITEMS OF OTHER COMPREHENSIVE INCOME

|                  | 2022<br>\$000 | 2021<br>\$000 |
|------------------|---------------|---------------|
| Cash Flow Hedges | (45,894)      | (13,506)      |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 4. INCOME TAXES (CONTINUED)

### D. DEFERRED TAX BALANCES

#### ACCOUNTING POLICY

Deferred Tax Assets are recognised for the deductible Temporary Differences and unused Tax Losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred Tax Liabilities and Assets are not recognised for Temporary Differences between the carrying amount and tax bases of Investments in Controlled Entities where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the differences will not reverse in the foreseeable future.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset Current Tax Assets and Liabilities and when the Deferred Tax balances relate to the same taxation authority.

|                               | NET<br>BALANCE AT<br>1 AUGUST<br>\$000 | RECOGNISED<br>IN PROFIT<br>OR LOSS<br>\$000 | RECOGNISED<br>IN OCI<br>\$000 | NET<br>\$000 | DEFERRED<br>TAX<br>ASSETS<br>\$000 | DEFERRED<br>TAX<br>LIABILITIES<br>\$000 |
|-------------------------------|----------------------------------------|---------------------------------------------|-------------------------------|--------------|------------------------------------|-----------------------------------------|
| <b>2022</b>                   |                                        |                                             |                               |              |                                    |                                         |
| Rehabilitation Provision      | 80,387                                 | (30,926)                                    | –                             | 49,461       | 49,461                             | –                                       |
| Property, Plant and Equipment | (101,125)                              | 9,976                                       | –                             | (91,149)     | –                                  | (91,149)                                |
| Capitalised Exploration       | (12,966)                               | (751)                                       | –                             | (13,717)     | –                                  | (13,717)                                |
| Cash Flow Hedges              | (2,923)                                | –                                           | 45,894                        | 42,971       | 42,971                             | –                                       |
| Inventories                   | (8,140)                                | (2,112)                                     | –                             | (10,252)     | –                                  | (10,252)                                |
| Employee Benefits             | 11,287                                 | (3,435)                                     | –                             | 7,852        | 7,852                              | –                                       |
| Other                         | 1,991                                  | (3,046)                                     | –                             | (1,055)      | –                                  | (1,055)                                 |
| Capital Losses                | 1,500                                  | –                                           | –                             | 1,500        | 1,500                              | –                                       |
| Lease Liabilities             | 30,203                                 | (1,019)                                     | –                             | 29,184       | 29,184                             | –                                       |
|                               | 214                                    | (31,312)                                    | 45,894                        | 14,795       | 130,968                            | (116,173)                               |
| <b>2021</b>                   |                                        |                                             |                               |              |                                    |                                         |
| Rehabilitation Provision      | 74,717                                 | 5,670                                       | –                             | 80,387       | 80,387                             | –                                       |
| Property, Plant and Equipment | (81,465)                               | (19,660)                                    | –                             | (101,125)    | –                                  | (101,125)                               |
| Capitalised Exploration       | (10,327)                               | (2,639)                                     | –                             | (12,966)     | –                                  | (12,966)                                |
| Cash Flow Hedges              | (16,429)                               | –                                           | 13,506                        | (2,923)      | –                                  | (2,923)                                 |
| Inventories                   | (4,475)                                | (3,665)                                     | –                             | (8,140)      | –                                  | (8,140)                                 |
| Employee Benefits             | 14,143                                 | (2,856)                                     | –                             | 11,287       | 11,287                             | –                                       |
| Other                         | (4,012)                                | 6,003                                       | –                             | 1,991        | 1,991                              | –                                       |
| Capital Losses                | 1,500                                  | –                                           | –                             | 1,500        | 1,500                              | –                                       |
| Lease Liabilities             | 23,374                                 | 6,829                                       | –                             | 30,203       | 30,203                             | –                                       |
|                               | (2,974)                                | (10,318)                                    | 13,506                        | 214          | 125,368                            | (125,154)                               |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 4. INCOME TAXES (CONTINUED)

### E. UNRECOGNISED DEFERRED TAX ASSETS

|                                                                                 | 2022<br>\$000 | 2021<br>\$000 |
|---------------------------------------------------------------------------------|---------------|---------------|
| Deferred Tax Assets have not been recognised in respect of the following items: |               |               |
| Tax Losses (Capital)                                                            | 4,522         | 6,607         |
| Temporary Differences associated with Equity Investments                        | 5,709         | 5,709         |
|                                                                                 | 10,231        | 12,316        |

#### SIGNIFICANT JUDGEMENTS AND ESTIMATES

The deferred taxation benefits will only be obtained if assessable income is derived of a nature and of an amount sufficient to enable the benefit from the deductions to be realised, conditions for deductibility imposed by the law are complied with and no changes in tax legislation adversely affect the realisation of the benefit from the deductions. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Capital Tax Losses do not expire under current tax legislation. Deferred Tax Assets have not been recognised in respect of these items because it is uncertain when future Capital Gains will be available against which the Group can utilise the benefits from these assets.

## 5. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

|                                                          | NOTES | 2022<br>\$000    | 2021<br>\$000  |
|----------------------------------------------------------|-------|------------------|----------------|
| <b>Profit after Income Tax</b>                           |       | 983,009          | 79,350         |
| Depreciation and Amortisation                            |       | 141,136          | 149,353        |
| Non-Cash Employee Benefit Expense – Share-Based Payments | 29    | 850              | 72             |
| Gain from Disposal of Entity – Lenton                    | 10    | 6,038            | –              |
| Impairment of Assets                                     | 3(b)  | 4,989            | 44,696         |
| Net Foreign Exchange Gains                               |       | (3,071)          | (2,453)        |
| Net Loss/(Profit) on sale of Non-Current Assets          | 3(b)  | 563              | (4,981)        |
| Net Income Taxes (Paid)/Received <sup>1</sup>            |       | (31,326)         | 19,317         |
| Income Tax Expense/(Benefit)                             | 4(a)  | 417,629          | 31,370         |
| Non-Cash Finance Costs                                   | 20(d) | 10,444           | 2,076          |
| Provision for Onerous Contract                           | 15(c) | –                | 16,477         |
| Changes in Operating Assets and Liabilities              |       |                  |                |
| (Increase) in Receivables and Prepayments                |       | (384,236)        | (54,973)       |
| Decrease in Inventories                                  |       | 11,479           | 7,643          |
| (Decrease) in Trade and Other Payables                   |       | 7,942            | (3,768)        |
| (Decrease)/Increase in Provisions                        |       | (26,809)         | 11,886         |
| <b>Net Cash from Operating Activities</b>                |       | <b>1,138,637</b> | <b>296,065</b> |

<sup>1</sup> The amount of Income Taxes paid for the 2022 financial year represents current year instalments less a refund of instalments paid for the year ended 31 July 2021.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 6. EARNINGS PER SHARE

### ACCOUNTING POLICY

#### Basic Earnings Per Share

Basic Earnings per Share is calculated by dividing the Profit attributable to Ordinary Equity Holders of the Company, excluding any costs of servicing equity other than Ordinary Shares, by the weighted average number of Ordinary Shares outstanding during the year, adjusted for bonus element in Ordinary Shares issued during the year.

#### Diluted Earnings Per Share

Diluted Earnings per Share adjusts the figures used in the determination of Basic Earnings per Share to take into account the after Income Tax effect of interest and other financial costs associated with dilutive potential Ordinary Shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential Ordinary Shares.

### A. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

|                            | EARNINGS PER SHARE (CENTS) |               |
|----------------------------|----------------------------|---------------|
|                            | 2022<br>\$000              | 2021<br>\$000 |
| Basic Earnings per Share   | 118.1                      | 9.5           |
| Diluted Earnings per Share | 106.0                      | 9.5           |

### B. RECONCILIATION OF ADJUSTED PROFITS

|                                                                          | BASIC         |               |
|--------------------------------------------------------------------------|---------------|---------------|
|                                                                          | 2022<br>\$000 | 2021<br>\$000 |
| Profit/(Loss) attributable to the Ordinary Equity Holders of the Company | 983,009       | 79,350        |

|                                                                          | DILUTIVE      |               |
|--------------------------------------------------------------------------|---------------|---------------|
|                                                                          | 2022<br>\$000 | 2021<br>\$000 |
| Profit/(Loss) attributable to the Ordinary Equity Holders of the Company | 988,346       | 79,771        |

### C. WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

|                                                      | CONSOLIDATED |             |
|------------------------------------------------------|--------------|-------------|
|                                                      | 2022         | 2021        |
| Weighted average number of Ordinary Shares (Basic)   | 832,357,082  | 832,348,195 |
| Performance Rights                                   | 322,614      | 553,434     |
| Convertible bond – Equity                            | 99,918,722   | 7,566,862   |
| Weighted average number of Ordinary Shares (Diluted) | 932,598,418  | 840,468,491 |

### D. PERFORMANCE RIGHTS GRANTED TO EMPLOYEES

Performance Rights granted to employees are considered to be potential Ordinary Shares and have been included in the determination of Diluted Earnings Per Share to the extent to which they are dilutive. Performance Rights have not been included in the determination of Basic Earnings Per Share. Details relating to Performance Rights are set out in Note 29.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 7. RECEIVABLES

### ACCOUNTING POLICY

Trade Receivables derived from contracted sales are recognised initially at fair value and subsequently at amortised cost, less any expected credit losses (ECL). Trade Receivables from provisionally priced sales are carried at fair value. The carrying value less the estimated credit adjustments are assumed to approximate their fair values due to their short-term nature. Trade Receivables are due for settlement no more than forty-five days from the date of recognition.

Other non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value, and subsequently at amortised cost less any ECLs. They are included in Current Assets, except for those with maturities greater than 12 months after the reporting date which are classified as Non-Current Assets. Other (Non-Current) Receivables from Bowen Coking Coal Limited as part of the purchase consideration from the Lenton Divestiture are carried at fair value.

The Group measures the loss allowance for a Financial Asset at an amount equal to the lifetime ECL. Where the Financial Asset's credit risk has not increased significantly since initial recognition, the Group will measure the loss allowance based on twelve months ECL. A simplified approach is taken to accounting for Trade and Other Receivables as well as contract assets and records the loss allowance at the amount equal to the lifetime ECL. In applying this simplified method, the Group uses its historical experience, external indicators and forward-looking information to calculate the ECL.

|                                          | 2022<br>\$000  | 2021<br>\$000  |
|------------------------------------------|----------------|----------------|
| <b>Current</b>                           |                |                |
| Trade Receivables                        | 82,466         | 78,995         |
| Trade Receivables – Provisionally Priced | 389,888        | 9,216          |
| Other Receivables <sup>1</sup>           | 14,896         | 21,364         |
| Prepayments                              | 14,722         | 13,748         |
| <b>Total Current</b>                     | <b>501,972</b> | <b>123,323</b> |
| <b>Non-Current</b>                       |                |                |
| Other Receivables <sup>2</sup>           | 39,557         | 364            |
| <b>Total Non-Current</b>                 | <b>39,557</b>  | <b>364</b>     |

<sup>1</sup> These amounts relate to Long Service Leave payments recoverable from the Coal Mining Industry Long Service Leave Fund, Rebates Receivable, Goods and Services Tax (GST) refunds receivable and Security Deposits. None of these receivables are impaired or past due.

<sup>2</sup> Included in the Non-Current Other Receivables are royalty and milestone payments from Bowen Coking Coal Limited of \$39,471,000, carried at fair value. Refer to note 10 for more details.

### Trade Receivables – Provisionally Priced

During this financial year, the Japanese Reference Price (JRP), which is historically settled during the second half of the year was not settled. The cash from this final settlement was received in September 2022.

### Other Receivables – Receivables from Lenton

With the execution of the Lenton sale transaction, a new receivable from Bowen Coking Coal Limited was recognised on 1 July 2022 and carried at fair value. For more details, please refer to note 10(b).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 7. RECEIVABLES (CONTINUED)

### A. FOREIGN EXCHANGE AND INTEREST RATE RISK

Information about the Group's exposure to foreign currency risk and interest rate risk in relation to Trade and Other Receivables is provided in Note 24.

### B. FAIR VALUE AND CREDIT RISK

Due to the short-term nature of current Receivables, their carrying value is assumed to approximate their fair value. The fair value of Non-Current Receivables approximates their carrying amounts. Information about the Group's exposure to fair value and credit risk in relation to Trade and Other Receivables is provided in Note 24. The Group assessed the ECL in relation to Trade and Other Receivables in the current year and the prior year to be immaterial and no loss allowance has been recorded.

## 8. TRADE AND OTHER PAYABLES

### ACCOUNTING POLICY

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and usually paid within forty-five days of recognition. Trade Payables from provisionally priced purchases are carried at fair value.

|                                       | 2022<br>\$000 | 2021<br>\$000 |
|---------------------------------------|---------------|---------------|
| Trade and Other Payables <sup>1</sup> | 94,478        | 78,786        |

<sup>1</sup> Included in the Trade Payables is the Provisionally Priced Payable of \$4,806,000 (FY2021: NIL).

## 9. INVENTORIES

### ACCOUNTING POLICY

Coal Stocks are valued at the lower of cost and net realisable value. Cost comprises the weighted average costs of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Self-Generating and Regenerating Assets relate to the Group's agricultural inventories and are valued at fair value less costs to sell.

Inventories of Consumable Supplies and Spare Parts expected to be used in production are valued at weighted average cost. A provision for stock obsolescence in relation to Raw Materials and stores is raised for items which have become obsolete over time.

|                                         | 2022<br>\$000 | 2021<br>\$000 |
|-----------------------------------------|---------------|---------------|
| Coal stocks                             | 26,435        | 42,090        |
| Self-Generating and Regenerating Assets | 6,033         | 5,120         |
| Raw Materials and Stores at cost        | 32,539        | 29,276        |
| Less: Provision for Obsolescence        | (5,264)       | (3,143)       |
| <b>Total Inventories</b>                | <b>59,743</b> | <b>73,343</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 9. INVENTORIES (CONTINUED)

### A. INVENTORY EXPENSE

Coal Stocks recognised as an expense during the year ended 31 July 2022 amounted to \$857,483,000 (2021: \$689,838,000). The Group did not recognise any inventory write-down to net realisable value for the Financial Year (2021: \$NIL).

## 10A. ASSETS CLASSIFIED AS HELD FOR SALE

### ACCOUNTING POLICY

Non-Current Assets (or disposal group) are classified as Held For Sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. When the sale is considered highly probable and is available for immediate sale, the asset is valued at the lower of its carrying amount and fair value less costs to sell, with any gain or loss on remeasurement recognised in the Statement of Comprehensive Income.

|                                     | 2022<br>\$000 | 2021<br>\$000 |
|-------------------------------------|---------------|---------------|
| Land – Mining <sup>1</sup>          | –             | 7,067         |
| Buildings – Non-Mining <sup>2</sup> | –             | 3,000         |
| <b>Total</b>                        | <b>–</b>      | <b>10,067</b> |

1 \$6,498,000 related to the Pastoral CGU and \$569,000 related to the Qld Coal Mining Operations CGU, both included in the Coal Mining QLD Segment.

2 Included in 'Other' Operating Segment.

The Group has classified from Property, Plant and Equipment to Assets Classified as Held for Sale in the 2021 financial year, with the sale transactions completed in the 2022 financial year. Key updates for the current financial year are outlined below:

- A gain on disposal of parcels of land of \$5,251,000 was recognised in the Statement of Comprehensive Income in the 2022 financial year.
- On 28 July 2021, the Group entered a contract for sale of the previous corporate office at Brookwater, Queensland. The sale was subject to a Put and Call Option with the Group and was executed in the current financial year, with proceeds of \$3,000,000 received and a loss of \$613,000 recognised in the Statement of Comprehensive Income in the 2022 financial year.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 10B. DISPOSAL OF NEW LENTON COAL

On 2 August 2021 the Group entered into a Binding Term Sheet to divest 100 per cent of the shares in New Lenton Coal Pty Ltd (which held a 90 per cent interest in the Lenton Joint Venture) to Bowen Coking Coal Limited (ASX: BCB). On 24 December 2021 the Group signed a Sale and Purchase Agreement with Bowen Coking Coal in line with the Binding Term Sheet. A total of \$1.0 million of upfront cash payments were received. There were several conditions precedent included in the Sale and Purchase Agreement. These were subsequently satisfied and the sale completed on 1 July 2022.

The sale consideration included cash, a series of milestone payments and a royalty stream. The determination of the fair value of the receivable in relation to the future royalty stream and milestone payments involves judgement and is based on expectations in relation to the timing of relevant approvals, production and forecast price assumptions.

A summary of the sale transaction out is presented below:

|                                         | 2022<br>\$000 |
|-----------------------------------------|---------------|
| Deposit and Contract Settlement Payment | 21,625        |
| Receivables                             | 39,471        |
| <b>Total Purchase Consideration</b>     | <b>61,096</b> |
| Total Assets                            | 122,410       |
| Total Liabilities                       | (69,815)      |
| <b>Total Net Assets Disposed</b>        | <b>52,595</b> |
| Financial Guarantee Liability Provided  | (2,463)       |
| <b>Profit on Sale</b>                   | <b>6,038</b>  |

As part of the sale, the Group provided a guarantee to the State of Queensland for an amount of \$61.5m in relation to New Lenton Coal Pty Ltd's rehabilitation obligation. The guarantee is provided through a bank letter of credit, issued in favour of the State of Queensland. The terms associated with the letter of credit allows for the bank to claim from the Group the value of the guarantee called upon by the State in the event of default by New Lenton on its rehabilitation obligation.

Under a separate agreement entered in to with Bowen Coking Coal, the Group has agreed that the guarantee will be terminated after 24 months.

The Group recognised the guarantee as a financial liability as at 31 July 2022 and measured the liability at fair value having regard to a probability weighted assessment of the risk of default. The Group has considered its position and has determined that the probability of default is highly unlikely as at 31 July 2022. A liability of \$2,500,000 has been recognised as a result.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 11. PROPERTY, PLANT AND EQUIPMENT

### ACCOUNTING POLICY

#### Property, Plant And Equipment

Property, Plant and Equipment is stated at historical cost less applicable Depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying Cash Flow Hedges of foreign currency purchases of Property, Plant and Equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other subsequent costs are expensed to the Statement of Comprehensive Income during the financial period in which they are incurred.

#### Right Of Use Assets

At the commencement date of a lease (other than leases of 12 months or less and leases of low value assets), the Group recognises a Right-of-Use Asset representing its Right-of-Use to the underlying asset. Right-of-Use Assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group and an estimate of the costs to dismantle and remove the underlying asset.

Subsequent to initial recognition, Right-of-Use Assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less Accumulated Depreciation and any Accumulated Impairment Loss. Right-of-Use Assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, including any lease extensions.

#### Depreciation

Depreciation is calculated so as to write off the cost of each item of Property, Plant and Equipment over its expected economic life to the consolidated entity. Each item's useful life has due regard both to its own physical life limitations and to present assessments of economically recoverable resources of the mine property at which the item is located. Estimates of residual values and remaining useful lives are made on an annual basis. An annual review of the appropriateness of the method of depreciation is also undertaken, noting that the majority of assets were depreciated using the straight-line method in the 2022 financial year. The expected useful life of Plant and Equipment is four to 20 years, Buildings is 25 to 40 years and Motor Vehicles is four to eight years. Land is not depreciated.

#### Disposals

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

#### Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Refer to Note 14 for further detail on impairment of assets.

#### Mine Properties, Development Costs, Reserves And Leases and Oil Producing Assets

Development expenditure incurred by the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified to the satisfaction of the Directors. Direct development expenditure, pre-operating start-up costs and an appropriate portion of related overhead expenditures are capitalised as development costs up until the relevant area of interest is ready for use. The cost of acquiring reserves and resources are capitalised in the Statement of Financial Position as incurred.

Mining Reserves, Leases and Mine and Port Development Assets are amortised over the estimated productive life of each applicable mine or port on either a unit of production basis or years of operation basis, as appropriate. Amortisation commences when an area of interest is ready for use.

Oil Producing Assets are amortised on a unit of production basis. The method uses the actual costs of the asset to date plus all its projected future development costs. Amortisation commences when an area of interest is ready for use.

#### Deferred Stripping Costs

The Group does not recognise any deferred stripping costs. Based on the nature of the Group's mining operations and the stripping ratio for the components of its operations, the recognition criteria of a deferred stripping asset are not satisfied. Further, it is anticipated that the operations will maintain a consistent stripping ratio at the component level and as such no overburden in advance should be recognised.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

|                                                | NOTES | LAND AND BUILDINGS MINING \$000 | LAND AND BUILDINGS NON-MINING \$000 | PLANT AND EQUIPMENT \$000 | MINING RESERVES AND LEASES \$000 | MINE AND PORT DEVELOPMENT \$000 | OIL PRODUCING ASSETS \$000 | PLANT UNDER CONSTRUCTION \$000 | RIGHT-OF-USE ASSETS \$000 | TOTAL \$000      |
|------------------------------------------------|-------|---------------------------------|-------------------------------------|---------------------------|----------------------------------|---------------------------------|----------------------------|--------------------------------|---------------------------|------------------|
| <b>Year ended 31 July 2022</b>                 |       |                                 |                                     |                           |                                  |                                 |                            |                                |                           |                  |
| Balance at 1 August 2021                       |       | 186,216                         | 3,193                               | 520,138                   | 982,562                          | 108,570                         | 45,295                     | 8,694                          | 97,165                    | 1,951,833        |
| Additions                                      |       | 2,489                           | -                                   | 53,629                    | -                                | 1,108                           | 3,561                      | 16,030                         | -                         | 76,817           |
| Movements in Rehabilitation                    |       | -                               | -                                   | (16,332)                  | -                                | (29,160)                        | (6,945)                    | -                              | -                         | (52,437)         |
| Remeasurement of Assets <sup>1</sup>           |       | -                               | -                                   | -                         | -                                | -                               | -                          | -                              | 6,631                     | 6,631            |
| Disposal - Lenton                              | 10    | (5,140)                         | -                                   | (51,648)                  | -                                | -                               | -                          | (2,000)                        | -                         | (58,788)         |
| Transfers within Property Plant and Equipment  |       | -                               | -                                   | 12,503                    | -                                | -                               | -                          | (12,503)                       | -                         | -                |
| Transfers to Exploration and Evaluation Assets | 13    | -                               | -                                   | -                         | -                                | -                               | -                          | -                              | -                         | -                |
| Disposal of Assets                             |       | (7,102)                         | (1,046)                             | (22,508)                  | -                                | -                               | -                          | -                              | -                         | (30,656)         |
| Impairment Charge                              | 14    | -                               | -                                   | -                         | -                                | -                               | -                          | -                              | -                         | -                |
| Depreciation/Amortisation Expense              |       | (1,043)                         | (136)                               | (59,316)                  | (58,857)                         | (4,968)                         | (4,946)                    | -                              | (7,888)                   | (137,154)        |
| <b>Balance at 31 July 2022</b>                 |       | <b>175,420</b>                  | <b>2,011</b>                        | <b>436,466</b>            | <b>923,705</b>                   | <b>75,550</b>                   | <b>36,965</b>              | <b>10,221</b>                  | <b>95,908</b>             | <b>1,756,246</b> |
| <b>Year ended 31 July 2021</b>                 |       |                                 |                                     |                           |                                  |                                 |                            |                                |                           |                  |
| Balance at 1 August 2020                       |       | 209,476                         | 7,066                               | 558,332                   | 1,044,226                        | 113,646                         | 45,827                     | 25,106                         | 81,148                    | 2,084,827        |
| Additions                                      |       | 38                              | -                                   | 36,835                    | -                                | 5,544                           | 4,942                      | 2,161                          | 37,084                    | 86,604           |
| Movements in Rehabilitation                    |       | -                               | -                                   | 5,288                     | -                                | (2,606)                         | 55                         | -                              | -                         | 2,737            |
| Remeasurement of Assets <sup>1</sup>           |       | -                               | -                                   | -                         | -                                | -                               | -                          | -                              | (4,807)                   | (4,807)          |
| Transfers to Asset Classified as Held for Sale | 10    | (7,067)                         | (3,000)                             | -                         | -                                | -                               | -                          | -                              | -                         | (10,067)         |
| Transfers within Property, Plant and Equipment |       | -                               | -                                   | 23,441                    | -                                | -                               | -                          | (18,573)                       | (4,868)                   | -                |
| Transfers to Exploration and Evaluation Assets | 13    | -                               | -                                   | -                         | -                                | (992)                           | -                          | -                              | -                         | (992)            |
| Disposal of Assets                             |       | (5,431)                         | -                                   | (12,312)                  | -                                | -                               | -                          | -                              | -                         | (17,743)         |
| Impairment Charge                              | 14    | (9,101)                         | (635)                               | (30,191)                  | -                                | (1,385)                         | -                          | -                              | (2,136)                   | (43,448)         |
| Depreciation/Amortisation Expense              |       | (1,699)                         | (238)                               | (61,255)                  | (61,664)                         | (5,637)                         | (5,529)                    | -                              | (9,256)                   | (145,278)        |
| <b>Balance at 31 July 2021</b>                 |       | <b>186,216</b>                  | <b>3,193</b>                        | <b>520,138</b>            | <b>982,562</b>                   | <b>108,570</b>                  | <b>45,295</b>              | <b>8,694</b>                   | <b>97,165</b>             | <b>1,951,833</b> |

1 Remeasurement of assets relates to remeasurement of Right-of-Use Assets due to a change in lease terms.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### SIGNIFICANT JUDGEMENTS AND ESTIMATES

#### (A) Impairment Assessment

All Property, Plant and Equipment allocated to Cash Generating Units (CGUs) containing Goodwill must be tested for impairment at the CGU level on an annual basis. Other Property, Plant and Equipment assets must also be tested for impairment when impairment indicators are identified. Refer to Note 14 for further detail on the significant judgements and estimates used in impairment assessment.

#### (B) Estimation Of Coal And Oil Reserves And Resources

The Group estimates its coal reserves and resources based on information compiled by Competent Persons as defined in accordance with the JORC Code, which is produced by the Australasian Joint Ore Reserves Committee (JORC). The oil reserves and resources are equivalently calculated by appropriately qualified persons in accordance with the Society of Petroleum Engineers Petroleum Reserves Management System (SPE-PRMS) (updated May 2022).

The estimation of reserves and resources requires judgement to interpret available geological data and then to select an appropriate mining method and establish an extraction schedule. It also requires assumptions about future commodity prices, exchange rates, production costs, recovery rates and discount rates and, in some instances, the renewal of mining licences. There are many uncertainties in the estimation process and assumptions that are valid at the time of estimation may change significantly when new information becomes available. In particular, the increasing global focus on climate change and associated policy and regulatory risks may impact on future coal demand and prices which could impact reserves and resource estimations, including the commercial viability of their extraction.

Changes in coal and oil reserves could have an impact on the calculation of depreciation, amortisation and impairment charges; the timing of the payment of closedown and restoration costs; and the recovery of deferred tax assets. Changes in coal and oil resources could have an impact on the recoverability of exploration and evaluation costs capitalised. Refer to Note 14 for details on Impairment of Assets.

#### (C) New Acland Stage 3 Approvals

There have been several key developments in the approvals of the New Acland Stage 3 project (NAC03) during the reporting period. An assessment has undertaken based on these key developments as at 31 July 2022 for any potential indicators of impairment to the Coal Mining QLD operations CGU assets. Refer to Note 14 for details on Impairment of Assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 12. INTANGIBLE ASSETS

### ACCOUNTING POLICY

|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IT Development and Software</b>         | Costs incurred in IT development and developing software and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised are external direct costs of materials and services. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.                                                                                                                                        |
| <b>Water Rights and Mining Information</b> | The Group benefits from Water Rights associated with its mining operations through the efficient and cost-effective operation of the mine. These rights are amortised on a straight-line basis over the life of the mine. The value of exploration, pre-feasibility and feasibility costs necessary for regulatory, reporting and internal control purposes have been recognised as a Mining Information Intangible Asset. The total value is amortised over the estimated life of the mine.                                                                                                 |
| <b>Goodwill</b>                            | Goodwill on acquisitions of subsidiaries is included in Intangible Assets. Goodwill on acquisitions of associates is included in Investments in Associates. Goodwill is not amortised. Goodwill is carried at cost less accumulated impairment losses. Gains or losses on the disposal of an entity include the carrying amount of Goodwill relating to the entity sold. Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. |
| <b>Impairment</b>                          | Goodwill and Intangible Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Refer to Note 14 for details of impairment testing. Goodwill impairments are not reversible.                                                                                                                                                                                                                                                       |

|                                | NOTES | SOFTWARE<br>\$000 | GOODWILL<br>\$000 | WATER<br>RIGHTS<br>\$000 | MINING<br>INFORMATION<br>\$000 | TOTAL<br>\$000 |
|--------------------------------|-------|-------------------|-------------------|--------------------------|--------------------------------|----------------|
| <b>Year ended 31 July 2022</b> |       |                   |                   |                          |                                |                |
| Balance at 1 August 2021       |       | 892               | 5,595             | 10,892                   | 59,173                         | 76,552         |
| Amortisation Charge            |       | (458)             | –                 | (555)                    | (2,969)                        | (3,982)        |
| Disposal                       |       | (34)              | –                 | –                        | –                              | (34)           |
| Disposal – Lenton              | 10    | –                 | –                 | –                        | (909)                          | (909)          |
| <b>Balance at 31 July 2022</b> |       | <b>400</b>        | <b>5,595</b>      | <b>10,337</b>            | <b>55,295</b>                  | <b>71,627</b>  |
| <b>Year ended 31 July 2021</b> |       |                   |                   |                          |                                |                |
| Balance at 1 August 2020       |       | 1,443             | 5,595             | 11,447                   | 62,142                         | 80,627         |
| Amortisation Charge            |       | (551)             | –                 | (555)                    | (2,969)                        | (4,075)        |
| <b>Balance at 31 July 2021</b> |       | <b>892</b>        | <b>5,595</b>      | <b>10,892</b>            | <b>59,173</b>                  | <b>76,552</b>  |

### CRITICAL ESTIMATE – GOODWILL IMPAIRMENT ASSESSMENT

Management use judgement in determining the CGU's that should be used for impairment testing and allocating Goodwill that arises from business combinations to these CGU's. The Group's Goodwill of \$5,595,000 (2021: \$5,595,000) relates to the acquisition of Queensland Bulk Handling Pty Ltd (QBH). Refer to Note 14 for the details regarding the impairment assessments performed at 31 July 2022 and any related impairment charge recognised in the Statement of Comprehensive Income.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 13. EXPLORATION AND EVALUATION ASSETS

### ACCOUNTING POLICY

Costs are carried forward only if they relate to an area of interest for which rights of tenure are current and either such costs are expected to be recouped through successful development and exploration or from sale of the area or activities in the area of interest have not (at reporting date) reached a stage that permits a reasonable assessment of existence or otherwise of economically recoverable reserves. At the time that a decision is taken to develop an area with proven technical feasibility and commercial viability the costs will cease to be capitalised as exploration and evaluation assets and existing assets will be transferred to Property, Plant and Equipment.

Exploration and Evaluation expenditure which do not satisfy these criteria are expensed.

|                                                | NOTES | 2022<br>\$000  | 2021<br>\$000  |
|------------------------------------------------|-------|----------------|----------------|
| <b>Total Exploration and Evaluation Assets</b> |       | <b>71,043</b>  | <b>105,533</b> |
| <i>Reconciliation</i>                          |       |                |                |
| <b>Balance at 1 August</b>                     |       | <b>105,533</b> | <b>94,223</b>  |
| Additions                                      |       | 13,367         | 10,813         |
| Movements in Rehabilitation                    |       | (277)          | 753            |
| Disposal – Lenton                              | 10    | (42,591)       |                |
| Transfers from Property, Plant and Equipment   |       | –              | 992            |
| Impairment Charge                              | 14    | (4,989)        | (1,248)        |
| <b>Balance at 31 July</b>                      |       | <b>71,043</b>  | <b>105,533</b> |

### CRITICAL JUDGEMENT – EXPLORATION AND EVALUATION EXPENDITURE

During the year the Group capitalised various items of expenditure to the Exploration and Evaluation Asset. The relevant items of expenditure were deemed to be part of the capital cost of developing future mining and oil operations, which will subsequently be amortised over the life of the mine or oil field. The key judgement applied in considering whether the costs should be capitalised, is that costs are expected to be recovered through either successful development or sale of the relevant area.

There are a number of factors which will be considered in determining the potential for successful development or sale of an exploration asset, including but not limited to, judgements in relation to future commercial viability of exploration tenements, potential for successful development, the risk of expiration of exploration rights without renewal and planned expenditure for further exploration, all of which may be further impacted by climate change considerations.

If after expenditure is capitalised information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is recognised in the Statement of Comprehensive Income in the period when the new information becomes available. Refer to Note 14 for the details regarding the impairment assessments performed at 31 July 2022 and any related impairment charge recognised in the Statement of Comprehensive Income.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 14. IMPAIRMENT OF ASSETS

### ACCOUNTING POLICY

The Group tests assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An Impairment Charge is recognised immediately in the Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's Fair Value Less Cost to Dispose (FVLCD) and its value in use (VIU).

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (CGU).

Irrespective of whether there is any indication of impairment, the Group also tests Intangible Assets with an indefinite useful life or Intangible Assets not yet available for use for impairment annually. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the CGU to which it is allocated to for impairment testing might be impaired.

With the exception of Goodwill, the Company assesses annually for any indicator of a reversal of a previous impairment. Goodwill previously impaired is non-reversible.

### A. CGU ASSESSMENT

Assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other CGUs. These CGUs are different to the Group's Operating Segments outlined in Note 1.

### B. IMPAIRMENT INDICATOR ASSESSMENT AND ASSESSMENT OF RECOVERABLE AMOUNT

The Company performed an impairment indicator assessment across all CGUs for the 2022 financial year and detailed impairment assessments where indicators of impairment have been identified or where Goodwill has been allocated to the CGU. An asset is impaired when its carrying amount exceeds its recoverable value. Where estimates of recoverable amounts have been required these have been determined using either a FVLCD or VIU discounted cash flow model, with the exception of exploration related CGUs and assets which uses a comparable resource multiple. These methodologies are subject to critical judgement, estimates and assumptions. Relevant considerations in respect of the Company's impairment indicator assessments and the determination of CGU recoverable value are included below:

#### (I) QLD COAL MINING OPERATIONS CGU

The QLD Coal Mining Operations CGU is predominantly comprised of the New Acland Coal Mine, which includes New Acland Stage 2 and New Acland Stage 3 (NAC03). During the 2022 financial year the Company continued to consider the potential impact that recent developments in the legal and regulatory environment in relation to NAC03 may have on the recoverable amount for the CGU and whether there were any further indicators of impairment or factors suggesting reversal of previously recognised impairments of NAC03.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 14. IMPAIRMENT OF ASSETS (CONTINUED)

### B. ASSESSMENT OF RECOVERABLE AMOUNT (CONTINUED)

#### (I) QLD COAL MINING OPERATIONS CGU (CONTINUED)

A summary of key events pertaining to NAC03 approvals since July 2020 are detailed below:

- The NAC03 project requires a Regional Interests Development Approval (RIDA) in accordance with the Regional Planning Interests Act 2014. Following an extended history of appeal, NAC03's application for a RIDA was approved, with conditions, by the Queensland Treasury on the 27 August 2020;
- On 3 February 2021, the High Court of Australia upheld the appeal by Oakey Coal Action Alliance (OCAA) against NAC03 in respect of the previous orders issued by the Queensland Court of Appeal given on 1 November 2019;
- The High Court ordered the matter of NAC03's application for Mining Leases and Environmental Authority to be re-heard in the Queensland Land Court;
- On 17 December 2021, the Land Court of Queensland recommended that the Mining Leases and Environmental Authority amendment application be granted, subject to conditions;
- On 26 May 2022, the Coordinator-General issued her change report to the stated conditions for the Environmental Authority for NAC03;
- The Coordinator-General's change report satisfies a condition to the Land Court of Queensland's recommendation that NAC03's Mining Leases and the Environmental Authority amendment be granted;
- On 28 June 2022, the Department of Environment and Science issued the New Acland Mine Stage 3 Environmental Authority. The Environmental Authority includes the Coordinator-General's amended stated conditions in accordance with the Land Court of Queensland's recommendation that New Acland Mine Stage 3's Mining Leases and the Environmental Authority amendment application be granted; and
- On 26 August 2022, the Minister for Resources granted the New Acland Stage 3 Mining Leases, such that the associated water licence (AWL) remains the key outstanding approval. An Amended AWL application was submitted on 19 January 2019, which progressed through public consultation and is with the Minister for decision.

For the year ending 31 July 2021, the Directors determined the recoverable amount for the CGU based on a FVLCD calculation, using discounted cashflow projections, adjusted with probability weightings specific to individual scenarios to derive a weighted average recoverable amount. An impairment charge of \$40,259,000 was charged to Statement of Comprehensive Income. Given the above developments during the year ending 31 July 2022, the Directors reviewed the carrying amount for the CGU and whether there were any further indicators of impairment at 31 July 2022 or factors suggesting a reversal of impairment may be appropriate.

No impairment indicators were identified during the period ended 31 July 2022, thus no impairment charge has been recognised in the Statement of Comprehensive Income (31 July 2021: \$40,259,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 14. IMPAIRMENT OF ASSETS (CONTINUED)

### B. ASSESSMENT OF RECOVERABLE AMOUNT (CONTINUED)

#### (i) QLD COAL MINING OPERATIONS CGU (CONTINUED)

The Carrying Value as at 31 July 2022 and Impairment Charge in the comparative period are outlined below:

|                                                | 2022                       |                               | 2021                                        |                               |
|------------------------------------------------|----------------------------|-------------------------------|---------------------------------------------|-------------------------------|
|                                                | CARRYING<br>VALUE<br>\$000 | IMPAIRMENT<br>CHARGE<br>\$000 | RECOVERABLE<br>AMOUNT <sup>1</sup><br>\$000 | IMPAIRMENT<br>CHARGE<br>\$000 |
| Property, Plant and Equipment                  |                            |                               |                                             |                               |
| Land and Buildings – Mining                    | 18,561                     | –                             | 18,859                                      | 9,053                         |
| Plant and Equipment                            | 9,831                      | –                             | 19,007                                      | 30,191                        |
| Mining Reserves, Leases and Development Assets | 68                         | –                             | 97                                          | –                             |
| Plant under Construction                       | 311                        | –                             | 252                                         | –                             |
| Intangibles                                    |                            |                               |                                             |                               |
| Software                                       | 38                         | –                             | 373                                         | –                             |
| Exploration and Evaluation                     |                            |                               |                                             |                               |
| Exploration and Evaluation at cost             | 6,147                      | –                             | 2,204                                       | 1,015                         |
| <b>Total</b>                                   | <b>34,956</b>              | <b>–</b>                      | <b>40,792</b>                               | <b>40,259</b>                 |

<sup>1</sup> Recoverable amount as at 31 July 2021 represents the carrying value of the CGU, post impairment recognised of \$40.3m. The total cumulative impairment recognised against the CGU is \$151m.

#### Additional considerations

The QLD Coal Mining Operations CGU has existing long term take or pay agreements for port and water supply. In respect of the water agreement, should the remaining water licence approval for Stage 3 ultimately not be granted and the operations be placed into long-term care and maintenance or otherwise abandoned or disposed, an onerous contract may need to be recognised if the unavoidable costs of the contract cannot be mitigated. The take or pay agreement for rail that was in place in the prior comparative period expired in December 2021, refer Note 15(c).

The QLD Coal Mining Operations CGU is a customer of the Port Operations CGU of the Group. As such in the event that the mining operations at NAC03 do not recommence, this may be relevant to the recoverable value of the Port Operations CGU and will be a factor in any future impairment considerations. Whilst at 31 July 2022 no indicators of impairment had been identified with respect to the Port Operations CGU, as the CGU includes an allocation of Goodwill the recoverable value of the Port Operations CGU is required to be compared to its carrying value on an annual basis in accordance with Australian Accounting Standards, as outlined in (B)(ii).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 14. IMPAIRMENT OF ASSETS (CONTINUED)

### B. ASSESSMENT OF RECOVERABLE AMOUNT (CONTINUED)

#### (I) QLD COAL MINING OPERATIONS CGU (CONTINUED)

The Carrying Value of the Port Operation CGU assets is set out below:

|                               | 2022<br>\$000  | 2021<br>\$000  |
|-------------------------------|----------------|----------------|
| Property, Plant and Equipment |                |                |
| Land and Buildings            | 1,388          | 1,466          |
| Plant and Equipment           | 70,214         | 74,835         |
| Right-of-Use Assets           | 57,486         | 54,513         |
| Port Development              | 9,839          | 10,348         |
| Plant under Construction      | –              | 50             |
| Intangibles                   |                |                |
| Software                      | 31             | 54             |
| Goodwill                      | 5,595          | 5,595          |
| <b>Total Carrying Value</b>   | <b>144,553</b> | <b>146,861</b> |

#### (II) GOODWILL

Goodwill relates to the acquisition of Queensland Bulk Handling Pty Ltd (Port Operations), \$5,595,000, (2021: \$5,595,000).

#### Port Operations

The recoverable amount of the Port Operations CGU has been determined based on a VIU calculation. This calculation uses a discounted cash flow model. The future cashflows have been discounted using a post-tax discount rate of 9.5 per cent (2021: 9.5 per cent). At 31 July 2022 the recoverable amount was assessed to be greater than the carrying value for this CGU and as such no impairment charge was recognised for the 2022 financial year (2021: NIL). The Port Operations CGU is part of the Group's Coal Mining QLD segment.

#### (III) COAL EXPLORATION AND EVALUATION ASSETS

The recoverable amount of the assets has historically been determined based on a FVLCD calculation underpinned by a resource multiple. A resource multiple is considered the appropriate valuation methodology for an exploration asset of this type as it represents the price paid for the resources in market transactions for exploration tenures. The Group determined that a resource multiple of \$0.03 (31 July 2021: \$0.03) be ascribed to the JORC resources.

Impairment indicators were identified for the Yamala Coal Project resulting in the recognition of an impairment charge of \$4,898,000. No other impairment indicators were identified during the period ended 31 July 2022 in the Statement of Comprehensive Income (2021: \$1,618,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 14. IMPAIRMENTS OF ASSETS (CONTINUED)

### B. ASSESSMENT OF RECOVERABLE AMOUNT (CONTINUED)

#### (III) COAL EXPLORATION AND EVALUATION ASSETS (CONTINUED)

The Carrying Value and Impairment Charge calculated is outlined below:

|                               | 2022                       |                               | 2021                       |                               |
|-------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
|                               | CARRYING<br>VALUE<br>\$000 | IMPAIRMENT<br>CHARGE<br>\$000 | CARRYING<br>VALUE<br>\$000 | IMPAIRMENT<br>CHARGE<br>\$000 |
| North Surat Coal Project      |                            |                               |                            |                               |
| Exploration and Evaluation    | 25,952                     | –                             | 25,530                     | 233                           |
| Property, Plant and Equipment | 8,685                      | –                             | 8,797                      | 1,385                         |
| Yamala Coal Project           |                            |                               |                            |                               |
| Exploration and Evaluation    | –                          | 4,989                         | 4,989                      | –                             |
| <b>Total</b>                  | <b>34,637</b>              | <b>4,989</b>                  | <b>39,316</b>              | <b>1,618</b>                  |

### CRITICAL JUDGEMENTS AND ESTIMATES

The determination of FVLCD and VIU requires the Directors to make estimates and assumptions about the expected long-term commodity prices, production timing and probabilities, tonnages and recovery rates, foreign exchange rates, operating costs, reserve and resource estimates (refer to Note 11), closure costs and discount rates. Estimates in respect of the timing of project expansions and the cost to complete asset construction are also critical to determining the recoverable amounts for CGUs. The fair value measurements used in these calculations are based on non-observable market data which are considered Level 3 in the fair value hierarchy.

In determining a comparable resource multiple, judgement is involved in determining the appropriate discount to apply to the resource multiple. The resource multiple is considered Level 3 in the fair value hierarchy due to this judgement, which uses non-observable market data, rather than quoted prices to determine the discount.

The above judgements, estimates and assumptions are subject to risk and uncertainty and may change as new information becomes available. In particular, the increasing global focus on climate change and associated policy and regulatory risk may impact some of the above judgements, estimates and assumptions. In particular future supply and demand for fossil fuels impacted by legislation and or regulation to a lower carbon economy may impact the commodity prices the Company receives for its products in global energy markets and the commercial viability of its exploration and evaluation assets. Such changes may result in additional impairment indicators for the Company's assets and CGUs in the future. In the event the recoverable amount of assets is impacted by changes in these, the carrying amount of the assets may be further impaired with the impact recognised in the Statement of Comprehensive Income.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 15. PROVISIONS

### ACCOUNTING POLICY

Provisions are measured at the present value of expected future cash outflows with future cash outflows reassessed on a regular basis. The present value is determined using an appropriate discount rate. The obligations include profiling, stabilisation and revegetation of the completed area, with cost estimates based on current statutory requirements and current technology.

|                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Short-Term Employee Benefit Obligations</b>                   | Liabilities for wages and salaries, including non-monetary benefits, annual leave, vesting sick leave and redundancies expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period. These are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.                                                                                                 |
| <b>Other Long-Term Employee Benefit Obligations</b>              | The liability for long service leave and annual leave which is not expected to be settled within 12 months of balance date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on a high-quality corporate bonds rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows. |
| <b>Restoration, Rehabilitation and Environmental Expenditure</b> | Provisions are raised for restoration and rehabilitation expenditure as soon as an obligation exists, with the cost being charged to the Statement of Comprehensive Income in respect of ongoing rehabilitation. Where the obligation relates to decommissioning of assets and restoring the sites on which they are located, the costs are carried forward in the value of the asset and amortised over its useful life.                                                                                                                                                                                                                                                                                                  |
| <b>Onerous contracts</b>                                         | A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected new cost of continuing with the contract.                                                                                                                                                                                                                                                                                                                                               |
| <b>Other provisions including legal claims</b>                   | <p>The Group recognises a provision when: a) it has a present obligation, b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and c) a reliable estimate can be made of the amount to settle the obligation.</p> <p>If the Group has a present obligation arising from past events but d) it is possible rather than probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or e) the amount of the obligation cannot be measured with sufficient reliability, the Group discloses a contingent liability.</p>                                                                                      |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 15. PROVISIONS (CONTINUED)

|             | EMPLOYEE<br>BENEFITS<br>\$000 | RESTORATION/<br>REHABILITATION<br>\$000 | ONEROUS<br>CONTRACTS<br>\$000 | TOTAL<br>\$000 |
|-------------|-------------------------------|-----------------------------------------|-------------------------------|----------------|
| <b>2022</b> |                               |                                         |                               |                |
| Current     | 25,734                        | 6,099                                   | –                             | 31,833         |
| Non-Current | 7,590                         | 158,771                                 | –                             | 166,361        |
|             | <b>33,324</b>                 | <b>164,870</b>                          | <b>–</b>                      | <b>198,194</b> |
| <b>2021</b> |                               |                                         |                               |                |
| Current     | 36,630                        | 326                                     | 16,477                        | 53,433         |
| Non-Current | 6,976                         | 267,633                                 | –                             | 274,609        |
|             | <b>43,606</b>                 | <b>267,959</b>                          | <b>16,477</b>                 | <b>328,042</b> |

### A. EMPLOYEE BENEFITS

|                                                                               | 2022<br>\$000 | 2021<br>\$000 |
|-------------------------------------------------------------------------------|---------------|---------------|
| Current long service leave obligations expected to be settled after 12 months | 7,932         | 11,138        |

The current provision for employee benefits includes accrued annual leave, vested sick leave and long service leave for all unconditional settlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payment in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience the Group does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months.

### B. MINING RESTORATION AND REHABILITATION

|                                                   | NOTES | 2022<br>\$000  | 2021<br>\$000  |
|---------------------------------------------------|-------|----------------|----------------|
| <i>Movements</i>                                  |       |                |                |
| Balance at 1 August                               |       | 267,959        | 249,056        |
| Provision Capitalised                             |       | (52,714)       | 3,490          |
| Disposal – Lenton                                 | 10b   | (50,327)       | –              |
| Provision charged/(released) to Profit or Loss    |       | (4,389)        | 11,517         |
| Charged to Profit or Loss – unwinding of discount | 20(d) | 4,341          | 3,896          |
| <b>Balance at 31 July</b>                         |       | <b>164,870</b> | <b>267,959</b> |

### C. ONEROUS CONTRACTS

At 31 July 2022, the provision for the onerous take or pay rail contract as a result of the ramp down of its QLD Mining operations was unwound as the contract ended in December 2021.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 15. PROVISIONS (CONTINUED)

### D. LIQUIDATION PROCESSES

The Directors of the Company's subsidiaries, Northern Energy Corporation Limited (NEC) and Colton Coal Pty Ltd (Colton Coal), placed the companies into voluntary administration on 17 October 2018. The companies were subsequently placed into liquidation by creditors at a meeting on 26 July 2019. The Liquidators commenced proceedings in the Supreme Court of New South Wales on 26 March 2021 against the Company, associated subsidiary companies and former directors and officers of NEC and Colton. The claims made by the Liquidators include that NEC and Colton were trading whilst insolvent. The Liquidators estimate the total value of the alleged claims to be approximately \$175,000,000 plus interest and costs.

- On 26 August 2021, the Liquidators filed and served an Amended Statement of Claim joining Wiggins Island Coal Export Terminal Pty Limited as a plaintiff to the proceedings;
- The parties have exchanged evidence;
- Discovery of documents is substantively completed but remains ongoing;
- The Court has set down the matter for hearing to commence on 13 February 2023 with a six-week period reserved; and
- The Group denies the claims made by the Liquidators and intends to vigorously defend the proceedings.

The Company has considered its position and has determined that no provision is required to be made as at 31 July 2022.

The Company recognises legal expenses as incurred. The Group incurred Liquidation related expenses including legal expenses of \$9,823,000 during the year ending 31 July 2022 (\$2,620,000 31 July 2021).

#### SIGNIFICANT ESTIMATE – DETERMINATION OF RESERVES ESTIMATES, REHABILITATION COSTS AND ONEROUS CONTRACTS

##### Rehabilitation

Provision is made for rehabilitation, restoration and environmental costs when the obligation arises, based on the net present value of estimated future costs. The ultimate cost of rehabilitation and restoration is uncertain, and management uses its judgment and experience to provide for these costs over the life of the operations.

The Group makes estimates about the future cost of rehabilitating tenements which are currently disturbed, based on legislative requirements and current costs. There are policy change risks in particular with the growing global focus on climate change which may impact on rehabilitation obligations. Cost estimates take into account past experience and expectations of future events that are expected to alter past experiences. Any changes to legislative requirements could have a significant impact on the expenditure required to restore these areas.

The estimation of reserves and resources are also a key judgement that affects the timing of the payment of closedown and restoration costs as detailed in Note 11.

##### Onerous Contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected new cost of continuing with the contract.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 16. CASH AND CASH EQUIVALENTS

### ACCOUNTING POLICY

Cash and Cash Equivalents include Cash at Bank and on Hand, Deposits Held at Call with Financial Institutions and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, excluding Funds on Deposit for which there is no short-term identified use in the operating cash flows of the Group.

|                          | 2022<br>\$000 | 2021<br>\$000 |
|--------------------------|---------------|---------------|
| Cash at bank and on hand | 715,714       | 424,663       |

### A. CASH AT BANK AND ON HAND

Cash at Bank and on Hand includes deposits for which there is a short-term identified use in the operating cash flows of the Group and attracts interest at rates between 0 per cent and 0.6 per cent (2021 – 0 per cent and 0.6 per cent).

### B. RISK EXPOSURE

Information about the Group's exposure to foreign exchange risk and credit risk is detailed in Note 24.

## 17. TERM DEPOSITS

### ACCOUNTING POLICY

Investments are nonderivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Investments are carried at amortised cost.

|               | 2022<br>\$000 | 2021<br>\$000 |
|---------------|---------------|---------------|
| Term Deposits | 100,000       | –             |

Following the Company's strong accumulation of cash and equivalents in the year, a Term Deposit for \$100.0 million was placed in July 2022 for a period of 12 months.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 18. EQUITY INVESTMENTS

### ACCOUNTING POLICY

The Group classifies its Financial Assets as either subsequently measured at fair value (FV) or amortised cost and the classification is determined by the Group's business model for managing the Financial Assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded through Profit or Loss or OCI. For Equity Investments the Group must make an irrevocable election on initial recognition to account for any Equity Investment at FVOCI. At initial recognition the Group measures a Financial Asset at its fair value plus transaction costs attributable to the acquisition (where the asset is not FVTPL). Transaction costs for Financial Assets that are FVTPL are expensed in the Statement of Comprehensive Income.

|                                | 2022<br>\$000 | 2021<br>\$000 |
|--------------------------------|---------------|---------------|
| Listed Equity Securities       | 490           | 229           |
| Un-Listed Equity Securities    | 94,483        | –             |
| <b>Total Equity Securities</b> | <b>94,973</b> | <b>229</b>    |

An irrevocable election has been made to classify existing Equity Investments held by the Group at FVOCI.

### Malabar Resources Limited

The Company, through a wholly owned subsidiary, has acquired, with a settlement date of 27 July 2022, a 15 per cent interest in Malabar Resources Limited (Malabar) for a total investment of \$94.4 million. Malabar is an unlisted public company whose flagship asset is the Maxwell Mine, an underground metallurgical coal project located 10kms south-west of Muswellbrook in the Hunter Valley. Construction of the project commenced in May 2022.

The Company's investment in Malabar:

- Aligns with the Company's strategy to invest its surplus cash into coal assets that are low on the cost curve with long life approvals;
- Adds meaningful equity tonnes at an attractive entry price investing alongside well-respected founders who have a strong track record of developing coal projects and companies;
- Diversifies the Company's asset base by providing exposure to metallurgical coal mined by low impact, underground methods;
- Facilitates delivery of a project with strong technical and operational foundations and the ability to unlock value with the use of significant established infrastructure; and
- Provides attractive investment returns over the life of the project with additional upside return opportunities from diversified enterprises including exploration and agricultural assets and the future development of an approved 25MW solar farm.

The Company's investment in Malabar Resources was pursuant to an equity raising conducted by Malabar Resources in which the Company acquired 75,530,455 ordinary shares at \$1.25 per share funded from existing cash (paid 27 July 2022).

The investment in Malabar Resources is classified as a Financial Asset and the Group has made an irrevocable election to account for the equity investment at fair value through other comprehensive income.

The Company considered the nature of its investment in Malabar Resources and assessed whether it has significant influence over the entity. The determination of the existence of significant influence requires judgement, having regard to a number of factors. Based on its shareholding and board composition, the Company determined that it does not have significant influence over Malabar Resources.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 19. UNEARNED REVENUE

### ACCOUNTING POLICY

Unearned Revenue relates to the advance consideration received from customers for contractual obligations, e.g., transfer of goods or services. Revenue is recognised over the period during which the service or performance obligation is delivered.

|                               | 2022<br>\$000 | 2021<br>\$000 |
|-------------------------------|---------------|---------------|
| <b>Current Liabilities</b>    |               |               |
| Unearned revenue              | 906           | –             |
| <b>Total Current</b>          | <b>906</b>    | <b>–</b>      |
| <b>Non-Current</b>            |               |               |
| Unearned revenue              | 2,844         | –             |
| <b>Total Non-Current</b>      | <b>2,844</b>  | <b>–</b>      |
| <b>Total Unearned Revenue</b> | <b>3,750</b>  | <b>–</b>      |

Unearned revenue represents the revenue received in advance in relation to the sale of gas.

## 20. BORROWINGS

### ACCOUNTING POLICY

Borrowings comprise Interest-Bearing Loans and Lease Liabilities, net of Finance Costs. Refer to each sub-section which follows for details of the Group's accounting policies on Interest-Bearing Loans (Secured and Unsecured), Leases Liabilities and Finance Income and Expense.

|                                          | 2022<br>\$000  | 2021<br>\$000  |
|------------------------------------------|----------------|----------------|
| <b>Current Liabilities</b>               |                |                |
| Lease Liabilities                        | 10,690         | 10,066         |
| Secured loan                             | –              | 953            |
| <b>Total Current</b>                     | <b>10,690</b>  | <b>11,019</b>  |
| <b>Non-Current Liabilities</b>           |                |                |
| Lease Liabilities                        | 86,590         | 90,585         |
| Secured Loan <sup>1</sup>                | –              | 307,101        |
| Unsecured Convertible Notes <sup>2</sup> | 191,241        | 189,193        |
| <b>Total Non-Current</b>                 | <b>277,831</b> | <b>586,879</b> |
| <b>Total Borrowings</b>                  | <b>288,521</b> | <b>597,898</b> |

1 Net of transaction costs capitalised \$NIL (2021: \$2,898,000).

2 Net of transaction costs capitalised.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 20. BORROWINGS (CONTINUED)

Details of the Group's exposure to risks arising from current and non-current borrowing are set out below.

### A. INTEREST-BEARING LOANS

#### ACCOUNTING POLICY

Interest-Bearing Loans are initially recognised at fair value, net of any transactions costs incurred and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the term of the liability using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the term of the facility to which it relates.

Interest-Bearing Loans are classified as Current Liabilities to the extent that the Group has no unconditional right to defer settlement of the liability for at least 12 months after the balance date.

On issuance of Convertible Notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note. This amount is carried as a Non-Current Liability on an amortised basis until extinguished on conversion or redemption. The increase in liability due to the passage of time is recognised as a Finance Cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in Contributed Equity, net of transaction cost. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the Convertible Note based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

#### (I) SECURED LOANS

|                         | 2022<br>\$000 | 2021<br>\$000  |
|-------------------------|---------------|----------------|
| Current Liabilities     | –             | 953            |
| Non-Current Liabilities | –             | 307,101        |
| <b>Total</b>            | <b>–</b>      | <b>308,054</b> |

#### Financing Activities During The Period

The \$600,000,000 drawable amortising facility was cancelled by the Group prior to 31 July 2022. The \$300,000,000 credit support facility remains in place.

#### Secured Liabilities And Assets Pledged As Security

Lenders under the Secured Loan Facility have been granted a registered security interest over all assets held by the Group (with the exception of excluded subsidiaries). The excluded subsidiaries include the following controlled subsidiaries Bridgeport Energy Pty Limited, Bridgeport Eromanga Pty Ltd, Bridgeport (Cooper Basin) Pty Ltd, Bridgeport (QLD) Pty Ltd, Bridgeport Surat Basin Pty Ltd, Oilwells Inc of Kentucky and Oilwells Sole Risk Pty Ltd as well as previously controlled subsidiaries NEC and Colton. Lessors hold first rights in respect of leased assets.

#### (II) UNSECURED CONVERTIBLE NOTES

On 2 July 2021, the Company issued Convertible Notes (Notes) with an aggregate principal amount of \$200,000,000. There has been no movement in the number of these Notes since the issue date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 20. BORROWINGS (CONTINUED)

### A. INTEREST-BEARING LOANS (CONTINUED)

The Notes are convertible at the option of the Noteholders into Ordinary Shares based on an initial conversion price of \$2.10 per share at any time on or after 12 August 2021 up to the date falling five business days prior to the final maturity date, 2 July 2026. The Noteholder has the option to require the Company to redeem all or some of the Noteholder's Notes on 2 July 2024 for an amount equal to 100 per cent of the principal amount of the Notes plus any accrued but unpaid interest. Any Notes not converted will be redeemed on 2 July 2026 at the principal amount of the Notes plus any accrued but unpaid interest.

The Notes carry interest at a rate of 2.75 per cent per annum which is payable semi-annually in arrears on 2 July and 2 January. Total interest paid during the 2022 financial year period was \$5,500,000 (2021: NIL).

The net proceeds from the Notes, after deducting all the related costs and expenses, were \$195,202,000. The proceeds were recorded in Cash and Cash Equivalents at 31 July 2021.

The fair value of the liability component of the Notes was estimated at the issuance date using an equivalent market interest rate of a similar bond. The net proceeds received from the issuance of the Notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity of the Group, as follows:

|                                                              | 2022<br>\$000  | 2021<br>\$000  |
|--------------------------------------------------------------|----------------|----------------|
| <b>CONVERTIBLE NOTES – INITIAL RECOGNITION OF COMPONENTS</b> |                |                |
| Nominal Value of Convertible Notes issued                    | –              | 200,000        |
| Equity Component of the Convertible Notes <sup>1</sup>       | –              | (6,610)        |
| Transaction Fees <sup>1</sup>                                | –              | (4,798)        |
| <b>At Inception</b>                                          | <b>–</b>       | <b>188,592</b> |
| Liability Component                                          |                |                |
| Opening Balance                                              | 189,193        | 188,592        |
| Repayment                                                    | (5,500)        | –              |
| Interest on Convertible Notes                                | 7,548          | 601            |
| <b>Unsecured Non-Current Liabilities</b>                     | <b>191,241</b> | <b>189,193</b> |

<sup>1</sup> Transaction costs are proportionately allocated, with \$4,635,000 allocated to the liability component and \$163,000 to the equity component on initial recognition.

No Notes converted to Ordinary Shares during the 2022 financial year. The number of Ordinary Shares into which the Notes may convert at 31 July 2022 is 106,746,372 (2021: 95,238,095). The movement relates to changes in the conversion price made by the Company in accordance with the conditions of the Note into ordinary shares in New Hope Corporation Limited.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 20. BORROWINGS (CONTINUED)

### B. LEASE LIABILITIES

#### ACCOUNTING POLICY

Lease Liabilities are recognised, measured, presented and disclosed in accordance with AASB 16 Leases (AASB 16). The Group presents Right-of-Use assets in Property, Plant and Equipment and Lease Liabilities in Borrowings in the Statement of Financial Position.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a Right-of-Use Asset and a corresponding Lease Liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, which takes into account any extensions that are likely to be enacted, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Lease Liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable under residual value guarantees; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Lease Liability is subsequently measured by increasing the carrying amount to reflect interest on the Lease Liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the Right-of-Use Asset, or is recorded in the Statement of Comprehensive Income if the carrying amount of the Right-of-Use Asset has been reduced to zero.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the Statement of Comprehensive Income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are comprised of IT equipment and small items of office furniture.

The Group leases property, including office buildings and port facilities, and plant and equipment. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 20. BORROWINGS (CONTINUED)

### B. LEASE LIABILITIES (CONTINUED)

The maturity profile of Lease Liabilities recognised at the end of the Financial Year is:

|                                                   | 2022<br>\$000 | 2021<br>\$000  |
|---------------------------------------------------|---------------|----------------|
| Lease Liabilities are payable as follows:         |               |                |
| Within One Year                                   | 15,157        | 14,398         |
| Later than One Year but not later than Five Years | 45,737        | 52,195         |
| Later than Five Years                             | 75,079        | 73,072         |
| Minimum Lease Payments                            | 135,973       | 139,665        |
| Future Finance Charges                            | (38,693)      | (39,014)       |
| <b>Total Lease Liability</b>                      | <b>97,280</b> | <b>100,651</b> |

The present value of Lease Liabilities is as follows:

|                                                   |               |                |
|---------------------------------------------------|---------------|----------------|
| Within One Year                                   | 10,690        | 10,066         |
| Later than One Year but not later than Five Years | 32,738        | 38,977         |
| Later than Five Years                             | 53,852        | 51,608         |
| <b>Total Lease Liability</b>                      | <b>97,280</b> | <b>100,651</b> |

Amounts recognised in the Statement of Comprehensive Income during the financial year:

|                                                                                     |               |               |
|-------------------------------------------------------------------------------------|---------------|---------------|
| Depreciation Expense on Right-of-Use Assets                                         | 7,888         | 9,256         |
| Impairment of Right-of-Use Assets                                                   | –             | 2,136         |
| Interest Expense on Lease Liabilities                                               | 4,421         | 5,173         |
| Expense relating to Short-Term Leases <sup>1</sup>                                  | 129           | 516           |
| Expense relating to Leases of Low-Value Assets <sup>1</sup>                         | –             | 51            |
| <b>Total Expense for Leases recognised in the Statement of Comprehensive Income</b> | <b>12,438</b> | <b>17,132</b> |

<sup>1</sup> Amounts recognised within the Statement of Comprehensive Income as Cost of Sales

### SECURED LIABILITY

Lease Liabilities are effectively secured as the rights to the leased assets recognised in the Consolidated Financial Statements revert to the lessor in the event of default.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 20. BORROWINGS (CONTINUED)

### C. MOVEMENTS IN INTEREST-BEARING LOANS AND LEASE LIABILITIES

Details of the Group's exposure to risks arising from current and non-current borrowings are set out below:

| CHANGES ARISING IN LIABILITIES<br>FROM FINANCING ACTIVITIES | 2022<br>\$000  | CASH FLOWS<br>\$000 | NON-CASH<br>CHANGES <sup>1</sup><br>\$000 | 2022<br>\$000  |
|-------------------------------------------------------------|----------------|---------------------|-------------------------------------------|----------------|
| Lease Liabilities                                           | 100,651        | (10,161)            | 6,790                                     | 97,280         |
| Secured Loans                                               | 308,054        | (310,130)           | 2,076                                     | –              |
| Unsecured Convertible Notes                                 | 189,193        | (5,500)             | 7,548                                     | 191,241        |
| <b>Total Liabilities from Financing Activities</b>          | <b>597,898</b> | <b>(325,791)</b>    | <b>16,414</b>                             | <b>288,521</b> |

| CHANGES ARISING IN LIABILITIES FROM FINANCING<br>ACTIVITIES | 2021<br>\$000  | CASH FLOWS<br>\$000 | NON-CASH<br>CHANGES <sup>1</sup><br>\$000 | 2021<br>\$000  |
|-------------------------------------------------------------|----------------|---------------------|-------------------------------------------|----------------|
| Lease Liabilities                                           | 83,145         | (13,876)            | 31,382                                    | 100,651        |
| Secured Loans                                               | 355,952        | (50,000)            | 2,102                                     | 308,054        |
| Unsecured Convertible Notes                                 | –              | 195,702             | (6,509)                                   | 189,193        |
| <b>Total Liabilities from Financing Activities</b>          | <b>439,097</b> | <b>131,826</b>      | <b>26,975</b>                             | <b>597,898</b> |

1 Total non-cash change in Lease Liabilities during the 2022 financial year includes \$6,631,000 related to a remeasurement of leases during the year. In the 2021 financial year, total non-cash changes included \$37,085,000 of new leases recognised and a reduction of \$4,723,000 related to a remeasurement of leases during the year.

The fair value of Interest-Bearing Liabilities materially approximates their respective carrying values as at 31 July 2022.

### D. FINANCE INCOME AND EXPENSE

#### ACCOUNTING POLICY

Finance Income comprises Interest Income on funds invested. Interest Income is recognised as it accrues, using the effective interest method.

Finance Expenses comprise Interest Expense on Interest-Bearing Liabilities, Unwinding of the Discount on Provisions, Interest Expense in relation to Leases. All Finance Expenses are recognised as expenses in the period in which they are incurred unless they relate to the construction of a qualifying asset and are then capitalised. Qualifying Assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 20. BORROWINGS (CONTINUED)

### D. FINANCE INCOME AND EXPENSE (CONTINUED)

|                                                     | 2022<br>\$000   | 2021<br>\$000   |
|-----------------------------------------------------|-----------------|-----------------|
| Recognised in the Statement of Comprehensive Income |                 |                 |
| Interest Income                                     | 1,644           | 85              |
| <b>Finance Income</b>                               | <b>1,644</b>    | <b>85</b>       |
| Interest on Drawn Secured Loan                      | (1,553)         | (10,681)        |
| Amortisation of Transaction Costs on Secured Loan   | (1,346)         | (2,076)         |
| Commitment Fees on Secured Loan                     | (6,115)         | (2,275)         |
| Interest on Unsecured Convertible Notes             | (7,548)         | (601)           |
| Interest Expense on Lease Liabilities               | (4,421)         | (5,173)         |
| Unwinding of Discount on Provisions                 | (4,341)         | (3,896)         |
| Other Financing Costs                               | (1,406)         | (1,973)         |
| <b>Financing Expenses</b>                           | <b>(26,730)</b> | <b>(26,675)</b> |

### E. CONTINGENT LIABILITIES

Details and estimates of maximum amounts of Contingent Liabilities for which no provision is included in the accounts are as follows:

|                                                                                                                                                                                           | 2022<br>\$000 | 2021<br>\$000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| The Bankers of the Consolidated Entity have issued undertakings and guarantees to the Department of Natural Resources and Mines, Statutory Power Authorities, and various other entities. | 14,686        | 14,132        |
| No losses are anticipated in respect of any of the above Contingent Liabilities.                                                                                                          |               |               |
| The Parent Company has given secured guarantees in respect of:                                                                                                                            |               |               |
| (i) Mining Restoration and Rehabilitation                                                                                                                                                 | 158,374       | 102,091       |
| The liability has been recognised by the Group in relation to its rehabilitation obligations.                                                                                             |               |               |
| (ii) Statutory body suppliers, financiers and various other entities                                                                                                                      | 14,686        | 14,132        |

With the exception of the Financial Guarantee Liability of \$2.5 million recognised in relation to Lenton (Refer Note 10B), no liabilities were recognised by the Consolidated Entity in relation to these guarantees as no losses are foreseen on these Contingent Liabilities.

Other than the above and the matters set out in Note 10(b) and Note 15(d) there are no other contingent liabilities for the Group at 31 July 2022 (2021: NIL).

# NOTES TO THE FINANCIAL STATEMENTS

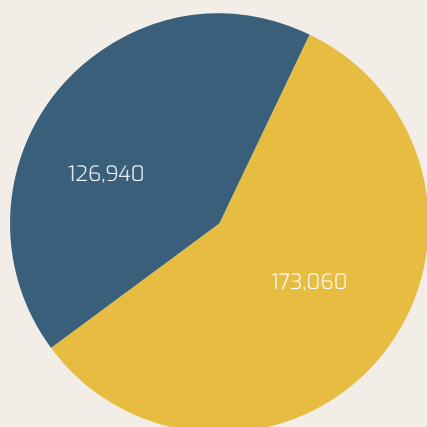
FOR THE YEAR ENDED 31 JULY 2022

## 20. BORROWINGS (CONTINUED)

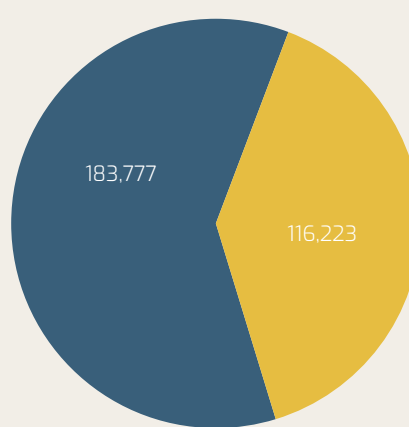
### F. LINES OF CREDIT

Unrestricted access was available at 31 July 2022 to the following lines of credit available of \$300,000,000 (2021: \$300,000,000).

2022 \$'000



2021 \$'000



■ Guarantee Facility Utilised  
■ Guarantee Facility Unutilised

## 21. DERIVATIVE FINANCIAL INSTRUMENTS

### ACCOUNTING POLICY

#### Commodity Hedging And Forward Foreign Exchange Contracts

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as hedges of highly probable forecast transactions (Cash Flow Hedges).

At the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as a Cash Flow Hedge is recognised in the Hedging Reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Income.

Amounts accumulated in Equity are recycled in the Statement of Comprehensive Income in the periods when the hedged item will affect Profit or Loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a Non-Financial Asset (for example, Inventory) or a Non-Financial Liability, the gains and losses previously deferred in Equity are transferred from Equity and included in the measurement of the initial carrying amount of the asset or liability.

When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Comprehensive Income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in Equity is immediately reclassified to the Statement of Comprehensive Income.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

|                                                                                 | CASH FLOW HEDGES |                      |                              |                           |
|---------------------------------------------------------------------------------|------------------|----------------------|------------------------------|---------------------------|
|                                                                                 | FECS<br>\$'000   | FX OPTIONS<br>\$'000 | COMMODITY<br>SWAPS<br>\$'000 | TOTAL<br>\$'000           |
| <b>2022</b>                                                                     |                  |                      |                              |                           |
| Notional amount                                                                 | USD 60,000       | USD 480,000          | USD 722,925                  |                           |
| Carrying amount of the hedging instrument:                                      |                  |                      |                              |                           |
| - Assets                                                                        | -                | 1,365                | -                            | 1,365                     |
| - Liabilities                                                                   | (1,922)          | (8,479)              | (134,197)                    | (144,598)                 |
| Total carrying amount of the hedging instrument                                 | (1,922)          | (7,114)              | (134,197)                    | (143,233)                 |
| Change in value of hedging instrument <sup>(i)</sup>                            | (11,668)         | (7,114)              | (134,197)                    | (152,979)                 |
| Change in value of hedged item <sup>(i)</sup>                                   | 11,668           | 7,114                | 134,197                      | 152,979                   |
| Change in value of the hedging instrument recognised in reserve <sup>(ii)</sup> | (20,880)         | (7,343)              | (134,197)                    | (162,420)                 |
| Hedge ineffectiveness recognised in profit or loss <sup>(iii)</sup>             | -                | -                    | -                            | -                         |
| Amount reclassified from hedge reserve to profit or loss                        | 9,212            | 229                  |                              | 9,441                     |
| Balance in cash flow hedge reserve for continuing hedges                        | (1,922)          | (7,114)              | (134,197)                    | (143,233) <sup>(iv)</sup> |

Notes

(i) Amounts related to change in value include time value components.

(ii) Hedge effectiveness is the extent to which the changes in fair value of the hedging instrument offsets changes in the fair value of the hedged item.

(iii) Hedge ineffectiveness is the extent to which the changes in the cash flows of the hedging instrument are greater or less than the hedged item. Sources of ineffectiveness include the effect of credit risk on the hedging instrument. A positive number represents a gain in the Profit or Loss.

(iv) The post-tax equivalent of the total balance in cash flow hedge reserve for continuing hedges is A\$(100,263,000)

|                                           | 2022<br>\$000 | 2021<br>\$000 |
|-------------------------------------------|---------------|---------------|
| <b>Current Assets</b>                     |               |               |
| Derivatives – Hedging Instruments         | -             | 9,746         |
| <b>Non-Current Assets</b>                 |               |               |
| Derivatives – Hedging Instruments         | 1,365         | -             |
| <b>Total Derivatives Financial Assets</b> | <b>1,365</b>  | <b>9,746</b>  |

|                                                | 2022<br>\$000    | 2021<br>\$000 |
|------------------------------------------------|------------------|---------------|
| <b>Current Liabilities</b>                     |                  |               |
| Derivatives – Hedging Instruments              | (17,335)         | -             |
| <b>Non-Current Liabilities</b>                 |                  |               |
| Derivatives – Hedging Instruments              | (127,263)        | -             |
| <b>Total Derivatives Financial Liabilities</b> | <b>(144,598)</b> | <b>-</b>      |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

### A. INSTRUMENTS USED BY THE GROUP

New Hope Corporation Limited and certain controlled entities are parties to Derivative Financial Instruments in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates and commodity pricing.

At 31 July 2022, Derivative Financial Instruments represented assets with a fair value of \$1,365,000 (2021 – \$9,746,000) and liabilities of \$144,598,000 (2021 – NIL). At balance date the details of outstanding contracts are:

#### (I) FOREIGN EXCHANGE CONTRACTS

|                                         | SELL US DOLLARS<br>BUY AUSTRALIAN DOLLARS |               | AVERAGE EXCHANGE RATE |              |
|-----------------------------------------|-------------------------------------------|---------------|-----------------------|--------------|
|                                         | 2022<br>\$000                             | 2021<br>\$000 | 2022<br>RATE          | 2021<br>RATE |
| MATURITY                                |                                           |               |                       |              |
| 0 to 6 months                           | 60,000                                    | 46,319        | 0.7116                | 0.5829       |
| 6 to 12 months                          | –                                         | –             | –                     | –            |
| More than 12 months                     | –                                         | –             | –                     | –            |
| <b>Total Foreign Exchange Contracts</b> | <b>60,000</b>                             | <b>46,319</b> |                       |              |

#### II) FOREIGN EXCHANGE OPTIONS

|                                       | SELL US DOLLARS<br>BUY AUSTRALIAN DOLLARS |               | AVERAGE EXCHANGE RATE |              |
|---------------------------------------|-------------------------------------------|---------------|-----------------------|--------------|
|                                       | 2022<br>\$000                             | 2021<br>\$000 | 2022<br>RATE          | 2021<br>RATE |
| MATURITY                              |                                           |               |                       |              |
| 0 to 6 months                         | 120,000                                   | –             | 0.7038                | –            |
| 6 to 12 months                        | 230,000                                   | –             | 0.7261                | –            |
| More than 12 months                   | 130,000                                   | –             | 0.6700                | –            |
| <b>Total Foreign Exchange Options</b> | <b>480,000</b>                            | <b>–</b>      |                       |              |

#### III) COMMODITY SWAPS

|                              | SELL COAL USD PRICE<br>BUY COAL USD PRICE |               | AVERAGE COAL USD PRICE |               |
|------------------------------|-------------------------------------------|---------------|------------------------|---------------|
|                              | 2022<br>\$000                             | 2021<br>\$000 | 2022<br>PRICE          | 2021<br>PRICE |
| MATURITY                     |                                           |               |                        |               |
| 0 to 6 months                | 60,750                                    | –             | \$405.00               | –             |
| 6 to 12 months               | 54,675                                    | –             | \$405.00               | –             |
| More than 12 months          | 607,500                                   | –             | \$405.00               | –             |
| <b>Total Commodity Swaps</b> | <b>722,925</b>                            | <b>–</b>      |                        |               |

### B. CREDIT RISK EXPOSURES

Credit risk also arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. A material exposure arises from forward exchange and pricing contracts and the consolidated entity is exposed to loss in the event that counterparties fail to deliver the contracted amount. At 31 July 2022 \$60,000,000 (2021: \$46,319,000) was receivable relating to Forward Foreign Exchange Contracts.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 22. DIVIDENDS

### ACCOUNTING POLICY

Provision is made for any Dividend declared on or before the end of the Financial Year but not distributed at balance date.

### A. ORDINARY DIVIDEND PAID

|                                                                                                        | 2022<br>\$000  | 2021<br>\$000 |
|--------------------------------------------------------------------------------------------------------|----------------|---------------|
| 2021 Final Dividend at 7.00 cents per share – 100% franked (tax rate – 30%)<br>(paid on 9 Nov 2021)    | 58,265         | –             |
| 2022 Interim Dividend at 17.00 cents per share – 100% franked (tax rate – 30%)<br>(paid on 4 May 2022) | 141,500        | 33,298        |
| 2022 Special Dividend at 13.00 cents per share – 100% franked (tax rate – 30%)<br>(paid on 4 May 2022) | 108,207        | –             |
| <b>Total Dividends Paid</b>                                                                            | <b>307,972</b> | <b>33,298</b> |

### B. PROPOSED DIVIDENDS

In addition to the above Dividends, the Directors have declared a Final Dividend of 31.0 cents (2021: 7.00) and special dividend of 25.0 cents per share (2021: Nil). The Dividend is fully franked based on Tax paid at 30 per cent. The proposed Dividend expected to be paid on 8 November 2022. The declared Final Dividend has not been recognised as a liability at 31 July 2022 (2021: \$NIL).

### C. FRANKED DIVIDENDS

The franked portions of the Final Dividend recommended after 31 July 2022 will be franked out of existing Franking Credits.

|                                                                                                      | 2022<br>\$000 | 2021<br>\$000 |
|------------------------------------------------------------------------------------------------------|---------------|---------------|
| Franking Credits available for subsequent financial years based on a tax rate of 30%<br>(2021 – 30%) | 389,984       | 490,626       |

The above amounts represent the balances of the franking account as at the end of the Financial Year. This includes Franking Debits that arose from the payment of Dividends recognised as a liability at the reporting date and Franking Credits that arose from the receipt of Dividends recognised as Receivables at the reporting date. The impact on the franking account of the Dividend recommended by the Directors after the 2022 financial year end, but not recognised as a liability at 31 July 2022, will result in a reduction in the franking account of \$199,765,700 (2021: \$14,270,000) when paid.

### D. DIVIDEND REINVESTMENT PLANS

There were no Dividend Reinvestment Plans in operation at any time during or since the end of the Financial Year (2021: NIL).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 23. EQUITY

### ACCOUNTING POLICY

Ordinary Shares are classified as Equity. Incremental costs directly attributable to the issue of new shares or options are shown in Equity as a deduction net of tax, from the proceeds. The amounts of any capital returns are applied against Contributed Equity.

### A. ORDINARY SHARES

Ordinary Shares entitle the Shareholder to participate in Dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Every Shareholder of Ordinary Shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary Shares have no par value and the Company does not have a limited amount of Authorised Capital.

### B. PERFORMANCE RIGHTS

Information relating to the Performance Rights Plan, including details of rights granted, vested and the amount lapsed during the Financial Year and Performance Rights outstanding at the end of the Financial Year, is set out in Note 29.

### C. SHARE CAPITAL

|                            | 2022<br>NUMBER OF<br>SHARES | 2022<br>\$000 | 2021<br>NUMBER OF<br>SHARES | 2021<br>\$000 |
|----------------------------|-----------------------------|---------------|-----------------------------|---------------|
| Issued and Paid-Up Capital | 832,357,082                 | 97,536        | 832,357,082                 | 97,536        |

### D. MOVEMENTS IN SHARE CAPITAL

| DATE           | DETAILS                          | NUMBER OF<br>SHARES | ISSUE<br>PRICE | \$000  |
|----------------|----------------------------------|---------------------|----------------|--------|
| 1 August 2021  | Opening Balance                  | 832,357,082         |                | 97,536 |
| 31 July 2022   | Balance                          | 832,357,082         |                | 97,536 |
| 1 August 2020  | Opening Balance                  | 831,708,318         |                | 96,692 |
| 1 August 2020  | Vesting of Performance Rights    | 648,764             | \$0.00         | –      |
| 31 August 2020 | Share-Based Payment Transactions | –                   |                | 844    |
| 31 July 2021   | Balance                          | 832,357,082         |                | 97,536 |

### E. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to maintain the Company's ability to continue as a going concern, so that they can continue to provide returns for shareholders.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 23. EQUITY (CONTINUED)

### F. RESERVES

| NOTES                                                       | CAPITAL PROFITS \$'000 | EQUITY INVESTMENTS \$'000 | REVALUATION \$'000 | HEDGING \$'000 | SHARE-BASED PAYMENTS \$'000 | PREMIUM PAID ON NCI \$'000 | CONVERTIBLE NOTES \$'000 | FOREIGN CURRENCY TRANSLATION \$'000 | TOTAL \$'000 |
|-------------------------------------------------------------|------------------------|---------------------------|--------------------|----------------|-----------------------------|----------------------------|--------------------------|-------------------------------------|--------------|
| <b>At 1 August 2021</b>                                     | 1,343                  | (19,817)                  | 27,412             | 6,822          | 573                         | (6,029)                    | 6,610                    | (24)                                | 16,890       |
| Transfer to Net profit/(Loss) – Gross                       | –                      | –                         | –                  | 9,441          | –                           | –                          | –                        | –                                   | 9,441        |
| Transfer to Net profit/(Loss) – Deferred Tax                | –                      | –                         | –                  | (2,832)        | –                           | –                          | –                        | –                                   | (2,832)      |
| Revaluation – Gross                                         | –                      | 261                       | –                  | (162,420)      | –                           | –                          | –                        | (145)                               | (162,304)    |
| Revaluation – Deferred Tax                                  | –                      | –                         | –                  | 48,726         | –                           | –                          | –                        | –                                   | 48,726       |
| <i>Transactions with Owners in their capacity as Owners</i> | 1,343                  | (19,556)                  | 27,412             | (100,263)      | 573                         | (6,029)                    | 6,610                    | (169)                               | (90,079)     |
| Recognition of equity component <sup>2</sup>                | –                      | –                         | –                  | –              | –                           | –                          | –                        | –                                   | –            |
| Net Movement in Share-Based Payment Reserve                 | –                      | –                         | –                  | –              | 850                         | –                          | –                        | –                                   | 850          |
| Transfer to Contributed Equity                              | –                      | –                         | –                  | –              | –                           | –                          | –                        | –                                   | –            |
| <b>At 31 July 2022</b>                                      | 1,343                  | (19,556)                  | 27,412             | (100,263)      | 1,423                       | (6,029)                    | 6,610                    | (169)                               | (89,229)     |
| <b>At 1 August 2020</b>                                     | 1,343                  | (19,854)                  | 27,412             | 38,334         | 1,345                       | (6,029)                    | –                        | 2                                   | 42,553       |
| Transfer to Net profit/(Loss) – Gross                       | –                      | –                         | –                  | 54,957         | –                           | –                          | –                        | –                                   | 54,957       |
| Transfer to Net profit/(Loss) – Deferred Tax                | –                      | –                         | –                  | (16,487)       | –                           | –                          | –                        | –                                   | (16,487)     |
| Revaluation – Gross                                         | –                      | 37                        | –                  | (99,975)       | –                           | –                          | –                        | (26)                                | (99,964)     |
| Revaluation – Deferred Tax                                  | –                      | –                         | –                  | 29,993         | –                           | –                          | –                        | –                                   | 29,993       |
| <i>Transactions with Owners in their capacity as Owners</i> | 1,343                  | (19,817)                  | 27,412             | 6,822          | 1,345                       | (6,029)                    | –                        | (24)                                | 11,052       |
| Recognition of equity component <sup>2</sup>                | –                      | –                         | –                  | –              | –                           | –                          | 6,610                    | –                                   | 6,610        |
| Net Movement in Share-Based Payment Reserve                 | –                      | –                         | –                  | –              | 72                          | –                          | –                        | –                                   | 72           |
| Transfer to Contributed Equity                              | –                      | –                         | –                  | –              | (844)                       | –                          | –                        | –                                   | (844)        |
| <b>At 31 July 2021</b>                                      | 1,343                  | (19,817)                  | 27,412             | 6,822          | 573                         | (6,029)                    | 6,610                    | (24)                                | 16,890       |

1 NCI – Non-Controlling Interest.

2 Net of transaction costs of \$NIL (2021: \$163,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 23. EQUITY (CONTINUED)

### F. RESERVES (CONTINUED)

#### NATURE AND PURPOSE OF RESERVES

|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Capital Profits</b>                                      | This reserve represents amounts allocated from retained profits that were profits of a capital nature.                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Equity Investments</b>                                   | Changes in the fair value of Equity Investments are taken to this Reserve. Amounts are recognised in the Statement of Comprehensive Income or transferred to Retained Earnings when the associated assets are sold or impaired.                                                                                                                                                                                                                                                                                    |
| <b>Revaluation</b>                                          | This Reserve represents the revaluation arising on the fair value uplift of Property, Plant and Equipment on the initial holding of QBH further to the acquisition of the remaining 50 per cent of this company.                                                                                                                                                                                                                                                                                                   |
| <b>Hedging</b>                                              | The Hedging Reserve is used to record the changes in fair value of a hedging instrument in a Cash Flow Hedge that are recognised directly in Equity, as described in Note 21. Amounts are recognised in the Statement of Comprehensive Income when the associated hedged transaction affects the Statement of Comprehensive Income.                                                                                                                                                                                |
| <b>Share-Based Payments</b>                                 | The Share-Based Payment Reserve is used to recognise the fair value of Performance Rights issued, but not yet exercised. Fair values at grant date are independently determined using the Black-Scholes options pricing model that takes into account the exercise price, the term of the Performance Right, the impact of dilution, the Share Price at grant date and expected volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the Performance Right. |
| <b>Premium Paid on Non-Controlling Interest Acquisition</b> | The premium paid on Non-Controlling Interest Acquisition is used to recognise any excess paid on the acquisition of a Non-Controlling Interest in a Subsidiary.                                                                                                                                                                                                                                                                                                                                                    |
| <b>Convertible Notes</b>                                    | This reserve represents the equity component of convertible notes (see note 20 A. (ii)).                                                                                                                                                                                                                                                                                                                                                                                                                           |

### G. RETAINED PROFITS

|                                      | NOTES | 2022<br>\$000    | 2021<br>\$000    |
|--------------------------------------|-------|------------------|------------------|
| Carrying Amount at Beginning of Year |       | 1,632,187        | 1,586,135        |
| Net profit/(Loss) after Income Tax   |       | 983,009          | 79,350           |
| Dividends Paid                       | 22(a) | (307,972)        | (33,298)         |
| <b>Balance at End of Year</b>        |       | <b>2,307,224</b> | <b>1,632,187</b> |

## 24. FINANCIAL RISK MANAGEMENT

### ACCOUNTING POLICY

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses Derivative Financial Instruments such as Foreign Exchange Contracts to hedge certain risk exposures. Derivatives are used exclusively for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and aging analysis for credit risk.

Risk management is carried out in accordance with written policies approved by the Board of Directors. These written policies cover specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of forward exchange contracts and investment of excess liquidity.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group holds the following financial instruments:

|                                  | NOTES | FAIR VALUE<br>THROUGH OTHER<br>COMPREHENSIVE<br>INCOME<br>\$000 | HEDGING<br>DERIVATIVES<br>\$000 | AMORTISED<br>COST<br>\$000 | FAIR VALUE<br>THROUGH<br>PROFIT & LOSS<br>\$000 | TOTAL<br>\$000   |
|----------------------------------|-------|-----------------------------------------------------------------|---------------------------------|----------------------------|-------------------------------------------------|------------------|
| <b>Financial Assets</b>          |       |                                                                 |                                 |                            |                                                 |                  |
| <b>2022</b>                      |       |                                                                 |                                 |                            |                                                 |                  |
| Cash and Cash Equivalents        | 16    | –                                                               | –                               | 715,714                    | –                                               | 715,714          |
| Trade and Other Receivables      | 7     | –                                                               | –                               | 97,362                     | 429,359                                         | 526,721          |
| Term Deposit                     | 17    | –                                                               | –                               | 100,000                    | –                                               | 100,000          |
| Equity Investments               | 18    | 94,973                                                          | –                               | –                          | –                                               | 94,973           |
| Derivative Financial Instruments | 21    | –                                                               | 1,365                           | –                          | –                                               | 1,365            |
|                                  |       | <b>94,973</b>                                                   | <b>1,365</b>                    | <b>913,076</b>             | <b>429,359</b>                                  | <b>1,438,773</b> |
| <b>2021</b>                      |       |                                                                 |                                 |                            |                                                 |                  |
| Cash and Cash Equivalents        | 16    | –                                                               | –                               | 424,663                    | –                                               | 424,663          |
| Trade and Other Receivables      | 7     | –                                                               | –                               | 100,359                    | 9,216                                           | 109,575          |
| Term Deposit                     | 17    | –                                                               | –                               | –                          | –                                               | –                |
| Equity Investments               | 18    | 229                                                             | –                               | –                          | –                                               | 229              |
| Derivative Financial Instruments | 21    | –                                                               | 9,746                           | –                          | –                                               | 9,746            |
|                                  |       | <b>229</b>                                                      | <b>9,746</b>                    | <b>525,022</b>             | <b>9,216</b>                                    | <b>544,213</b>   |
| <b>Financial Liabilities</b>     |       |                                                                 |                                 |                            |                                                 |                  |
| <b>2022</b>                      |       |                                                                 |                                 |                            |                                                 |                  |
| Lease Liabilities                | 20    | –                                                               | –                               | 97,280                     | –                                               | 97,280           |
| Trade and Other Payables         | 8     | –                                                               | –                               | 89,672                     | 4,806                                           | 94,478           |
| Secured Loans                    | 20    | –                                                               | –                               | –                          | –                                               | –                |
| Unsecured Loans                  | 20    | –                                                               | –                               | 191,241                    | –                                               | 191,241          |
| Derivative Financial Instruments | 21    | –                                                               | 144,598                         | –                          | –                                               | 144,598          |
|                                  |       | <b>–</b>                                                        | <b>144,598</b>                  | <b>378,193</b>             | <b>4,806</b>                                    | <b>527,597</b>   |
| <b>2021</b>                      |       |                                                                 |                                 |                            |                                                 |                  |
| Lease Liabilities                | 20    | –                                                               | –                               | 100,651                    | –                                               | 100,651          |
| Trade and Other Payables         | 8     | –                                                               | –                               | 78,786                     | –                                               | 78,786           |
| Secured Loans                    | 20    | –                                                               | –                               | 308,054                    | –                                               | 308,054          |
| Unsecured Loans                  | 20    | –                                                               | –                               | 189,193                    | –                                               | 189,193          |
| Derivative Financial Instruments | 21    | –                                                               | –                               | –                          | –                                               | –                |
|                                  |       | <b>–</b>                                                        | <b>–</b>                        | <b>676,684</b>             | <b>–</b>                                        | <b>676,684</b>   |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

### A. MARKET RISK

#### (I) FOREIGN EXCHANGE RISK

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk arising from currency exposures to the US dollar.

Forward contracts and Options are used to manage foreign exchange risk. Senior management is responsible for managing exposures in each foreign currency by using forward currency contracts and options. Contracts and Options are designated as Cash Flow Hedges. Foreign Exchange Contracts and Options are designated at Group level as hedges of foreign exchange risk on specific future transactions.

The Group's risk management framework is to hedge anticipated transactions (export coal sales) in US dollars for the subsequent year as deemed necessary. All hedges of projected export coal sales qualify as 'highly probable' forecast transactions for hedge accounting purposes. The Group's exposure to foreign currency risk at the reporting date was as follows:

|                                                               | 2022<br>USD<br>\$000 | 2021<br>USD<br>\$000 |
|---------------------------------------------------------------|----------------------|----------------------|
| Cash and Cash Equivalents                                     | 2,908                | 50,768               |
| Trade Receivables                                             | 310,833              | 47,344               |
| Derivatives – Foreign Exchange Forward Contracts <sup>1</sup> | 60,000               | 27,000               |
| Derivatives – Foreign Exchange Options <sup>1</sup>           | 480,000              | –                    |
| Derivatives – Commodity Swaps <sup>1</sup>                    | 722,925              | –                    |
| Trade Payables                                                | 11,049               | 5,020                |

<sup>1</sup> Notional amounts.

#### (II) COMMODITY HEDGE RISK

Commodity hedge contracts are used to manage price risk. Senior management is responsible for managing exposures in pricing by using commodity hedge contracts as deemed necessary. Contracts are designated as Cash Flow Hedges. Commodity price contracts are designated at Group level as hedges of price risk on specific future transactions.

#### Group sensitivity

Based on the Trade Receivables, Cash and Trade Payables held at 31 July 2022, had the Australian dollar weakened/strengthened by 10 per cent against the US dollar with all other variables held constant, the Group's post-tax profit for the year would have increased/(decreased) by \$33,598,000/(\$27,490,000) (2021 – \$8,026,000/(\$9,809,000)), mainly as a result of foreign exchange gains/losses on translation of US dollar receivables and Cash and Cash Equivalents balance as detailed in the above table. The Group's equity as at balance date would have increased/(decreased) by the same amounts.

Based on the forward exchange contracts held at 31 July 2022, had the Australian dollar weakened/strengthened by 10 per cent against the US dollar with all other variables held constant, the Group's equity would have increased/(decreased) by \$10,826,000/(\$6,472,000) (2021 – \$3,324,000/(\$4,062,000)). There is no effect on post-tax profits.

Based on the foreign exchange options held at 31 July 2022, had the Australian dollar weakened/strengthened by 10 per cent against the US dollar with all other variables held constant, the Group's equity may be impacted to the extent that the increased/decreased spot rate reaches a level beyond the Protective and the Participation rates.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

### A. MARKET RISK (CONTINUED)

#### (III) PRICE RISK

The Group is exposed to equity securities price risk arising from certain investments held by the Group and classified on the Statement of Financial Position as equity instruments.

The Group's equity investment is publicly traded. The impact of increases/decreases in the financial instrument on the Group's equity as at balance date is \$65,600/(\$65,600) (2021 – \$31,000/(\$31,000)). The analysis is based on the assumption that the equity instrument had increased/decreased by 10 per cent with all other variables held constant.

The price risk for unlisted securities is immaterial in terms of the possible impact on total equity. It has therefore not been included in the sensitivity analysis.

#### (IV) FAIR VALUE INTEREST RATE RISK

Refer to Note 24 (e).

### B. CREDIT RISK

Credit risk is managed on a Group basis. Credit risk arises from Cash and Cash Equivalents, Derivative Financial Instruments and Deposits with Banks and Financial Institutions, as well as credit exposure to export and domestic customers, including outstanding receivables and committed transactions. The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The majority of customers, both export and domestic, have long-term relationships with the Group and sales are secured with long-term supply contracts. Sales are secured by letters of credit when deemed appropriate. Derivative counterparties and cash transactions are limited to Financial Institutions with a rating of at least BBB. The Group has policies that limit the maximum amount of credit exposure to any one Financial Institution.

Credit risk further arises in relation to financial guarantees given to certain parties (see Note 26). Such guarantees are only provided in exceptional circumstances and are subject to specific Board approval.

The credit quality of Financial Assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. The table below summarises the assets which are subject to credit risk.

|                                  | NOTES | 2022<br>\$000 | 2021<br>\$000 |
|----------------------------------|-------|---------------|---------------|
| Trade and Other Receivables      |       | 526,721       | 109,575       |
| Cash at Bank                     | 16    | 715,714       | 424,663       |
| Term Deposits                    |       | 100,000       | –             |
| Derivative Financial Instruments | 21    | 1,365         | 9,746         |

### C. LIQUIDITY RISK

Prudent liquidity risk management is adopted through maintaining sufficient cash and marketable securities, the ability to borrow funds from credit providers and to close-out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.

### FINANCING ARRANGEMENTS

The Group's only significant external borrowings relate to unsecured convertible notes and leases detailed in Note 20. The maturity of these arrangements is shown on the following page.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

### D. MATURITY OF FINANCIAL LIABILITIES

The maturity groupings of Derivative Financial Instruments are detailed in Note 21.

Trade Payables and Accruals (Note 8) are normally settled within 45 days of recognition. The Group's Borrowings (Note 20) comprise Lease Liabilities and Secured and Unsecured Loans.

The Group's Secured Loan was terminated effective 15 July 2022 prior to its maturity in November 2023.

Lease liabilities are fixed rate leases with a weighted average interest rate of 4.54 per cent (FY21: 4.45 per cent) and are payable over a period of one to 20 years (FY21: 21 years).

Unsecured convertible notes represent the liability component of Convertible Notes (net of transaction costs) with a coupon rate of 2.75 per cent and option premium of 3.5 per cent. Interest is payable semi-annually over a five-year period.

The table below details the contractual cash flows of Lease Liabilities, Unsecured Convertible Notes and Derivative Liabilities.

|                             | 0 TO 6<br>MONTHS<br>\$000 | 6 TO 12<br>MONTHS<br>\$000 | 1 TO 2<br>YEARS<br>\$000 | 2 TO 5<br>YEARS<br>\$000 | AFTER 5<br>YEARS<br>\$000 | TOTAL<br>\$000 | CARRYING<br>AMOUNT<br>\$000 |
|-----------------------------|---------------------------|----------------------------|--------------------------|--------------------------|---------------------------|----------------|-----------------------------|
| <b>2022</b>                 |                           |                            |                          |                          |                           |                |                             |
| Lease Liabilities           | 7,665                     | 7,688                      | 13,902                   | 31,551                   | 75,333                    | 136,139        | 97,278                      |
| Unsecured Convertible Notes | 2,750                     | 2,750                      | 5,500                    | 211,000                  | –                         | 222,000        | 191,241                     |
| Derivatives                 | 3,198                     | 14,137                     | 92,403                   | 34,860                   |                           | 144,598        | 144,598                     |
| <b>2021</b>                 |                           |                            |                          |                          |                           |                |                             |
| Lease Liabilities           | 7,060                     | 7,338                      | 14,726                   | 37,469                   | 73,072                    | 139,665        | 100,651                     |
| Unsecured Convertible Notes | 2,750                     | 2,750                      | 5,500                    | 216,500                  | –                         | 227,500        | 189,193                     |

### E. CASH FLOW AND FAIR VALUE INTEREST RATE RISK

The Group is exposed to interest rate risk because entities in the Group borrow funds at floating interest rates. This risk of adverse movements in floating interest rates has been considered and at this time is not deemed appropriate to actively mitigate this risk through the use of derivatives or similar products.

#### Group Sensitivity

The Group is no longer exposed to interest rate risk as the secured loan facilities have been cancelled as at 31 July 2022 (2021: \$4,340,000/(\$4,340,000)).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

### F. FAIR VALUE MEASUREMENTS

#### ACCOUNTING POLICY

The fair value of Financial Assets and Financial Liabilities must be estimated for recognition and measurement for disclosure purposes.

The fair value of Financial Instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. The fair value of forward exchange contracts is determined using forward exchange market rates at balance date.

The carrying value less the estimated credit adjustments of Trade Receivables and Payables is assumed to approximate their fair values due to their short-term nature.

The fair value of Financial Assets and Financial Liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- (c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

### F. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the Group's assets and liabilities measured and recognised at fair value as at 31 July 2022 and 31 July 2021.

|                                          | LEVEL 1<br>\$000 | LEVEL 2<br>\$000 | TOTAL<br>\$000 |
|------------------------------------------|------------------|------------------|----------------|
| <b>2022</b>                              |                  |                  |                |
| <b>Assets</b>                            |                  |                  |                |
| Derivatives Financial Instruments        | –                | 1,365            | 1,365          |
| Trade Receivables – Provisionally Priced | –                | 389,888          | 389,888        |
| Other Receivables – Lenton               | –                | 39,471           | 39,471         |
| Equity Investments                       | 490              | 94,483           | 94,973         |
| <b>Total Assets</b>                      | <b>490</b>       | <b>525,842</b>   | <b>525,697</b> |
| <b>Liabilities</b>                       |                  |                  |                |
| Derivatives Financial Instruments        | –                | 144,598          | 144,598        |
| Trade Payables -Provisionally Priced     | –                | 4,806            | 4,806          |
| <b>Total Liabilities</b>                 | <b>–</b>         | <b>149,404</b>   | <b>149,404</b> |
| <b>2021</b>                              |                  |                  |                |
| <b>Assets</b>                            |                  |                  |                |
| Derivatives Financial Instruments        | –                | 9,746            | 9,746          |
| Trade Receivables – Provisionally Priced | –                | 9,216            | 9,216          |
| Equity Investments                       | 229              | –                | 229            |
| <b>Total Assets</b>                      | <b>229</b>       | <b>18,962</b>    | <b>19,191</b>  |
| <b>Liabilities</b>                       |                  |                  |                |
| Derivatives Financial Instruments        | –                | –                | –              |
| <b>Total Liabilities</b>                 | <b>–</b>         | <b>–</b>         | <b>–</b>       |

The fair value of financial instruments traded in active markets (such as equity investments) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by New Hope Corporation Limited is the last sale price.

The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The fair value of trade receivables on provisionally priced sales is determined with reference to market pricing and contractual terms at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 25. INTERESTS IN OTHER ENTITIES

### A. SUBSIDIARIES

Significant subsidiaries include New Hope Bengalla Pty Ltd and Bridgeport Energy Pty Limited as well as the companies identified in the Deed of Cross Guarantee in Note 31.

### B. JOINT ARRANGEMENTS

#### Accounting Policy

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either Joint Operations or Joint Ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

#### Joint Operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of Joint Operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Consolidated Financial Statements under the appropriate headings.

#### Joint Ventures

Interests in Joint Ventures are accounted for using the equity method, after initially being recognised at cost in the Statement of Financial Position.

#### Other Unincorporated Arrangements

In some cases, the Group participates in unincorporated arrangements and has rights to its share of the assets and obligations rather than a right to a net return but does not share joint control. In such cases, the Group recognises its share of assets and liabilities; revenue from the sale of its share of the output and its share of any revenue generated from the sale of the output by the unincorporated arrangement and its share of expenses. The Group measures these interests in accordance with the terms of the arrangement, which is usually in proportion to the Group's ownership interest. These amounts are recorded in the Group's Consolidated Financial Statements on the appropriate lines.

#### Bengalla Joint Venture

New Hope Corporation Limited holds an 80 per cent interest in the Bengalla thermal coal mine in New South Wales. This is an unincorporated Joint Venture that is operated by Bengalla Mining Company Pty Ltd (BMC). BMC is proportionately owned by the participants.

## 26. COMMITMENTS

### A. CAPITAL COMMITMENTS

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

|                              | 2022<br>\$000 | 2021<br>\$000 |
|------------------------------|---------------|---------------|
| Property Plant and Equipment |               |               |
| Within One Year              | 100,141       | 11,350        |

### B. LEASE COMMITMENTS

#### (I) NON-CANCELLABLE LEASES AS LESSOR

On 30 May 2021, the Group entered a sub-lease arrangement for its head office building for a period of five years, with an option to extend for a further four years or alternatively with an option to extend until one day prior to the expiry of the head lease on 31 March 2030. This sublease lease arrangement commenced on 18 October 2021, with lease payments receivable monthly and annual rent review escalation clauses included in the lease terms.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 26. COMMITMENTS (CONTINUED)

### C. TAKE OR PAY COMMITMENTS

The Group has purchase obligations in relation to take or pay agreements which are legally binding and enforceable with rail, water and port service providers in respect of operating sites. Refer to Note 14 and 15(c).

## 27. EVENTS OCCURRING AFTER THE REPORTING PERIOD

### NEW ACLAND MINING LEASE APPROVAL

On 26 August 2022, the Minister for Resources granted the New Acland Mine Stage 3 Mining Leases. The grant of the Mining Leases follows an independent assessment by the Minister for Resources including the consideration of the Land Courts recommendation that the New Acland Stage 3 Mining Leases be granted. The only remaining approval required before mining can begin is the granting of the Associated Water Licence by the Department of Regional Development, Manufacturing and Water.

### CONVERTIBLE BOND CONVERSION

On 25 August 2022, the Company received a Conversion Notice in relation to holder of the Company's Convertible Notes electing to convert their Notes in accordance with the conditions of the Notes into ordinary shares in New Hope Corporation Limited at the conversion price. The number of ordinary shares that were issued on 6 September 2022 under the Conversion Notice was 106,746.

On 8 September 2022, the Company received a Conversion Notice in relation to holder of the Company's Convertible Notes electing to convert their Notes in accordance with the conditions of the Notes into ordinary shares in New Hope Corporation Limited at the conversion price. The number of ordinary shares that were issued on 14 September 2022 under the Conversion Notice was 426,985.

## 28. RELATED PARTY TRANSACTIONS

### A. PARENT ENTITIES

With the appointment of a new Director, as at 29 July 2022, Washington H. Soul Pattinson and Company Limited (WHSP) no longer held control and is no longer the ultimate Australian parent entity and controlling entity.

Washington H. Soul Pattinson and Company Limited (WHSP) as at 29 July 2022 owned 37.62 per cent (2021 – 36.95 per cent) of the issued ordinary shares of New Hope Corporation Limited, thus has significant influence and will treat New Hope Corporation Limited as an Associate from 30 July 2022 onwards.

### B. KEY MANAGEMENT PERSONNEL

#### (I) DIRECTORS

The following persons were Directors of New Hope Corporation Limited during the Financial Year:

#### Chairman – Non-Executive

Robert D. Millner

#### Non-Executive Directors

Todd J. Barlow

Jacqueline E. McGill AO

Thomas C. Millner

Ian M. Williams

Steven R. Boulton

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 28. RELATED PARTY TRANSACTIONS (CONTINUED)

### B. KEY MANAGEMENT PERSONNEL (CONTINUED)

#### (II) OTHER KEY MANAGEMENT PERSONNEL

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the Financial Year:

#### CURRENT EXECUTIVE KMP

| NAME               | POSITION                                        | EMPLOYER                     |
|--------------------|-------------------------------------------------|------------------------------|
| Robert J. Bishop   | Chief Executive Officer                         | New Hope Corporation Limited |
| Rebecca S. Rinaldi | Chief Financial Officer                         | New Hope Corporation Limited |
| Dominic H. O'Brien | Executive General Manager and Company Secretary | New Hope Corporation Limited |

#### FORMER EXECUTIVE KMP

| NAME                             | POSITION                | EMPLOYER                     |
|----------------------------------|-------------------------|------------------------------|
| Reinhold H. Schmidt <sup>1</sup> | Chief Executive Officer | New Hope Corporation Limited |

<sup>1</sup> Reinhold H. Schmidt ceased as KMP on 14 January 2022.

#### (III) KEY MANAGEMENT PERSONNEL COMPENSATION

|                              | 2022<br>\$       | 2021<br>\$       |
|------------------------------|------------------|------------------|
| Short-Term Employee Benefits | 3,916,190        | 4,497,536        |
| Long-Term Employee Benefits  | 40,698           | 3,313            |
| Post-Employment Benefits     | 147,085          | 154,381          |
| Termination Payment          | 410,680          | 919,357          |
| Share-Based Payment          | 475,707          | (184,202)        |
|                              | <b>4,990,360</b> | <b>5,390,385</b> |

### C. TRANSACTIONS WITH RELATED PARTIES

|                                                                              | 2022<br>\$  | 2021<br>\$ |
|------------------------------------------------------------------------------|-------------|------------|
| Dividends paid to ultimate Australian controlling entity (WHSP) <sup>1</sup> | 115,845,675 | 13,883,857 |
| Payment for consulting services rendered (Pitt Capital Partners Ltd)         | 300,000     | 238        |

<sup>1</sup> Deconsolidation effective 29 July 2022

Detailed remuneration disclosures can be found in the Remuneration Report on pages 24 to 39.

### D. OUTSTANDING BALANCES ARISING FROM SALES/PURCHASES OF GOODS AND SERVICES

There are no outstanding balances arising from sales/purchases of goods and services from related parties at 31 July 2022 (2021: NIL).

### E. TERMS AND CONDITIONS

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## F. OTHER TRANSACTIONS OF KEY MANAGEMENT PERSONNEL

R.D. Millner, T.C. Millner and T.J. Barlow are Directors of WHSP, the ultimate parent company of New Hope Corporation Limited and Pitt Capital Partners Limited, up until the effective date of de-consolidation as at 29 July 2022. Pitt Capital Partners Limited acted as financial advisor to the Group for various corporate transactions during the 2022 and 2021 financial years. All transactions were on normal commercial terms.

Directors are required to take all reasonable steps to manage actual, potential or perceived conflicts of interest. Directors are required to consider and notify the Company of any potential or actual conflicts of interest and Related Party transactions. Directors do not participate in any negotiations of transactions with related parties.

## G. LOANS TO KEY MANAGEMENT PERSONNEL

No loans have been made available to the Key Management Personnel of the Group.

## 29. SHARE-BASED PAYMENTS

### ACCOUNTING POLICY

Share-based compensation benefits are provided to employees via the New Hope Corporation Limited Employee Performance Rights Share Plan.

The fair value of Performance Rights granted under the New Hope Corporation Limited Employee Performance Rights Share Plan are recognised as an employee benefit expense with a corresponding increase in Equity. The fair value is measured at grant date and recognised over the period during which the employee becomes unconditionally entitled to the Performance Rights. Performance Rights vest at the nominated vesting date upon successful completion of applicable service and performance conditions. Detailed vesting conditions are set out in the Directors' Report.

The fair value of Performance Rights is determined based on the market price of shares at the grant date, with an adjustment made to take into account the vesting period, expected dividends during that period that will not be received by the participants and the probability that the performance conditions will be met. The fair value of Performance Rights at grant date is independently determined using a Black Scholes Monte Carlo simulation valuation approach that takes into account the term of the Performance Right, the vesting criteria, the impact of dilution, the non-tradeable nature of the Performance Right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the Performance Right.

The fair value of the Performance Rights granted is adjusted to reflect the market vesting condition, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of Performance Rights that are expected to become exercisable. At each reporting date, the Group revises its estimate of the number of Performance Rights that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to the original estimates is recognised in profit or loss with a corresponding adjustment to Equity.

Performance Rights are granted under the New Hope Corporation Limited Employee Performance Rights Share Plan (Rights Plan). Membership of the Plan is open to those senior employees and those Directors of New Hope Corporation Limited, its subsidiaries and associated bodies corporate whom the Directors believe have a significant role to play in the continued development of the Group's activities.

Performance Rights are granted for no consideration. Performance Rights will vest and automatically convert to ordinary shares in the Company following the satisfaction of the relevant service and performance conditions. Service and performance conditions applicable to each issue of Performance Rights are determined by the Directors at the time of grant. Total expense arising from rights issued under the Rights Plan during the financial year was \$850,000 (2021: (\$72,000)).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 29. SHARE-BASED PAYMENTS (CONTINUED)

### Performance Rights

Set out below is a summary of Performance Rights granted under the LTI plan:

|                                      | 2022                    |                              | 2021                    |                              |
|--------------------------------------|-------------------------|------------------------------|-------------------------|------------------------------|
|                                      | AVERAGE PRICE PER SHARE | NUMBER OF PERFORMANCE RIGHTS | AVERAGE PRICE PER SHARE | NUMBER OF PERFORMANCE RIGHTS |
| As at 1 August                       | \$1.995                 | 547,225                      | \$2.279                 | 1,508,091                    |
| Granted during the year              | \$5.290                 | 807,337                      | \$1.400                 | 547,225                      |
| Lapsed during the year               | –                       | –                            | \$1.290                 | (35,865)                     |
| Forfeited during the year            | \$0.760                 | (414,056)                    | \$1.159                 | (823,462)                    |
| Vested and Exercised during the year | –                       | –                            | \$1.290                 | (648,764)                    |
| As at 31 July                        | \$1.513                 | 940,506                      | \$1.995                 | 547,225                      |

The weighted average share price at the date of vesting of Performance Rights during the 2022 year was \$NIL (2021: \$1.34).

Performance Rights (LTI) outstanding at the end of the year have the following vesting date and fair value at grant date:

| GRANT DATE                                                                                     | VESTING DATE | VALUE OF PERFORMANCE RIGHT AT GRANT DATE | PERFORMANCE RIGHTS |           |
|------------------------------------------------------------------------------------------------|--------------|------------------------------------------|--------------------|-----------|
|                                                                                                |              |                                          | 2022               | 2021      |
| 29 Nov 2020                                                                                    | 1 Aug 2024   | \$0.76                                   | 133,169            | 547,225   |
| 13 Sep 2022                                                                                    | 1 Aug 2024   | \$3.76                                   | 807,337            | –         |
| <b>Total</b>                                                                                   |              |                                          | 940,506            | 547,225   |
| Weighted average remaining contractual life of Performance Rights outstanding at end of period |              |                                          | 2.0 years          | 3.0 years |

## 30. PARENT ENTITY DISCLOSURES

### ACCOUNTING POLICY

The financial information for the Parent entity, New Hope Corporation Limited, has been prepared on the same basis as the Consolidated Financial Statements, except as set out below.

### Investments In Subsidiaries, Associates And Joint Ventures

Investments in Subsidiaries, Associates and Joint Ventures are accounted for at cost in the Financial Report of New Hope Corporation Limited. Dividends received from Subsidiaries are recognised in the Parent entity's Statement of Comprehensive Income rather than being deducted from the carrying amount of these investments.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 30. PARENT ENTITY DISCLOSURES (CONTINUED)

### A. SUMMARY FINANCIAL INFORMATION

The individual Financial Statements for the Parent entity show the following aggregate amounts:

|                                 | 2022<br>\$000    | 2021<br>\$000    |
|---------------------------------|------------------|------------------|
| Statement of Financial Position |                  |                  |
| Current Assets                  | 741,067          | 759,271          |
| Non-Current Assets              | 409,467          | 799,281          |
| <b>Total Assets</b>             | <b>1,150,534</b> | <b>1,558,552</b> |
| Current Liabilities             | 709,300          | 483,088          |
| Non-Current Liabilities         | 204,341          | 507,393          |
| <b>Total Liabilities</b>        | <b>913,641</b>   | <b>990,481</b>   |
| Shareholders' Equity            |                  |                  |
| Contributed Equity              | 97,536           | 97,536           |
| Reserves                        |                  |                  |
| Share-Based Payment             | 1,423            | 573              |
| Other Reserves                  | 6,610            | 6,610            |
| Retained Earnings               | 131,324          | 463,352          |
| <b>Total Equity</b>             | <b>236,893</b>   | <b>568,071</b>   |
| <b>Loss for the Year</b>        | <b>(24,063)</b>  | <b>(31,041)</b>  |
| <b>Total Comprehensive Loss</b> | <b>(24,063)</b>  | <b>(31,041)</b>  |

### B. GUARANTEES ENTERED INTO BY PARENT ENTITY

|                                                                                                            | 2022<br>\$000 | 2021<br>\$000 |
|------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Bank Guarantees issued in relation to rehabilitation, statutory body suppliers and various other entities. | 173,060       | 116,223       |

The Parent entity has given secured guarantees in respect of mining restoration and rehabilitation. The liability has been recognised in the consolidated accounts of the Parent entity in relation to its rehabilitation obligations however are not recognised in the parent entity Statement of Financial Position. See Note 20(e).

Further guarantees are provided in respect of statutory body suppliers and other various entities with no liability being recognised by the Parent entity as no losses are foreseen on these Contingent Liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 30. PARENT ENTITY DISCLOSURES (CONTINUED)

### C. CONTINGENT LIABILITIES OF THE PARENT ENTITY

Details and estimates of maximum amounts of Contingent Liabilities for which no provision is included in the accounts, are as follows:

| CONTROLLED ENTITIES                                                                                                                                                                      | 2022<br>\$000 | 2021<br>\$000 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| The Bankers of the consolidated entity have issued undertakings and guarantees to the Department of Natural Resources and Mines, Statutory Power Authorities and various other entities. | 173,060       | 116,223       |

No losses are anticipated in respect of any of the above Contingent Liabilities, except for matters set out in Note 10B.

### D. CONTRACTUAL COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

As at 31 July 2022, the Parent entity had contractual commitments for the acquisition of Property, Plant or Equipment totalling NIL (2021 – NIL).

## 31. DEED OF CROSS GUARANTEE

New Hope Corporation Limited and each of the wholly-owned subsidiaries set out below (together the Closed Group) are party to a deed of cross guarantee (Deed), as defined in ASIC legislative instrument: 'ASIC Corporations (Wholly-owned Companies) Instrument 2016/785' (previously ASIC Class Order 98/1418 Wholly-owned entities) (ASIC Instrument).

The general effect of the Deed is that each entity in the Closed Group guarantees the payment in full of all debts of other entities in the Closed Group in the event of their winding up.

The purpose of entering into the Deed was so that members of the Closed Group could be eligible to obtain relief from the requirements under the *Corporations Act 2001* to prepare and lodge audited financial reports. As at the end of the year, New Acland Coal Pty. Ltd., Andrew Wright Holdings Pty. Limited, Queensland Bulk Handling Pty Ltd, New Hope Bengalla Pty Ltd and Dexplan Pty Ltd were relying on the relief under the ASIC Instrument.

The following entities are parties to the Deed and part of the Closed Group as at the end of the year<sup>1</sup>:

- New Hope Corporation Limited
- Jeebropilly Collieries Pty. Ltd.
- Acland Pastoral Co. Pty Ltd
- New Oakleigh Coal Pty. Ltd.
- New Acland Coal Pty. Ltd.
- Andrew Wright Holdings Pty. Limited
- Arkdale Pty Ltd
- Queensland Bulk Handling Pty Ltd
- New Hope Bengalla Pty Ltd<sup>2</sup>
- Dexplan Pty Ltd<sup>3</sup>
- Tivoli Collieries Pty. Ltd.<sup>4</sup>

As there are no other parties to the Deed that are controlled by New Hope Corporation Limited, the above entities also represent the 'Extended Closed Group' for the purposes of the ASIC Instrument.

1 New Lenton Coal Pty Ltd ceased to be a member of the Closed Group and a party to the Deed on 1 July 2022 by reason of being the subject of a notice of disposal.

2 Added as a party to the Deed under an Assumption Deed dated 21 July 2022.

3 Added as a party to the Deed under an Assumption Deed dated 21 July 2022.

4 Added as a party to the Deed under an Assumption Deed dated 21 July 2022.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 31. DEED OF CROSS GUARANTEE (CONTINUED)

### A. STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Set out below is the Statement of Consolidated Comprehensive Income for the year ended 31 July 2022 for the Closed Group:

|                                                             | 2022<br>\$000    | 2021<br>\$000    |
|-------------------------------------------------------------|------------------|------------------|
| Revenue from Operations                                     | 2,503,471        | 185,907          |
| Other Income                                                | –                | 17               |
|                                                             | 2,503,471        | 185,924          |
| <b>Expenses</b>                                             |                  |                  |
| Cost of Sales                                               | (978,597)        | (122,665)        |
| Marketing and Transportation                                | (80,142)         | (107,829)        |
| Administration                                              | (3,287)          | (11,429)         |
| Financing Costs                                             | (25,025)         | (20,382)         |
| Other Expenses                                              | (9,823)          | (2,620)          |
| Impairment of Assets                                        | –                | (43,030)         |
| <b>Loss before Income Tax</b>                               | <b>1,406,597</b> | <b>(122,031)</b> |
| Income Tax Benefit                                          | (419,185)        | 36,584           |
| <b>Loss after Income Tax for the Year</b>                   | <b>987,412</b>   | <b>(85,447)</b>  |
| <b>Other Comprehensive Income/(Loss)</b>                    |                  |                  |
| <b>Items to be reclassified to Profit and Loss</b>          |                  |                  |
| Changes in the fair value of Cash Flow Hedges, net of Tax   | (113,694)        | 18               |
| Transfer to Profit or Loss for Cash Flow Hedges, net of Tax | 6,609            | 8,521            |
| Other Comprehensive Income/(Loss) for the Year, net of Tax  | (107,085)        | 8,539            |
| <b>Total Comprehensive Income/(Loss) for the Year</b>       | <b>880,327</b>   | <b>(76,908)</b>  |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 31. DEED OF CROSS GUARANTEE (CONTINUED)

### B. STATEMENT OF FINANCIAL POSITION

Set out below is a Statement of Financial Position as at 31 July 2022 of the Closed Group:

|                                      | 2022<br>\$000    | 2021<br>\$000    |
|--------------------------------------|------------------|------------------|
| <b>CURRENT ASSETS</b>                |                  |                  |
| Cash and Cash Equivalents            | 705,618          | 395,532          |
| Receivables                          | 473,516          | 396,394          |
| Derivative Financial Instruments     | –                | 404              |
| Inventories                          | 61,211           | 32,853           |
| Assets Classified as Held for Sale   | –                | 3,000            |
| Current Tax Assets                   | –                | –                |
| <b>Total Current Assets</b>          | <b>1,240,345</b> | <b>828,183</b>   |
| <b>Non-Current Assets</b>            |                  |                  |
| Receivables                          | 165,191          | 523,006          |
| Other Financial Assets               | 152,690          | 52,620           |
| Property, Plant and Equipment        | 1,664,616        | 352,609          |
| Intangible Assets                    | 75,849           | 6,932            |
| Exploration and Evaluation Assets    | 6,147            | 43,897           |
| Deferred Tax Assets                  | 8,273            | 54,611           |
| Derivative Financial Instruments     | 1,365            | –                |
| <b>Total Non-Current Assets</b>      | <b>2,074,131</b> | <b>1,033,675</b> |
| <b>Total Assets</b>                  | <b>3,314,476</b> | <b>1,861,858</b> |
| <b>Current Liabilities</b>           |                  |                  |
| Trade and Other Payables             | 89,753           | 25,503           |
| Borrowings                           | 10,294           | 4,276            |
| Current Tax Liabilities              | 379,042          | 24,528           |
| Provisions                           | 35,491           | 36,900           |
| Derivative financial instruments     | 17,335           | –                |
| <b>Total Current Liabilities</b>     | <b>531,915</b>   | <b>91,207</b>    |
| <b>Non-Current Liabilities</b>       |                  |                  |
| Borrowings                           | 279,980          | 560,865          |
| Provisions                           | 138,906          | 130,824          |
| Derivative financial instruments     | 127,263          | –                |
| <b>Total Non-Current Liabilities</b> | <b>546,149</b>   | <b>691,689</b>   |
| <b>Total Liabilities</b>             | <b>1,078,064</b> | <b>782,896</b>   |
| <b>Net Assets</b>                    | <b>2,236,412</b> | <b>1,078,962</b> |
| <b>Equity</b>                        |                  |                  |
| Contributed Equity                   | 97,536           | 97,536           |
| Reserves                             | (63,996)         | 35,701           |
| Retained Earnings                    | 2,202,872        | 945,725          |
| <b>Total Equity</b>                  | <b>2,236,412</b> | <b>1,078,962</b> |

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 32. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the Parent company, its related practices and non-related audit firms:

### A. DELOITTE AND RELATED NETWORK FIRMS

|                                                                                                | 2022<br>\$000    | 2021<br>\$000  |
|------------------------------------------------------------------------------------------------|------------------|----------------|
| Audit or Review of Financial Reports:                                                          |                  |                |
| Group                                                                                          | 641,000          | 538,669        |
| Subsidiaries and Joint Operations                                                              | 264,233          | 127,667        |
|                                                                                                | 905,233          | 666,336        |
| Other assurance and agreed upon procedures under other legislation or contractual arrangements |                  |                |
| Group                                                                                          | 10,000           | 105,000        |
|                                                                                                | 10,000           | 105,000        |
| Other Services                                                                                 |                  |                |
| Other Advisory Services                                                                        | 442,285          | 51,500         |
|                                                                                                | 442,285          | 51,500         |
| <b>Total</b>                                                                                   | <b>1,357,518</b> | <b>822,836</b> |

## 33. OTHER ACCOUNTING POLICIES

### A. FOREIGN CURRENCY TRANSLATION

#### (I) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The Consolidated Financial Statements are presented in Australian dollars, which is New Hope Corporation Limited's functional and presentation currency.

#### (II) TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Profit or Loss. They are deferred in Equity if they relate to qualifying Cash Flow Hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on non-monetary items, such as Equity Instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss on the instrument. Translation differences on non-monetary items are included in the fair value reserve in Equity.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

## 33. OTHER ACCOUNTING POLICIES (CONTINUED)

### A. FOREIGN CURRENCY TRANSLATION (CONTINUED)

#### (III) GROUP COMPANIES

The results and financial position of all foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- Income and expenses for each Statement of Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of Borrowings and other Financial Instruments designated as hedges of such Investments, are recognised in Other Comprehensive Income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the Statement of Comprehensive Income, as part of the gain or loss on sale.

### B. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

### C. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application, are effective for annual periods beginning after 1 August 2021:

#### (I) AMENDMENTS TO IAS 1 – CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The potential effects on adoption of the amendment are yet to be determined.

#### (II) ANNUAL IMPROVEMENTS TO IFRS STANDARDS 2018–2020

##### IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted. The Group has commenced its consideration of the potential effects on adoption of the Annual Improvement. The potential effects on adoption of the annual improvement are yet to be determined.

# DIRECTORS' DECLARATION

In the Directors' opinion:

- a) the financial statements and notes set out on pages 73 to 140 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with *Accounting Standards, the Corporations Regulations 2001* and other mandatory professional reporting requirements
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 July 2022 and of their performance, for the financial year ended on that date
- b) there are reasonable grounds to believe that the Company will be able to pay its debts, as and when they become due and payable.

The Basis of preparation on page 47 confirms that the financial statements also comply with *International Financial Reporting Standards* as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

At the date of this declaration, the Company is within the class of companies affected by *ASIC Class Order 98/1418*. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee. In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in Note 31 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

This declaration is made in accordance with a resolution of the Directors.



**R.D. Millner**

Director

Sydney, 19 September 2022

# INDEPENDENT AUDITOR'S REPORT

to the Members of New Hope Corporation Limited

**Deloitte.**

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## Independent Auditor's Report to the Members of New Hope Corporation Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of New Hope Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 July 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 July 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

# INDEPENDENT AUDITOR'S REPORT

to the Members of New Hope Corporation Limited

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | How the scope of our audit responded to the Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Carrying value of property plant and equipment, intangible assets and exploration and evaluation assets.</b></p> <p>Refer to notes 11, 12, 13 and 14 of the financial statements.</p> <p>At 31 July 2022 the Group's consolidated statement of financial position included property, plant and equipment (PPE) of \$1,756 million and intangible assets of \$72 million. The Group also had exploration and evaluation assets (E&amp;E) of \$71 million.</p> <p>As disclosed in note 14, the Group performed an impairment indicator assessment across all cash-generating units ("CGUs") to which PPE and intangible assets belong, including the Queensland Coal Mining CGU which includes New Acland Stage 3 that has been subject to delays in approvals.</p> <p>An impairment assessment was also performed on the Queensland Port operations CGU to which \$6m goodwill has been allocated comparing the carrying value of the CGU to its recoverable amount.</p> <p>The assessment for indicators of impairment and estimation of a CGU's recoverable amount involves judgement and includes consideration of a number of factors including, but not limited to forecast demand and commodity prices, mineral reserves and resources, discount rates and the regulatory environment.</p> <p>The Group concluded that no impairment indicators were present in relation to PPE and intangible assets, and that no impairment was identified in relation to the Queensland Port Operations CGU.</p> <p>With respect to E&amp;E assets, the assessment for impairment indicators includes, but is not limited to, judgements in relation to future commercial viability of exploration tenements, potential for successful development, the risk of expiration of exploration rights without renewal and planned expenditure for further exploration.</p> <p>As disclosed in note 14, the Group identified an impairment loss of \$5million in relation to E&amp;E assets.</p> | <p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Obtaining an understanding of management's process and policies in relation to performing impairment indicator assessments;</li> <li>Understanding the key controls management have in place for identifying impairment indicators;</li> <li>Evaluating management's identification of CGUs;</li> <li>Evaluating management's impairment indicators assessment including: <ul style="list-style-type: none"> <li>Challenging the reasonableness of management's key market related assumptions including forecast demand, commodity prices, discount rates and long-term inflation rates against external data with support from our internal valuation specialists;</li> <li>Challenging the impact of the regulatory environment on the remaining approvals required in respect of New Acland Stage 3; and</li> <li>Agreeing resources and reserves for the CGUs to the latest approved resources and reserve statements.</li> </ul> </li> <li>Assessing management's process for determining the recoverable amount of the CGU to which goodwill has been allocated including challenging the cashflows and cross checking to implied industry multiples.</li> <li>Evaluating management's assessment of indicators of impairment for E&amp;E assets including: <ul style="list-style-type: none"> <li>Confirming that the Group has a continuing right to explore each area of interest and where such rights may expire in the near future, that the Group intends to renew those rights;</li> <li>Assessing management's intention and strategy in relation to continued exploration and evaluation activities for each relevant area of interest;</li> <li>Assessing whether exploration activities in each area of interest have not led to the discovery of commercially viable quantities of mineral resources and the Group's intention to continue activities in those areas; and</li> <li>Reviewing approved budgets in relation to exploration and evaluation activity.</li> </ul> </li> <li>Assessing the appropriateness of the disclosures in notes 11, 12, 13 and 14 to the financial statements.</li> </ul> |

# INDEPENDENT AUDITOR'S REPORT

to the Members of New Hope Corporation Limited

## Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Shareholder Information and 2022 Coal Resources and Reserves, which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the Group's annual report (but does not include the financial report and our auditor's report thereon): Chairman's Review, Chief Executive Officer's Review and Tax Contribution Report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Review, Chief Executive Officer's Review and Tax Contribution Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

# INDEPENDENT AUDITOR'S REPORT

to the Members of New Hope Corporation Limited

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 33 to 50 of the Directors' Report for the year ended 31 July 2022.

In our opinion, the Remuneration Report of New Hope Corporation Limited, for the year ended 31 July 2022, complies with section 300A of the Corporations Act 2001.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

*Debbie Touche Tohmatsu*

DELOITTE TOUCHE TOHMATSU

*Stephen Tarling*

**Stephen Tarling**

Partner

Chartered Accountants

Brisbane, 19 September 2022

# SHAREHOLDER INFORMATION

## ORDINARY SHAREHOLDINGS

As at 15 September 2022 there were 12,850 holders of ordinary shares in the Company.

Voting entitlement is one vote per fully paid ordinary share.

| RANGE OF UNITS – ORDINARY SHARES                   | NUMBER OF SHAREHOLDERS | FULLY PAID <sup>1</sup> ORDINARY SHARES | NUMBER OF PERFORMANCE RIGHTS HOLDERS | PERFORMANCE RIGHTS |
|----------------------------------------------------|------------------------|-----------------------------------------|--------------------------------------|--------------------|
| 1 – 1,000                                          | 3,930                  | 2,005,322                               | –                                    | –                  |
| 1,001 – 5,000                                      | 5,095                  | 14,504,651                              | –                                    | –                  |
| 5,001 – 10,000                                     | 2,519                  | 19,181,719                              | –                                    | –                  |
| 10,001 – 100,000                                   | 2,753                  | 75,144,289                              | –                                    | –                  |
| 100,001 and over                                   | 209                    | 721,521,101                             | 4                                    | 940,506            |
|                                                    | 14,506                 | 832,357,082                             | 4                                    | 940,506            |
| Holding less than a marketable parcel <sup>1</sup> | 418                    | 11,284                                  |                                      |                    |

<sup>1</sup> Information as at 31st August 2022.



# SHAREHOLDER INFORMATION

## ORDINARY SHAREHOLDINGS (CONTINUED)

The names of substantial shareholders as disclosed in substantial shareholder notices received by the Company:

| SHAREHOLDER                                     | NUMBER<br>OF SHARES | %      |
|-------------------------------------------------|---------------------|--------|
| Washington H Soul Pattinson and Company Limited | 331,696,418         | 39.85% |

### 20 largest shareholders as disclosed on the share register as at 15 September 2022

|                                                              |             |        |
|--------------------------------------------------------------|-------------|--------|
| Washington H Soul Pattinson and Company Limited              | 313,096,418 | 37.59% |
| J P Morgan Nominees Australia Pty Limited                    | 93,737,917  | 11.25% |
| Citicorp Nominees Pty Limited                                | 59,304,032  | 7.12%  |
| HSBC Custody Nominees (Australia) Limited                    | 57,996,530  | 6.96%  |
| National Nominees Limited                                    | 37,593,665  | 4.51%  |
| BNP Paribas Noms Pty Ltd <DRP>                               | 27,722,130  | 3.33%  |
| BKI Investment Company Limited                               | 12,950,952  | 1.55%  |
| Farjoy Pty Ltd                                               | 8,700,000   | 1.04%  |
| BNP Paribas Nominees Pty Ltd <IB Au Noms Retail Client DRP>  | 7,164,730   | 0.86%  |
| Bond Street Custodians Limited <P03V7 – D78629 A/C>          | 6,533,450   | 0.78%  |
| BNP Paribas Nominees Pty Ltd <GLOBAL MARKETS DRP>            | 5,965,372   | 0.72%  |
| Neweconomy com au Nominees PTY Limited <900 ACCOUNT>         | 5,354,229   | 0.64%  |
| HSBC Custody Nominees (Australia) Limited – GSCO ECA         | 3,871,834   | 0.46%  |
| HSBC Custody Nominees (Australia) Limited – A/C2             | 3,847,289   | 0.46%  |
| Bond Street Custodians Limited <LAMAM – D05019 A/C>          | 3,660,933   | 0.44%  |
| Quotidian No2 Pty Ltd                                        | 2,939,800   | 0.35%  |
| National Nominees Limited <N A/C>                            | 2,800,220   | 0.34%  |
| JS Millner Holdings Pty Limited                              | 2,629,197   | 0.32%  |
| Citicorp Nominees Pty Limited <COLONIAL FIRST STATE INV A/C> | 2,609,279   | 0.31%  |
| National Nominees Limited <DB A/C>                           | 2,105,205   | 0.25%  |
|                                                              | 660,583,182 | 79.31% |

| UNQUOTED EQUITY SECURITIES                                                                                             | NUMBER<br>ON ISSUE | NUMBER<br>OF HOLDERS |
|------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------|
| Rights issued under the New Hope Corporation Limited Employee Performance Rights Share Plan to take up ordinary shares | 940,506            | 4                    |
| Convertible Notes <sup>1</sup>                                                                                         | –                  | –                    |

1 No Convertible Notes were converted to Ordinary Shares during the 2022 financial year. Convertible Notes do not carry a right to vote.

# 2022 RESOURCES AND RESERVES

New Hope Group are pleased to announce the 2022 update of Coal Resources and Reserves, in accordance with the JORC Code 2012.

Key updates from the previous reporting period are:

- The Bengalla Resource and Reserves estimate utilises updated geological model data, along with the current extents of mining.
- The New Acland Resource and Reserves volumes (tonnes) are relatively unchanged from 2021, as there has been limited mining undertaken in the area over the period.
- A new geological model for the Elimatta project has been utilised.
- Burton and Lenton deposits were sold in 2022 and previously reported resources have been removed.
- The tenements associated with the Yamala project have been relinquished and previously reported resources removed, after a detailed review and decision by the joint venture parties.

Coal Resources and Reserves are stated as at 31st May 2022.

## COAL RESOURCES

| DEPOSIT               | STATUS      | COAL RESOURCES AS AT 31ST MAY 2022 (MILLION TONNES)<br>(COAL RESOURCES ARE INCLUSIVE OF THE RESERVES REPORTED BELOW) |            |            |               |               |
|-----------------------|-------------|----------------------------------------------------------------------------------------------------------------------|------------|------------|---------------|---------------|
|                       |             | INFERRED                                                                                                             | INDICATED  | MEASURED   | 2022<br>TOTAL | 2021<br>TOTAL |
| New Acland            | Mine        | 16                                                                                                                   | 193        | 285        | 494           | 494           |
| Bengalla <sup>1</sup> | Mine        | 24                                                                                                                   | 176        | 161        | 361           | 381           |
| Elimatta              | Exploration | 43                                                                                                                   | 86         | 110        | 239           | 286           |
| Collingwood           | Exploration | 94                                                                                                                   | 139        | 43         | 276           | 276           |
| Taroom                | Exploration | 122                                                                                                                  | 338        | –          | 460           | 460           |
| Woori                 | Exploration | 42                                                                                                                   | 67         | –          | 109           | 109           |
| Burton <sup>2</sup>   | Mine        | –                                                                                                                    | –          | –          | –             | 32            |
| Lenton <sup>2</sup>   | Exploration | –                                                                                                                    | –          | –          | –             | 380           |
| Yamala <sup>3</sup>   | Exploration | –                                                                                                                    | –          | –          | –             | 237           |
| <b>Total</b>          |             | <b>341</b>                                                                                                           | <b>999</b> | <b>599</b> | <b>1,939</b>  | <b>2,655</b>  |

Notes on Resources:

- Figures shown are 100 per cent of total Resources. New Hope Group share is 80 per cent. The Resource number includes 76 Mt of Underground Resource.
- Burton and Lenton sold in 2022. New Hope Group share was 90 per cent.
- Yamala exploration project fully surrendered in March 2022 as agreed by all Joint Venture parties. New Hope Group Share was 70 per cent.

# 2022 RESOURCES AND RESERVES

## JORC DECLARATION – COAL RESOURCES

The estimates of Coal Resources reported herein, have been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012). These resources are inclusive of the Reserves Statement and are as at 31/05/2022 unless otherwise stated. The updated resources for Bengalla and Elimatta are based on information compiled by New Hope Group geologists. New Acland, Collingwood, Taroom and Woori have been re-quoted from the 2021 New Hope Group annual report.

The resource estimates are based on information reviewed by Ms Carrie Schuler, who is the Competent Person for coal resources and a full-time employee of the company. Ms Schuler has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken, to qualify as Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Ms Schuler consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

## COAL RESERVES

COAL RESERVES AS AT 31ST MAY 2022 (MILLION TONNES)

| DEPOSIT                 | STATUS      | RECOVERABLE RESERVES |            |            | MARKETABLE RESERVES <sup>4</sup> |            |            |
|-------------------------|-------------|----------------------|------------|------------|----------------------------------|------------|------------|
|                         |             | PROBABLE             | PROVED     | 2022 TOTAL | 2021 TOTAL                       | PROBABLE   | PROVED     |
| New Acland <sup>1</sup> | Mine        | 121                  | 245        | 366        | 366                              | 66         | 134        |
| Lenton <sup>2</sup>     | Exploration | –                    | –          | –          | 35                               | –          | –          |
| Elimatta                | Exploration | 26                   | 86         | 112        | 119                              | 16         | 56         |
| Bengalla <sup>3</sup>   | Mine        | 45                   | 138        | 183        | 196                              | 34         | 111        |
| Taroom                  | Exploration | 207                  |            | 207        | 207                              | 130        |            |
| <b>Total</b>            |             | <b>399</b>           | <b>469</b> | <b>868</b> | <b>923</b>                       | <b>246</b> | <b>301</b> |

Notes on Reserves:

- 1 260Mt of Recoverable Reserves require additional approvals beyond Acland Stage 3.
- 2 Lenton was sold in 2022. New Hope Group share was 90%.
- 3 Figures shown are 100% of total Reserves. New Hope Group share is 80%.
- 4 Marketable Reserves are based on modelled wash plant yields, and for operating mines have been correlated to reconciled data.
- 5 Changes for Elimatta relative to 2021 relate to a geological model revision including re-correlation of the seams.

## JORC DECLARATION – COAL RESERVES

The information in this Coal Reserves Statement is based on information compiled by Mr Brett Domrow, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Brett Domrow is a full-time employee of the company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Brett Domrow consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# 2022 RESOURCES AND RESERVES

## OIL RESERVES AND RESOURCES

Mr Barry Smith holding the position of Chief Technical Officer within Bridgeport, has a Bachelor of Science (Hons) and is a member of the American Association of Petroleum Geologists (Emeritus), the Petroleum Exploration Society of Australia (Fellow) and the Society of Exploration Geophysicists. He has 40 years industry experience and is qualified in accordance with ASX listing rule 5.41 and has consented to the inclusion of the reserves and resources information in this report in the form and context in which it appears.

Mr Chris Way holding the joint position of Chief Executive Officer and Chief Operating Officer of Bridgeport Energy, has a Bachelor of Science (Hons) and a Bachelor of Engineering (Mech), is a CPEng and a 30-year member of the Society of Petroleum Engineers, is qualified in accordance with ASX listing rule 5.41 and has consented to the inclusion of the reserves and resources information in this report in the form and context in which it appears.

|                                                          | 2022      |           |           | 2021      |           |           |
|----------------------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>NET RESERVES<br/>(AS AT 31 JULY 2022)</b>             | <b>1P</b> | <b>2P</b> | <b>3P</b> | <b>1P</b> | <b>2P</b> | <b>3P</b> |
| Oil Equivalent (Mboe)                                    | 2,379     | 6,216     | 11,209    | 2,357     | 5,882     | 11,525    |
| <b>NET CONTINGENT RESOURCES<br/>(AS AT 31 JULY 2022)</b> | <b>1C</b> | <b>2C</b> | <b>3C</b> | <b>1C</b> | <b>2C</b> | <b>3C</b> |
| Oil Equivalent (Mboe)                                    | 6,139     | 10,951    | 21,601    | 5,323     | 9,311     | 18,408    |

### Notes on Reserves:

- 1 Mboe = thousand barrels of oil equivalent. A conversion from gas volume to oil equivalent (at 171,940 boe per PJ) was based on a standard industry metric.
- 2 Petroleum reserves have been prepared using principally deterministic methods, supported by field reservoir modelling where available.
- 3 Contingent resources (2C) have been estimated using a combination of deterministic assessments and probabilistic volumetric assessments.
- 4 BEL aggregates reserves (1P, 2P and 3P) and contingent resources (2C) using arithmetic summation.
- 5 The economic assumptions used to evaluate each project are commercially sensitive. Reserves have been assessed as economic using discounted cash flow methods in compliance with PRMS guideline. Costs have been estimated using actual costs and reasonable estimates of forecast future costs. Oil prices have been forecast using reasonable estimates of future prices.
- 6 Production is for the 14 month period 1 June 2021 to 31 July 2022, which aligns with the Company financial year end.
- 7 The reference points are at each field where crude oil is sold into a road tanker with IOR Petroleum, except for Cuisinier and Naccowlah where the reference point is at the Moomba plant inlet and Vali, which is the Moomba sales outlet.
- 8 Reserves reported include fuel consumed in operations at each field; totalling 220 1P, 570 2P and 977 3P Mboe.
- 9 In accordance with the SPE-PRMS guidelines, only committed infill wells or similar projects are captured as 2P reserves.
- 10 As per SPE-PRMS guidelines 2C resources include; uncommitted infill drilling opportunities, discoveries that are contingent on development and enhanced recovery projects such as waterflood or CO<sub>2</sub> miscible sweep.
- 11 Due to rounding, volumes may not reconcile to totals.

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# CORPORATE DIRECTORY

## DIRECTORS

**Robert D. Millner**

Chairman

**Todd J. Barlow**

Non Executive Director

**Jacqueline E. McGill AO**

Non Executive Director

**Thomas C. Millner**

Non Executive Director

**Ian M. Williams**

Non Executive Director

**Steven R. Boulton**

Non Executive Director

## COMPANY OFFICERS

**Robert J. Bishop**

Chief Executive Officer

**Rebecca S. Rinaldi**

Chief Financial Officer

**Dominic H. O'Brien**

Executive General Manager & Company Secretary

## AUDITORS

**Deloitte Touche Tohmatsu**

Level 23, Riverside Centre

123 Eagle Street

Brisbane QLD 4000

## PRINCIPAL ADMINISTRATION & REGISTERED OFFICE

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