Quarterly Activities Report & FY25 Guidance 31 October 2024

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Highlights

- Underlying EBITDA[1] of $304.6 million for the quarter, up 40.8 per cent compared to the previous quarter due to stronger production and higher realised pricing.
- Group coal sales of 2.8Mt, an 8.1 per cent increase compared to the previous quarter, driven by a 21.1 per cent increase in coal sales at Bengalla Mine.
- Average realised sales price of $192.4/t[2] achieved for the quarter, compared to $181.0/t[2] in the July 2024 quarter.
- Bengalla Mine achieved an FOB[3] cash cost (excluding state royalties) of $61.6 per sales tonne, a 19.3 per cent reduction from the previous quarter.
- Available cash balance[4] of $822.7 million, post payment of the FY24 final fully franked dividend of 22 cents per share or $186.0 million.
- Saleable coal production guidance of between 10.8Mt to 11.9Mt for the 2025 financial year.

		Quarter ended			Year to date		
		Oct-24	Jul-24	Change	Oct-24	Oct-23	Change
Group metrics[6]							
Prime overburden	('000 bcm)	15,942	14,799	8%	15,942	14,582	9%
ROM coal production	('000t)	4,041	3,370	20%	4,041	2,447	65%
ROM strip ratio – prime	bcm/t	3.9x	4.4x	10%	3.9x	6.0x	34%
Saleable coal production	('000t)	2,715	2,497	9%	2,715	2,044	33%
Coal sales	('000t)	2,765	2,558	8%	2,765	1,819	52%
Product coal stocks	('000t)	591	645	(8%)	591	398	49%

[1] Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) is a non-IFRS measure and has not been audited.
[2] Excludes domestic sales as well as commodity price and foreign exchange hedging gains / losses.
[3] Free on Board.
[4] Cash and cash equivalents of $556.5 million and fixed income investments of $266.2 million, which are reported as other financial assets.
[5] Percentage change is based on the midpoint of the FY25 guidance range.
[6] Reflects Bengalla Mine at 80 per cent interest and excludes equity interest in Malabar Resources Limited (19.97 per cent).

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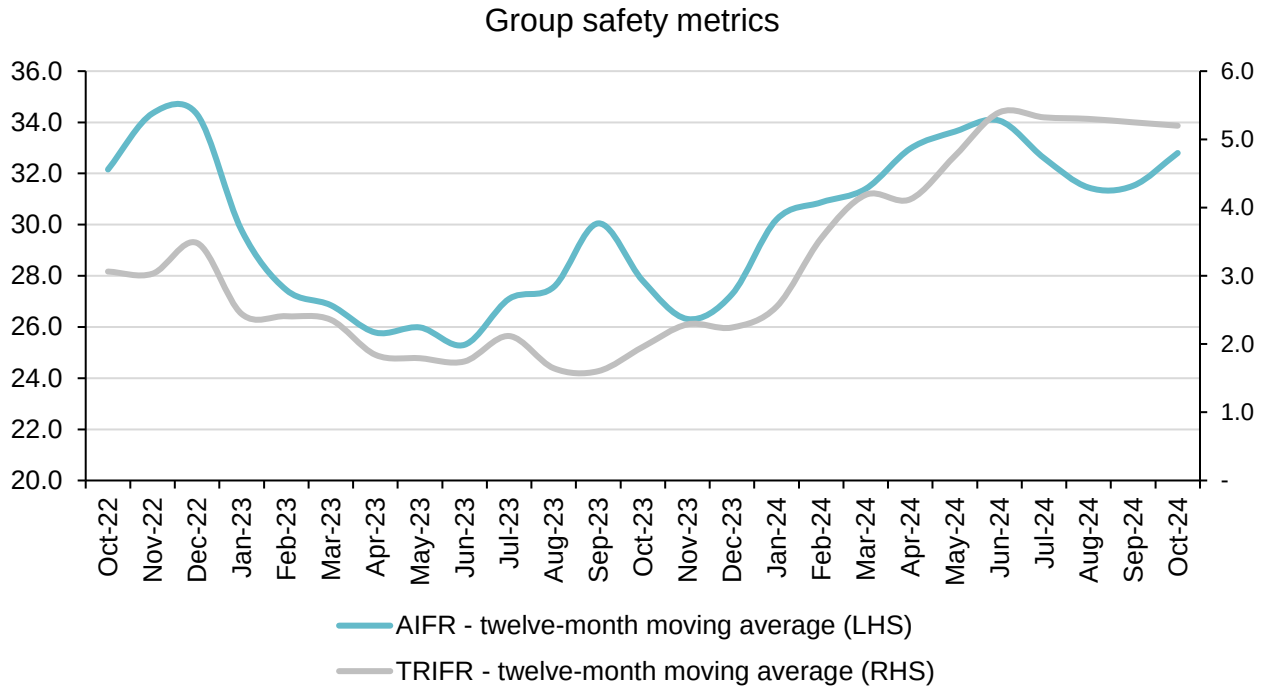
Safety and wellbeing

The All-Injury Frequency Rate (AIFR) for the quarter was 37.63, up from 27.08 at the end of the previous quarter. On a twelve-month moving average basis, the AIFR has increased to 32.80 at the end of the quarter, compared to 32.60 at the end of the previous quarter.

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 5.20 at the end of the quarter, down from 5.32 at the end of the previous quarter.

There were 31 incidents recorded during the quarter. Almost 90 per cent consisted of minor first aid injuries, while serious incidents have trended downwards compared to the previous quarter as the Company continues to focus on improving its safety performance.

During the quarter there were five high potential events, two high potential hazards and 13 notifiable incidents which were reported to the relevant regulators.



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New South Wales operations

		Quarter ended			Year to date		
		Oct-24	Jul-24	Change	Oct-24	Oct-23	Change
NSW operations[1]							
Bengalla Mine							
Prime overburden	('000 bcm)	11,751	12,138	(3%)	11,751	12,965	(9%)
ROM coal production	('000t)	3,010	2,425	24%	3,010	2,209	36%
ROM strip ratio - prime	bcm/t	3.9x	5.0x	22%	3.9x	5.9x	33%
Saleable coal production	('000t)	2,235	2,053	9%	2,235	1,980	13%
Coal sales	('000t)	2,407	1,988	21%	2,407	1,819	32%
Product coal stocks	('000t)	223	394	(44%)	223	334	(33%)

[1] Reflects Bengalla Mine at 80 per cent interest and excludes equity interest in Malabar Resources Limited (19.97 per cent).

Bengalla Mine – 80 per cent joint venture interest

Bengalla Mine recorded a strong operational performance in the first quarter of the 2025 financial year due to easing logistical disruptions experienced in the previous quarter and the unwind of in-pit inventories and product coal stocks that had been built-up as a result of those downstream constraints.

Prime waste movement of 11.8Mbcm was 3.2 per cent lower than the previous quarter, however Run of Mine (ROM) coal production was 3.0Mt, an increase of 24.1 per cent due to a lower ROM strip ratio and a shift in focus from overburden removal to coal production. Increased Coal Handling and Preparation Plant (CHPP) feed contributed to saleable coal production of 2.2Mt, an 8.9 per cent improvement on the previous quarter, offset by lower bypass coal. Coal sales were 2.4Mt for the quarter, 21.1 per cent higher than the previous quarter due to the easing downstream logistics constraints.

Strong production rates achieved during the quarter translated to a significant reduction in Bengalla Mine's unit cost measures. The Free on Board (FOB) cash cost (excluding state royalties) was A$61.6 per sales tonne, a 19.3 per cent reduction on the previous quarter.

As outlined in the 2024 Annual Report, the replacement of Bengalla's ageing truck fleet is planned to begin in the 2025 financial year, with majority of the fleet scheduled to be replaced over the next three financial years. This expenditure is categorised as sustaining capital and is expected to reduce associated maintenance costs, including subcontractors and parts and consumables. Additionally, the new fleet is expected to see-out the operation until the end of Bengalla's current mine plan and government mining approvals.

Bengalla Mine Growth Project

Logistics constraints that affected the productivity of the CHPP were resolved during the quarter, allowing the upgraded processing plant to run closer to expectations. The upgraded mine and CHPP both performed well during the quarter, with CHPP feed rates continuing to improve. The construction phase of the Growth Project infrastructure continued, with the opening of a new public car park, the commencement of warehouse upgrades, and additional progress on the new integrated CHPP operations hub, due for completion within the second quarter of the 2025 financial year.

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Queensland operations

		Quarter ended			Year to date		
		Oct-24	Jul-24	Change	Oct-24	Oct-23	Change
QLD operations							
New Acland Mine							
Prime overburden	('000 bcm)	4,191	2,662	57%	4,191	1,617	159%
ROM coal production	('000t)	1,031	945	9%	1,031	238	332%
ROM strip ratio - prime	bcm/t	4.1x	2.8x	(44%)	4.1x	6.8x	40%
Saleable coal production	('000t)	479	444	8%	479	63	659%
Coal sales	('000t)	358	571	(37%)	358	-	n/a
Product coal stocks	('000t)	369	250	47%	369	63	484%
QBH							
Export throughput	('000t)	1,079	1,022	6%	1,079	843	28%

New Acland Mine

New Acland Mine increased production during the first quarter as a result of the continued ramp-up, additional employee onboarding and the commencement of night shift operation of the CHPP.

Prime overburden material of 4.2Mbcm was moved from the Manning Vale East and Willeroo Pits during the quarter, up 57.5 per cent compared to the previous quarter. ROM coal production was 1.0Mt, an increase of 9.1 per cent on the previous quarter despite a higher strip ratio. Saleable coal production was 0.5Mt, an 8.0 per cent improvement on the previous quarter. New Acland Mine continues to take advantage of additional spot rail capacity with the amount of railed product continuing to increase in-line with the operation. Coal sales, which for the quarter included a small portion of domestic sales, totalled 0.4Mt, down from 0.6Mt in the previous quarter, with additional shipments scheduled for the second quarter.

Mining across both Manning Vale East and Willeroo Pits continues ahead of schedule, with additional mining fleet capacity and the onboarding of additional employees. The site is now operating both day and night shifts across mining, maintenance and the CHPP. New Acland Mine now has almost 260 employees working at the operation, with further intakes planned to take the number of employees to over 300.

The Land Court of Queensland is yet to set dates for the hearing of the Oakey Coal Action Alliance's legal challenge to the grant of the Associated Water Licence by the Queensland Government. New Acland Mine will continue mining activities in both Manning Vale East and Willeroo Pits and will continue to progress planning and surface infrastructure works in preparation for commencing mining activities in the Manning Vale West Pit, expected towards the end of calendar year 2025.

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Strategic investments

Malabar Resources Limited (Malabar) – 19.97 per cent equity interest

Malabar continues to progress the Maxwell Underground Mine including the ramp-up of the bord and pillar operation and the development of the longwall operation. During the September 2024 quarter, Malabar welcomed its first cohort of team members as part of a major recruitment drive to onboard over 200 team members into various roles.

Mining rates at the bord and pillar operation continue to increase due to the establishment of mine entries, ventilation and conveyor systems, combined with the commissioning of two low height continuous mining machines. Additionally, the development of pit room and production panels are resulting in increased productivities. The bord and pillar operation is currently producing circa 30,000 tonnes per month of ROM coal, which is expected to increase once the continuous miners progress into the production panels, ground support requirements are re-optimised, and the underground teams gain more experience of the mining conditions.

At the longwall operation, construction of the two parallel drifts is now 90 per cent complete, with the longwall drift conveyor being installed and commissioned during the September 2024 quarter. Construction of the longwall ventilation shaft is underway whilst the longwall panel development is expected to commence in the next quarter.

During the September 2024 quarter, Maxwell achieved 70,000 tonnes of sales into the Japanese market at an average price of US$155/t, representing a 11 per cent premium to the gC NEWC 6000. Discussions with steel customers regarding Maxwell's metallurgical coal are underway with product testing scheduled to commence in early calendar year 2025.

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Marketing, sales & logistics

Marketing and sales

The gC NEWC 6000 index average price for the quarter was US$143.7/t, a 4.6 per cent increase from the previous quarter of US$137.3/t, and a 3.0 per cent decrease compared to the same quarter last year.

The thermal coal market experienced an unseasonal lift to finish the quarter strongly, especially the gC NEWC 6000 index. Elevated levels of semi-soft coking coal products switching into thermal markets resulted in demand and supply remaining relatively in balance. The Company is receiving solid interest from Chinese customers for term business in calendar year 2025 and expect demand from this market to remain robust over the next twelve months. Higher gas pricing also continues to provide strong support for coal pricing.

		Quarter ended			Year to date		
		Oct-24	Jul-24	Change	Oct-24	Oct-23	Change
Coal sales							
Bengalla Mine[1]							
Total coal sales	('000t)	2,407	1,988	21%	2,407	1,819	32%
Low ash	%	66%	65%	2%	66%	43%	56%
High ash	%	34%	35%	(5%)	34%	57%	(42%)
New Acland Mine							
Total coal sales	('000t)	358	571	(37%)	358	-	n/a
Low ash	%	59%	24%	149%	59%	n/a	n/a
High ash	%	41%	76%	(47%)	41%	n/a	n/a
Coal pricing[2]							
gC NEWC	US$/t	143.7	137.3	5%	143.7	148.1	(3%)
API-5	US$/t	88.3	88.9	(1%)	88.3	93.1	(5%)
US$ realised pricing[3,4]							
Group	US$/t	128.8	120.4	7%	128.8	135.6	(5%)
Bengalla Mine	US$/t	129.9	126.6	3%	129.9	135.6	(4%)
New Acland Mine	US$/t	122.1	101.4	20%	122.1	n/a	n/a
A$ realised pricing[3,5]							
Group	A$/t	188.4	175.4	7%	188.4	221.5	(15%)
Bengalla Mine	A$/t	189.3	181.9	4%	189.3	221.5	(15%)
New Acland Mine	A$/t	182.7	153.0	19%	182.7	n/a	n/a

[1] Reflects Bengalla Mine at 80 per cent interest.
[2] Source – globalCOAL and Argus/McCloskey.
[3] Excludes commodity price and foreign exchange hedging gains / losses.
[4] Excludes domestic coal sales.
[5] Includes domestic sales.

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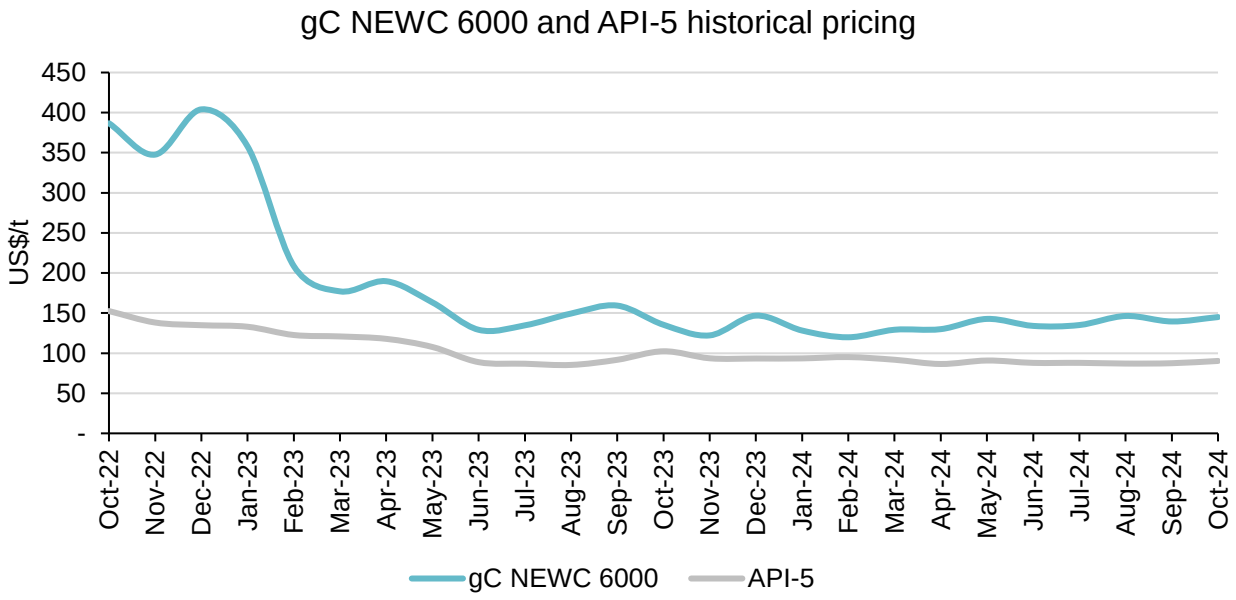

Logistics

During the quarter, Bengalla Mine benefited from improved rail and supply chain performance, particularly after the disruptions caused by protestor activity, track issues, labour availability and heavy rainfall in the previous quarter. Bengalla Mine has now taken up additional port entitlements to provide additional flexibility to manage supply chain variation.

New Acland Mine has also enjoyed consistent rail haulage performance during the quarter as volumes gradually lift. New Acland Mine is still on-track to secure arrangements with Aurizon and Queensland Rail that will support a further incremental uplift in rail haulage.

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Exploration

Bengalla Exploration License (EL 9431) – 80 per cent joint venture interest

The Bengalla Mine has approval from the NSW Resources Regulator to carry out assessable prospecting operations over EL 9431, an area of 556 hectares contiguous to the western boundary of Bengalla Mine.

The exploration drilling program continued during the quarter, with two drill rigs completing 14 holes for a total of 4,717m. There were six fully cored and two partially cored holes, drilled for coal quality and fugitive greenhouse gas emissions assessment. A further six holes were subject to chipped rotary mud drilling, primarily for structural characterisation. All holes were geophysically logged and a total of 120 fugitive gas emission samples were taken, along with 492 coal quality samples and 161 geotechnical samples.

The drilling in EL9431 will continue in the next quarter, with the priority being completing the fugitive gas emissions testing and chipped holes. Completion of the program with final coal quality holes and groundwater monitoring installation is planned for the third quarter of the 2025 financial year.

West Muswellbrook ('AL19') tenement

The Company has completed a concept study for AL19 based on exploration data currently available. The outcomes of this study are in the process of being reviewed to inform a forward work plan.

During the quarter, the Company reported JORC classified resources of 513Mt for AL19 as per the Company's ASX announcement dated 17 September 2024, titled *New Hope Group 2024 Coal Resources and Reserves*.

Corporate

During the quarter the Company declared a final fully franked dividend of 22.0 cents per share, totalling A$186.0 million, which was paid to shareholders on 24 October 2024.

The Company's available cash balance as at 31 October 2024, post the final fully franked dividend was A$822.7 million, consisting of A$556.5 million in cash and cash equivalents and A$266.2 million in fixed income investments. The Company's fixed income investments are liquid and have returned an annualised yield of approximately ~9 per cent since inception in April 2023.

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FY25 Guidance

The 2025 financial year guidance targets increased production and lower unit costs compared to the 2024 financial year, reflecting the continued execution of our organic growth plans.

		FY25	FY24	Change[1]
New Hope Group				
ROM coal production	**('000t)**	**15,480 - 17,000**	**12,337**	**32%**
Saleable coal production	**('000t)**	**10,830 - 11,870**	**9,063**	**25%**
Coal sales	**('000t)**	**10,660 - 11,750**	**8,686**	**29%**
NSW operations[2]				
Bengalla Mine				
ROM coal production	('000t)	10,080 - 10,800	9,985	5%
Saleable coal production	('000t)	8,080 - 8,720	8,046	4%
Coal sales	('000t)	8,160 - 8,800	7,843	8%
FOB cash cost (ex. royalty)	(A$/sales t)	71 - 79	77.8	4%
Sustaining capital	(A$m)	200 - 245	Not reported	n/a
QLD operations				
New Acland Mine				
ROM coal production	('000t)	5,400 - 6,200	2,351	147%
Saleable coal production	('000t)	2,750 - 3,150	1,017	190%
Coal sales	('000t)	2,500 - 2,950	843	223%

[1] *Percentage change is based on the midpoint of the FY25 guidance range.*
[2] *Reflects Bengalla Mine at 80 per cent interest and excludes equity interest in Malabar Resources Limited (19.97 per cent).*

ENDS

New Hope Corporation Limited Annual General Meeting

Shareholders are invited to attend the 2024 Annual General Meeting for New Hope Corporation Limited. Further information is provided in the Notice of Meeting.

Date: Thursday, 21 November 2024

Time: 12.00pm (AEDT)

Notice of Meeting: https://newhopegroup.com.au/investors/asx-announcements/

For more information, please contact:

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Chief Executive Officer

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This ASX announcement was approved and authorised by the Board.

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Consolidated production metrics

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