

# QUARTERLY REPORT

14 October 2021

## September 2021 Quarter Production Report

### Highlights

- September quarter managed run-of-mine (ROM) production of 5.2Mt
- September quarter managed saleable coal production of 4.7Mt
- September quarter total managed coal sales 4.6Mt, managed own coal sales 4.2Mt, total equity coal sales 3.9Mt and equity sales of own coal 3.4Mt
- Managed coal stocks of 3.2Mt as at 30 September
- FY22 production and sales guidance remains unchanged
- No known cases of COVID-19 at any of our sites to date and operations remain largely unaffected but for distancing and hygiene measures

### Comments from MD and CEO Paul Flynn

“During recent weeks, thermal coal prices reached record highs which we will see reflected in significant cash generation over the coming months.

“We continue to pay down our senior debt facility; we expect to fully repay the debt facility early in CY22 and be in a net cash position in the March 2022 quarter.

“After a challenging period at Narrabri, we are readying for the longwall changeout ahead of a more productive second half.”

“On 16 September, we received Federal approval for our Vickery Extension Project, the culmination of an exhaustive process of technical evaluation and stakeholder consultation spanning five years. While we maintain our cautious approach to capital allocation, this is a critical milestone in our development pipeline that offers us optionality.”

### Safety

The safety outcome for the Group for the 12 months ending 30 September 2021 was a total recordable injury frequency rate (TRIFR), on a 12 month rolling basis, of 5.9.

Narrabri achieved its first ever quarter with no recordable injuries. This is a significant achievement, especially considering the challenging mining environment recently experienced. During the period, our Tarrawonga operation achieved 1,000 lost time injury (LTI) free days.

Whitehaven has implemented a COVID-19 vaccination incentive program for employees and contractors to encourage vaccination of the workforce to keep our sites safe.

### Whitehaven Managed Totals

Thousands of tonnes	Quarter Ended			Year to Date		
	Sep 2021	Sep 2020	Change	Sep 2021	Sep 2020	Change
Managed ROM Coal Production	5,163	4,485	15%	5,163	4,485	15%
Managed Saleable Coal Production	4,659	4,857	(4%)	4,659	4,857	(4%)
Managed Sales of Produced Coal	4,220	5,613	(25%)	4,220	5,613	(25%)
Managed Sales of Purchased Coal	426	417	2%	426	417	2%
Total Managed Coal Sales	4,646	6,030	(23%)	4,646	6,030	(23%)
Managed Coal Stocks at period end	3,249	1,809	80%	3,249	1,809	80%

### Whitehaven Equity Totals

Thousands of tonnes	Quarter Ended			Year to Date		
	Sep 2021	Sep 2020	Change	Sep 2021	Sep 2020	Change
Equity ROM Coal Production	4,085	3,622	13%	4,085	3,622	13%
Equity Saleable Coal Production	3,743	3,939	(5%)	3,743	3,939	(5%)
Equity Sales of Produced Coal	3,425	4,577	(25%)	3,425	4,577	(25%)
Equity Sales of Purchased Coal	426	397	7%	426	397	7%
Total Equity Coal Sales	3,852	4,975	(23%)	3,852	4,975	(23%)
Equity Coal Stocks at period end	2,573	1,510	70%	2,573	1,510	70%

### Equity Coal Sales and Realised Pricing on own coal sales

		Quarter Ended				
		Sep 2021	Jun 2021	Mar 2021	Dec 2020	Sep 2020
<b>Total Equity Coal Sales</b>	Mt	3.9	3.7	4.0	3.7	5.0
Sales of purchased coal (thermal)	Mt	0.4	0.5	0.6	0.5	0.4
Equity Own Coal Sales	Mt	3.4	3.2	3.4	3.2	4.6
<b>Coal sales mix (own coal sales)</b>						
High CV thermal Coal	%	65%	61%	53%	58%	63%
Other thermal coal	%	23%	27%	27%	24%	26%
Metallurgical coal	%	11%	12%	20%	18%	11%
<b>Pricing</b>						
gC NEWC Index	US\$/t	168	109	89	67	52
JSM Quarterly (SSCC)	US\$/t	149	93	92	87	82
Average SSCC spot price	US\$/t	178	110	95	69	63
<b>Price achieved (own coal sales)</b>						
Thermal coal	US\$/t	142	94	76	62	52
Metallurgical coal	US\$/t	134	103	92	77	73
Premium/Discount (own coal sales)						
Thermal to gC NEWC Index	%	(15%)	(14%)	(15%)	(8%)	1%
Metallurgical to JSM Qtrly	%	(10%)	10%	(0%)	(11%)	(12%)
Metallurgical to Spot Price	%	(25%)	(6%)	(4%)	12%	16%

Note: Figures may not add due to rounding

Equity coal sales for the September quarter, including purchased coal, were 3.9Mt, 23% below the pcp (prior comparable period). Coal stocks are 70% higher than pcp reflecting vessel slippage of 0.4Mt into October and Narrabri sales programme that is weighted to the December quarter. Plans are well advanced to expedite the draw down of high ROM high stock levels at Maules Creek in the December quarter and over CY22.

The gC NEWC (6000 CV) index averaged US\$167.52/t for the September quarter, up 54% from the June quarter average of US\$109.00/t. The surging gC NEWC index price is the result of strong demand for fossil fuels in a supply-constrained market. Industrial activity has increased markedly as governments seek to drive economic growth to counter the impacts COVID-19 has had on their economies. The economic rebound has driven a rapid increase in the demand for high energy coal for both power generation and industrial processes. Meanwhile, disruptions across multiple supply chains, including the Newcastle coal supply chain, have tightened coal supply.

Whitehaven achieved a September quarter realised average thermal coal price of US\$142/t, a 15% discount to the September quarter gC NEWC index average of US\$167.52/t. As outlined in the March and June quarter production reports, a number of factors impact Whitehaven's average achieved thermal price:

- Approximately 57% of Whitehaven's thermal coal book in the September quarter was priced in prior periods. Realised coal prices reflecting prior periods occurs under a number of scenarios. First, some of the thermal coal contract book is priced on a lagging gC NEWC index basis such that realised prices lag the average gC NEWC index. The benefit of these rising prices will be seen in the coming quarters. Secondly, some sales have been delayed from prior quarters as a result of weather events earlier in the calendar year. Thirdly, a number of fixed price sales set in a prior period were fulfilled during the September quarter.
- Approximately 22% of thermal coal sales were priced with reference to sub gC NEWC 6000 CV pricing structures, almost exclusively the higher ash Narrabri fault-affected coal, where price differentials between the gC NEWC index and the API5 index have widened to average above US\$60/t in the quarter.

Sales of Narrabri high-ash material, representing a similar proportion of sales as the September quarter, will continue in the December quarter. It is expected that price realisations for Whitehaven's thermal coal will return to a premium to the gC NEWC index in the second half of the financial year.

Metallurgical sales represented 11% of sales for the September quarter. Spot demand for semi-soft coking remained weak and price realisations for high-CV thermal coal were far superior to semi-soft coking coal. This favours a strategy of directing semi-soft coking coal into the thermal coal market.

## Maules Creek Open Cut Mine

### Whitehaven 75%

Thousands of tonnes – Managed	Quarter Ended			Year to Date		
	Sep 2021	Sep 2020	Change	Sep 2021	Sep 2020	Change
ROM Coal Production	<b>2,939</b>	1,967	49%	<b>2,939</b>	1,967	49%
Saleable Coal Production	<b>2,438</b>	2,205	11%	<b>2,438</b>	2,205	11%
Sales of Produced Coal	<b>2,528</b>	2,447	3%	<b>2,528</b>	2,447	3%
Coal Stocks at period end	<b>1,852</b>	791	134%	<b>1,852</b>	791	134%

For the September quarter, Maules Creek delivered ROM production of 2.9Mt, 49% above pcp. This increase over pcp reflects that during the September 2020 quarter Maules Creek focused on overburden movement, developing new work areas and exposing more of the pit floor for in-pit dumping.

Maules Creek's mining licence allows 13Mt per calendar year ROM production. After a strong nine month ROM production performance, the maximum ROM production permitted for the December quarter is 2.6Mt. However, with healthy levels of coal stocks, sales during the December quarter will continue to be strong.

September quarter saleable coal production of 2.4Mt was 11% above pcp, reflecting the ROM production profile, partially offset by lower yield. The decrease in yield reflects the mining of lower yielding coal seams located near pit-bottom, per the mine schedule.

Sales volumes for the quarter of 2.5Mt were slightly above pcp, despite a number of September shipments slipping into October due to vessel queuing at PWCS.

Equity metallurgical sales of semi-soft coking coal for the September quarter were 0.3Mt, representing 13% of sales volume.

Coal stocks for the end of the period were 1.9Mt, reflecting strong ROM production over recent months and improving ROM coal feed performance at the coal handling and preparation plant (CHPP).

## Narrabri Underground Longwall Mine

Whitehaven 77.5%

Thousands of tonnes – Managed	Quarter Ended			Year to Date		
	Sep 2021	Sep 2020	Change	Sep 2021	Sep 2020	Change
ROM Coal Production	1,525	1,646	(7%)	1,525	1,646	(7%)
Saleable Coal Production	1,362	1,630	(16%)	1,362	1,630	(16%)
Sales of Produced Coal	753	1,995	(62%)	753	1,995	(62%)
Coal Stocks at period end	947	449	111%	947	449	111%

Following the previously reported major repairs to the longwall after mining through fault-affected ground, mining returned to more normal levels. Narrabri's September quarter ROM production reported a solid performance of 1.5Mt.

Saleable coal production of 1.4Mt for the quarter was 16% below pcp, which was consistent with ROM production.

Managed sales volumes for the quarter of 0.8Mt were 62% below pcp reflecting a sales programme that is weighted to the December quarter. In addition, the September quarter was hindered by 0.2Mt of September sales that slipped into October.

There were no equity metallurgical sales of PCI during the quarter reflecting the mine plan.

Coal stocks of 0.9Mt were up 111% on pcp reflecting the September sales slippage and will provide healthy levels of stocks for the December quarter.

The next longwall move from panel 109 to 110 is scheduled for November 2021, with longwall production to recommence in late December.

The previously reported additional geosensing drilling of panel 110A was completed in the quarter. Within the coming months, panel 110B will undergo additional geotechnical assessment.

The commencement of cut and flit mining of panel 201 and 202 is on schedule for early Q3 FY22.

Consistent with the mine schedule, development of the 200 mains series commenced during the quarter. This development drive will establish access to the shallower southern coal reserves where longwall mining is scheduled to commence at the beginning of CY23.

## Gunnedah Open Cut Mines

Whitehaven 100%

Thousands of tonnes	Quarter Ended			Year to Date		
	Sep 2021	Sep 2020	Change	Sep 2021	Sep 2020	Change
ROM Coal Production	699	871	(20%)	699	871	(20%)
Saleable Coal Production	859	1,023	(16%)	859	1,023	(16%)
Sales of Produced Coal	939	1,171	(20%)	939	1,171	(20%)
Coal Stocks at period end	450	569	(21%)	450	569	(21%)

For the September quarter, Gunnedah open cut mines achieved managed ROM coal production of 0.7Mt. See below for production and sales details per mine.

## Tarrawonga Mine

### Whitehaven 100%

Thousands of tonnes	Quarter Ended			Year to Date		
	Sep 2021	Sep 2020	Change	Sep 2021	Sep 2020	Change
ROM Coal Production	<b>439</b>	490	(11%)	<b>439</b>	490	(11%)
Saleable Coal Production	<b>445</b>	501	(11%)	<b>445</b>	501	(11%)
Sales of Produced Coal	<b>480</b>	573	(16%)	<b>480</b>	573	(16%)
Coal Stocks at period end	<b>242</b>	248	(2%)	<b>242</b>	248	(2%)

Tarrawonga's September quarter ROM production of 0.4Mt was 11% below pcp, reflecting the impact of rain delays in July and mine scheduling.

Saleable coal production for the September quarter of 0.4Mt was down 11% on pcp. The decrease reflects both ROM production and the previously announced increase in the proportion of coal that is washed, which decreases yield. The increase in washing has been adopted to support the marketing strategy of producing higher quality coals. This allows for increased blending opportunities within the group to lift overall coal quality to take advantage of the current price environment.

Tarrawonga sales for the quarter of 0.5Mt reflects the marketing strategy outlined above and the drawdown of product stocks.

Coal stocks at the end of September were 0.2Mt, in line with pcp.

## Werris Creek Mine

### Whitehaven 100%

Thousands of tonnes	Quarter Ended			Year to Date		
	Sep 2021	Sep 2020	Change	Sep 2021	Sep 2020	Change
ROM Coal Production	<b>260</b>	381	(32%)	<b>260</b>	381	(32%)
Saleable Coal Production	<b>414</b>	522	(21%)	<b>414</b>	522	(21%)
Sales of Produced Coal	<b>459</b>	598	(23%)	<b>459</b>	598	(23%)
Coal Stocks at period end	<b>208</b>	321	(35%)	<b>208</b>	321	(35%)

Werris Creek's September quarter ROM production of 0.3Mt was 32% down on the pcp reflecting the mine schedule and a focus on overburden removal for the quarter.

Werris Creek's ROM coal production is 100% bypassed, which means the coal is crushed in preparation for transport and blending, but no washing of coal is undertaken. Saleable coal production for the September quarter of 0.4Mt, 21% below pcp, reflects the ROM production profile with support of drawn down ROM stocks.

September quarter sales volumes of 0.5Mt, 23% down on pcp, reflect the saleable coal production profile.

Coal stocks at the end of September were 0.2Mt, 35% below pcp, due to the draw down of stocks to support sales.

## Logistics update

Whitehaven rails coal from mine to port via the Hunter Valley rail network and exports coal through the Port of Newcastle using the two export terminal providers, Port Waratah Coal Services (PWCS) and Newcastle Coal Infrastructure Group (NCIG).

NCIG's shiploader SL02 (which was damaged in November 2020) was returned to full service in late July 2021. NCIG was operating at its planned capacity in the final two months of the quarter and ship queues rapidly returned to the pre-November 2020 levels.

Port movements on multiple days in the quarter were restricted due to high winds and swell. This resulted in loading delays across both export terminals. While the vessel queue at the start of the quarter at Newcastle was more than 60 vessels, by the end of the quarter queues had been reduced to just over 30 vessels – mainly awaiting loading at the PWCS export terminal where scheduled maintenance over the December quarter is expected to see a period of reduced loading capacity and vessel queues are expected to remain elevated.

## Development Projects

Work continues to advance Whitehaven's three development projects:

1. Narrabri Underground Mine Stage 3 Extension Project
2. Vickery Extension Project
3. Winchester South Metallurgical Coal Project

These projects underpin Whitehaven's plans to increase managed ROM production over the coming decade. Projects are subject to Whitehaven's strict capital allocation framework. Under this framework greenfield projects will only be constructed sequentially.

Expenditure incurred on expansion and growth projects during the September quarter was \$4.1m, reflecting approvals and studies relating to the Vickery Extension Project, approvals work for Narrabri Stage 3 and approvals and studies for Winchester South.

### Narrabri Underground Mine Stage 3 Extension Project

The project seeks to convert Narrabri's adjacent Exploration Licence into a Mining Lease and use the existing portals, CHPP, rail loop and associated infrastructure to extract, process and export high energy thermal coal and Pulverised Coal Injection (PCI) coal products using the longwall mining method. The project involves extending the longwall panels planned for the mining lease south of the current main roads into the contiguous Narrabri South Exploration Licence area, to extend the approved life of the mine to 2044.

Whitehaven submitted the Stage 3 Extension Project Environmental Impact Statement (EIS) to the NSW Department of Planning, Industry and Environment (DPIE) in November 2020. The EIS was on public exhibition for 6 weeks and received 63 positive responses, 16 comments and 3 negative responses. The next step is for DPIE to prepare an overall Project Assessment Report, expected to be finalised Q4 CY2021.

All comments from the public exhibition period and further details on the planning process are available on the DPIE website at <https://www.planningportal.nsw.gov.au/major-projects/project/10731>

Further details can be found at <https://whitehavencoal.com.au/our-business/our-assets/narrabri-mine>

### Vickery Extension Project

Open cut and underground mining was undertaken at Vickery by Rio Tinto from 1991 through to 1998.

The Vickery Coal Project was approved in September 2014 to produce up to 4.5Mt ROM coal per annum.

In August 2020 the Vickery Extension Project (the Project) received approval from the NSW Independent Planning Commission (IPC) to operate an up to 10Mtpa open cut metallurgical and thermal coal mine, with onsite processing and rail infrastructure.

On 16 September 2021 the Federal Minister for the Environment approved the Project under the Commonwealth's *Environment Protection and Biodiversity Conservation Act 1999*.

Progress on design work for the CHPP, rail spur, and other site infrastructure continued during the quarter. Draft management plans, including those required for Secondary Approvals such as water, noise, air quality, cultural heritage and traffic management, continue to be refined based on the conditions of approval handed down by the IPC and EPBC.

Further details can be found at <https://whitehavencoal.com.au/our-business/our-assets/vickery-extension-project/>

### Winchester South Metallurgical Coal Project

The proposed Winchester South open cut metallurgical coal mine is located in Queensland's Bowen Basin. At full capacity the mine is targeting run-of-mine (ROM) production of up to 17 million tonnes per annum of coal to supply the international market for about 30 years.

The Project continues to progress through the Queensland Government's Coordinated Project approval process. The Project has recently completed the Public Notification phase for the Draft EIS, Mine Lease (ML) and Environmental Authority (EA) applications. The next step is for the Coordinator General to issue an Additional Information Request to address submissions received.

Further details can be found at <https://whitehavencoal.com.au/our-business/our-assets/winchester-south>

## Thermal and Metallurgical Coal Outlook

The gC NEWC and API5 indexes continue to set all-time monthly average highs in Australian dollar terms. The gC NEWC index is at US\$232.06/t (A\$334.41) and API5 is at US\$128.56/t (A\$174.94) October MTD, as at 13 October 2021.

Demand for seaborne thermal coal is extremely strong. Supply constraints in key producing countries have caused the Asia coal market to tighten further, both during the quarter, and in the period post 30 September. COVID-19 has adversely impacted Indonesian labour and heavy equipment supplies in Indonesia, while the Indonesian government has required export miners to prioritise domestic supply commitments to the state-owned power generator, and more recently heavy rainfall has forced a number of Indonesian producers to declare force majeure. These restrictions have adversely impacted export volumes from Indonesia. Meanwhile, logistics issues in Russia and South Africa and minor COVID-19 disruptions in the Hunter Valley have also constrained supply. China's dependence on the seaborne market remains strong, as attempts to expand domestic coal production have been disappointing against a backdrop of strengthening energy demand as post COVID-19 economic stimulus measures take effect.

Tendering activity by coal procurement teams over the quarter has remained strong. In Taiwan, Taipower awarded over 2.0Mt of spot tendering for the balance of CY21 and Q1 CY22 and over 4.0Mt of term business for CY22 delivery. Some buyers in Japan have also concluded JFY22 term business and the Korean generation companies have continued their consistent spot tendering activity.

In the metallurgical market, PLV HCC (FOB Australia) has continued to climb on limited spot availability and supply disruption from Mongolia (COVID-19) and Canada (wildfires). Prices for PLV HCC reached highs of ~US\$412.00/t in September, up from ~US\$200.00/t in early July.

Both thermal and metallurgical coal prices are forecast to remain well supported due to strong demand and continuing supply tightness.

## Corporate

As at 30 September 2021, there were US\$166.3 million in forward A\$/US\$ exchange contracts in place at an average exchange rate of A\$1.00 = US\$0.7361 for equity coal sales of 1.35Mt. These contracts are deliverable between October 2021 and December 2022.

## FY22 Guidance

FY22 ROM coal production and sales tonnages, capital expenditures and unit cost guidance remains unchanged from the guidance issued in the FY21 Results release on 26 August 2021.

*This Quarterly Report is authorised for release to the market by the Board of Whitehaven Coal Limited.*

## Investor and Analyst teleconference

Managing Director and Chief Executive Officer Paul Flynn will host a teleconference to provide an overview of the September 2021 Quarter Production Report.

Time: 10:30 AEDT (Sydney time)

Date: Thursday, 14 October 2021

Dial-in details: Participants register for the teleconference by copying and pasting the following link into your browser, <https://s1.c-conf.com/diamondpass/10016697-jwi2pl.html>

Note, all participants must pre-register to join the conference call using the link above. Once registered, an email will be sent containing conference call date and time, as well as a full list of participant dial in numbers to join the call.

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### Reporting Calendar

#### Event

#### Date

Annual General Meeting

27 October 2021

PRODUCTION, SALES & STOCKS BY MINE Thousands of tonnes	Quarter Ended					
	Sep 2021	Jun 2021	Mar 2021	Dec 2020	Sep 2020	Jun 2020
<b>Whitehaven Group Managed Totals</b>						
ROM Coal Production	<b>5,163</b>	5,439	5,494	5,138	4,485	8,233
12-Month Rolling Yield	<b>83%</b>	84%	87%	88%	88%	88%
Saleable Coal Production	<b>4,659</b>	3,788	4,330	3,949	4,857	6,235
Sales of Produced Coal	<b>4,220</b>	4,009	4,229	3,924	5,613	5,265
Sales of Purchased Coal	<b>426</b>	503	569	537	417	449
Total Coal Sales	<b>4,646</b>	4,512	4,798	4,461	6,030	5,714
Coal Stocks at period end	<b>3,249</b>	3,330	2,757	2,276	1,809	3,746
<b>Maules Creek</b>						
ROM Coal Production	<b>2,939</b>	3,718	3,727	3,251	1,967	4,168
12-Month Rolling Yield	<b>77%</b>	78%	79%	79%	79%	80%
Saleable Coal Production	<b>2,438</b>	2,598	2,443	2,094	2,205	2,694
Sales of Produced Coal	<b>2,528</b>	2,645	2,354	2,160	2,447	2,369
Coal Stocks at period end	<b>1,852</b>	2,316	1,961	1,248	791	1,976
<b>Narrabri</b>						
ROM Coal Production	<b>1,525</b>	351	1,084	978	1,646	2,559
12-Month Rolling Yield	<b>97%</b>	97%	99%	99%	99%	99%
Saleable Coal Production	<b>1,362</b>	306	1,142	908	1,630	2,453
Sales of Produced Coal	<b>753</b>	569	1,051	926	1,995	1,948
Coal Stocks at period end	<b>947</b>	210	473	487	449	793
<b>Gunnedah Open Cuts</b>						
ROM Coal Production	<b>699</b>	1,370	683	908	871	1,505
12-Month Rolling Yield	<b>89%</b>	90%	91%	91%	91%	92%
Saleable Coal Production	<b>859</b>	884	745	947	1,023	1,087
Sales of Produced Coal	<b>939</b>	795	824	838	1,171	948
Coal Stocks at period end	<b>450</b>	804	324	542	569	978
<b>Tarrawonga</b>						
ROM Coal Production	<b>439</b>	796	404	564	490	813
12-Month Rolling Yield	<b>82%</b>	83%	85%	85%	86%	87%
Saleable Coal Production	<b>445</b>	469	446	466	501	615
Sales of Produced Coal	<b>480</b>	445	376	490	573	536
Coal Stocks at period end	<b>242</b>	407	156	224	248	429
<b>Werris Creek</b>						
ROM Coal Production	<b>260</b>	574	279	344	381	692
12-Month Rolling Yield	<b>100%</b>	100%	100%	100%	100%	100%
Saleable Coal Production	<b>414</b>	415	299	481	522	472
Sales of Produced Coal	<b>459</b>	350	449	348	598	412
Coal Stocks at period end	<b>208</b>	396	168	318	321	549