

ASX Release | 22 May 2023

Quarterly Activities Report April 2023



NEW HOPE CORPORATION LIMITED ABN 38 010 653 844

Highlights

- Underlying EBITDA¹ of A\$448.1 million for the quarter, an increase of 14.8% compared to the January 2023 quarter, and an increase of 20.6% compared to the same quarter last year.
- On 28 March 2023, an internal review by the Department of Regional Development, Manufacturing and Water upheld the decision to grant the Associated Water Licence at New Acland.
- Bengalla coal sales were 2.15Mt for the quarter, an increase of 46.9% compared to the January 2023 quarter.
- First coal produced from Malabar's Maxwell Mine (New Hope 15% equity interest) Stage One bord and pillar operation.
- Since the commencement of the on-market share buy-back program, a total of 17.0 million ordinary shares have been bought back for A\$92.5 million as at 28 April 2023.
- The Company has closing cash and cash equivalents of A\$827.0 million, following the payment of the FY23 Interim and Special Dividend which returned a total of A\$348.8 million to shareholders on 3 May 2023.

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	Quarter Ended			Year to Date			FY23 Guidance
	Apr-23 ('000t)	Jan-23 ('000t)	Change (%)	Apr-23 ('000t)	Apr-22 ('000t)	Change (%)	FY23 ('000t)
QLD Operations							
New Acland							
ROM Coal Production	-	-	-	-	701	(100%)	146
Saleable Coal Production	-	-	-	-	402	(100%)	71
Coal Sold	-	-	-	-	668	(100%)	-
QBH Export Throughput	483	473	2%	1,474	2,081	(29%)	2,248
NSW Operations							
Bengalla²							
ROM Coal Production	2,622	2,067	27%	6,915	6,843	1%	9,862
Saleable Coal Production	2,027	1,540	32%	5,189	5,580	(7%)	7,651
Coal Sold	2,148	1,462	47%	5,492	6,315	(13%)	7,930
Total ROM Coal Production	2,622	2,067	27%	6,915	7,544	(8%)	10,008
Total Saleable Coal	2,027	1,540	32%	5,189	5,982	(13%)	7,721
Total Coal Sold	2,148	1,462	47%	5,492	6,983	(21%)	7,930

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

² Bengalla 80% Interest.

Health and Safety Performance

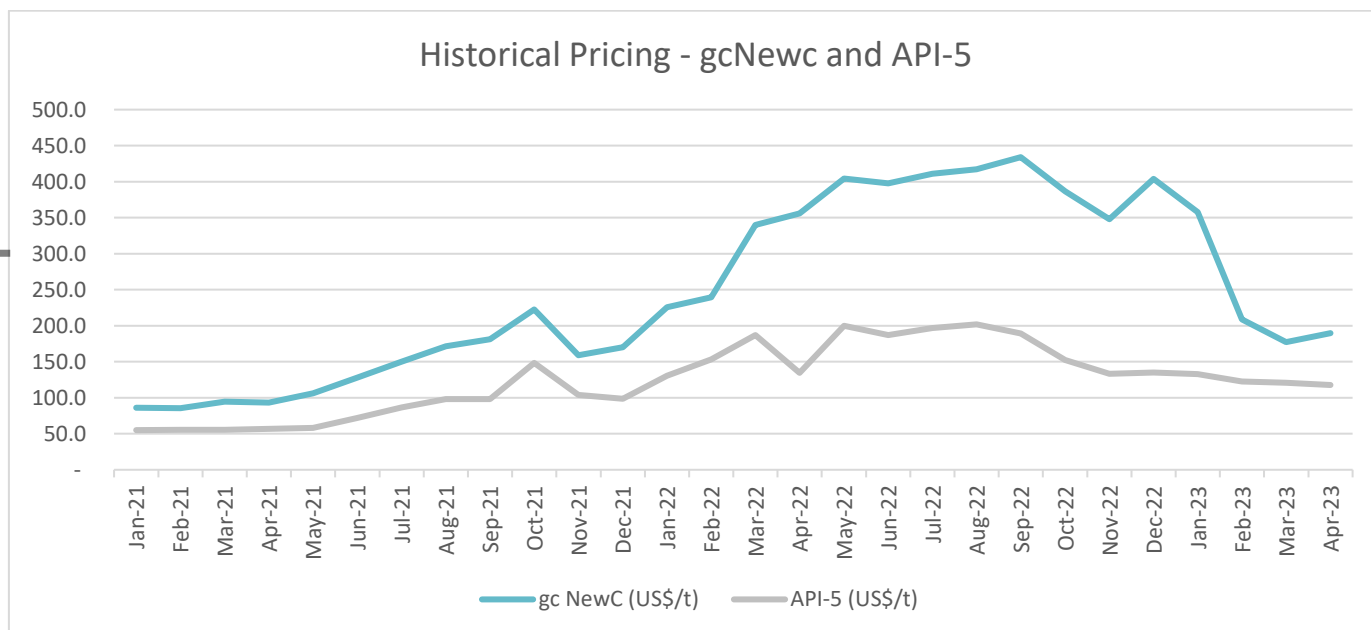
The All-Injury Frequency Rate for the quarter was 19.22 - a decrease of 18.9% to the previous quarter. This was driven by a decline in both first aid and recordable injuries. The Company continues to monitor Total Recordable Injury Frequency Rate (TRIFR) as a supplementary indicator of safety performance. The Company's twelve-month moving average TRIFR was 1.84 at the end of the period, a decrease of 24.6% compared to the previous quarter. During the quarter there were two High Potential Events and seven recordable incidents which were reported to the Regulator.

Marketing and Logistics

The gC NEWC index average price for the quarter was US\$191.8, a 38.5% decrease compared to the same quarter last year of US\$311.7, and a decrease of 48.1% from the previous quarter due to mild winter conditions in the Northern hemisphere and customers holding above average coal inventories. Market pricing stabilised in the quarter and high energy coals saw some gains in April, finishing with an average monthly gC NEWC price of US\$189.7. The Japan Reference Price was agreed for Newcastle 6,322 kcal/kg GAR at US\$199.9 for thermal coal on benchmark pricing from 1 April 2023.

With import restrictions on Australian coal into China being lifted and the spread between 6000 and 5500 kcal/kg NAR products narrowing, we have refreshed our relationships into the Chinese market and completed our first sales which will be delivered in the next quarter. The robust demand from China of lower energy product has provided an outlet for a portion of our coal over the low season. Imports in key markets are expected to increase in the coming months, with continued tight global supply expected to provide support to pricing for higher CV coal. The outlook for the remainder of calendar year 2023 remains positive, with market forwards continuing to show a contango.

Historical Pricing - gcNewc and API-5



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Queensland Operations

New Acland – 100% Owned

On 28 March 2023, an internal review upheld the decision of the Department of Regional Development, Manufacturing and Water to grant New Acland Mine Stage 3 an Associated Water Licence.

Following this outcome, and after completion of the quarter, clearing and topsoil removal commenced on 1 May 2023, with drill equipment mobilised to site to allow production drilling to commence. The mobile equipment maintenance program is underway returning the existing fleet to operation. The Coal Handling and Preparation Plan (CHPP) refurbishment project is ongoing, preparing the plant for first coal washing during quarter one, financial year 2024. Total investment in refurbishment of existing equipment and the CHPP is approximately \$15 million.

Preparations are underway for major infrastructure works, including a train loadout facility, rail lines, roads, bridges and dams. Two expressions of interest for the project's infrastructure ramp up have been released to the market, with one of these work packages being released to potential contractors as a tender. The major infrastructure works will be completed over a two-year period, with total investment of approximately \$198 million.

As detailed in the Company's ASX Release dated 16 May 2023, on 15 May 2023 the Oakey Coal Action Alliance launched a new legal challenge in the Land Court of Queensland against the New Acland Mine Stage 3 seeking to overturn the Queensland Government's decision to grant the Associated Water Licence.

New South Wales Operations

Bengalla – 80% Owned

Following the dragline shutdown in December 2022, the dragline has been performing strongly and is ahead of the mine schedule. A dry weather outlook coupled with early delivery of the additional fleet acquired for the Growth Project will support Bengalla in reducing the prime waste deficit caused by severe wet weather events in 2021 and 2022. The operation is on track for a strong second half of financial year 2023 as represented by the improvement in volumes this quarter.

ROM³ coal production was 2.6mt, an increase of 26.8% due to a lower strip ratio of 3.8, compared to 5.5 in the January quarter. Increased throughput of crushed coal and feed into the CHPP have contributed to saleable coal production of 2.0mt, an increase of 31.7% to the previous quarter. This is in line with coal sold in the quarter of 2.1mt, an increase 46.7% to the previous quarter. There were no purchased coal sales during the quarter.

With the improvements in volumes and forecast dry weather conditions for the remainder of the 2023 financial year, operational cash costs (excluding delivery costs and royalties) have reduced from what was reported in our Half Year Results Presentation (<https://newhopegroup.com.au/company-news-and-performance>). Bengalla continues to work on productivity improvements to ensure it remains one of the lowest cost operations in the global seaborne thermal coal market.

³ Run of Mine

Bengalla Growth Project

Bengalla's expansion to 13.4Mtpa ROM is progressing well with commissioning of the Liebherr 9800 excavator expected to begin next quarter. A further two EH5000 trucks and a drill arrived on site during the quarter, increasing truck and drilling capacity for the operation. An additional dozer and grader are scheduled for delivery by the end of this financial year, along with the final two trucks, bringing completion of the growth truck fleet forward by approximately 12 months.

Construction works have commenced on CHPP tailings capacity upgrade project, including completion of the main building foundations, which will increase the capacity of the CHPP. The CHPP spiral middlings project tie-in was completed during the quarter with early results providing quality uplifts on Bengalla's low ash products by diverting high-ash spirals middlings to the secondary product circuit.

Malabar Resources Limited (Malabar) – 15% Equity Interest

The Maxwell underground metallurgical coal mine produced first coal from the Whynot seam during the quarter which was processed in May 2023. Completion of the renewal of the rail loop is expected to allow the first product to be railed next quarter. Equipment delivery for the remainder of the Whynot bord and pillar and Woodland's longwall operations is on schedule and construction of the Woodlands Hill portal is progressing.

Feasibility activities have commenced on the large scale 25MW Maxwell Solar Farm (Stage One), in partnership with EDF Renewables, including the identification of the preferred transmission line route and preparation of a detailed constrain maps for solar arrays.

The Company's investment in Malabar aligns with the strategy to invest in to 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.

Exploration

No substantive mining exploration activities were undertaken during the quarter.

Capital Management

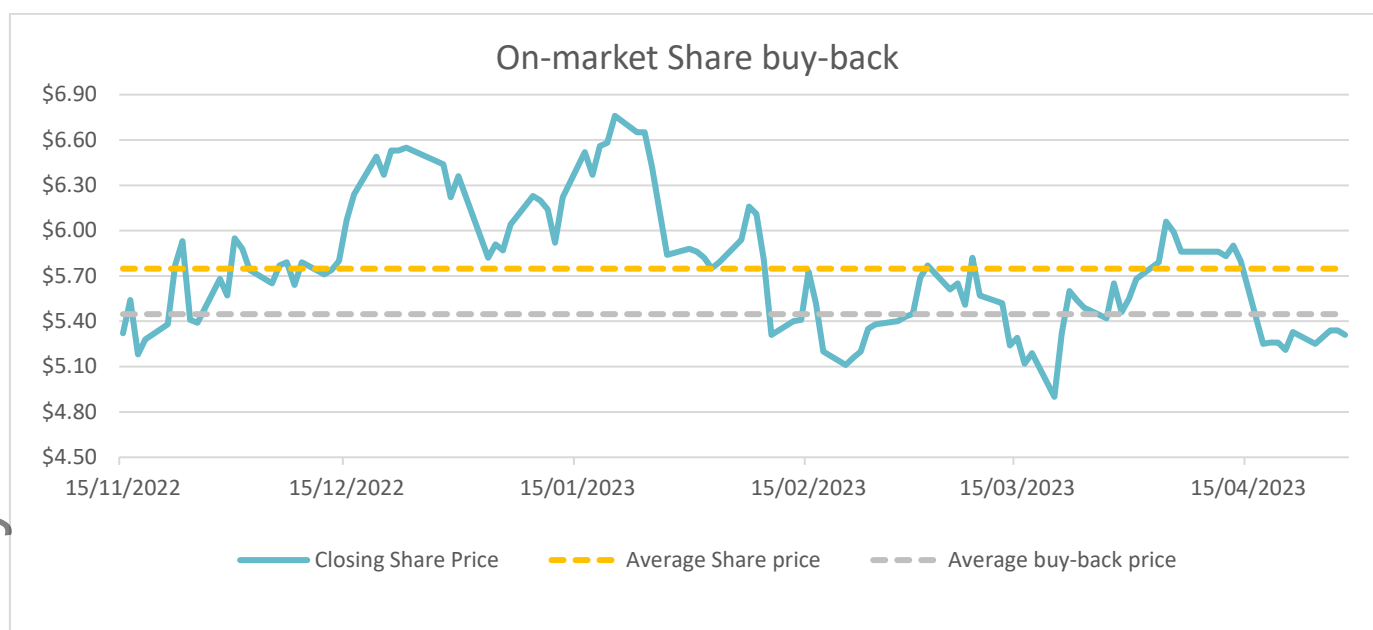
Convertible Note Repurchase

During the quarter the Company finalised the Reverse Book-Build, settling \$149.1 million of the repurchase of approximately \$75 million of the principal amount of its \$200 million 2.75% Senior Convertible Notes due in 2026 (**Notes**). As at the end of the quarter the aggregate consideration of the Reverse Book-Build totalled \$258.3 million with the principal amount of Notes remaining outstanding of \$15.6 million, representing only 8.0% of the original amount issued. The Note buy back achieved a lower after tax reduction in cash and equity diluted per share cancelled compared to the on-market ordinary share buy-back, and was able to be implemented in a more accelerated fashion.

Share Buy-Back

On 21 March 2023, following settlement of the Note repurchase, the Company announced the resumption of the on-market ordinary share buy-back (**Share Buy-Back**). The Share Buy-Back, which was announced on 3 November 2022, was paused on 14 December 2022 while the Company undertook the Note repurchase.

By 28 April 2023 the Company had bought back 17.0 million shares for a total consideration of \$92.5 million, with 11.3 million of those shares bought back during the quarter.



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

Dividends

The fully franked FY23 Interim and Special Dividend totalling 40 cents per share were announced during the quarter and paid to shareholders on 3 May 2023. The Company is focussed on stable, growing returns to shareholders through dividends and ensuring the significant value of the Company's franking account is utilised. The Company expects that dividend payments and share buy-backs will be maintained as the predominate capital management activities.

Due to the rising rate environment the Company is now earning material net interest income on its positive cash balances, which may be further enhanced later in the year by a partial allocation to cash equivalent and fixed income opportunities.

(ENDS)

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This ASX announcement was approved and authorised by the Board.