

## Note 1 – Narrabri Reserve

August 2021

### Narrabri Complex –Change in Reserve

In late 2020 a Feasibility study was conducted for the extension of the mine into EL6243 known as Narrabri South. The study included an assessment of the southern portion of ML1609 known as Narrabri North and how the mine production plan would progress. The analysis resulted in changes to both the ROM and Marketable Reserve and is summarised in the following figures.

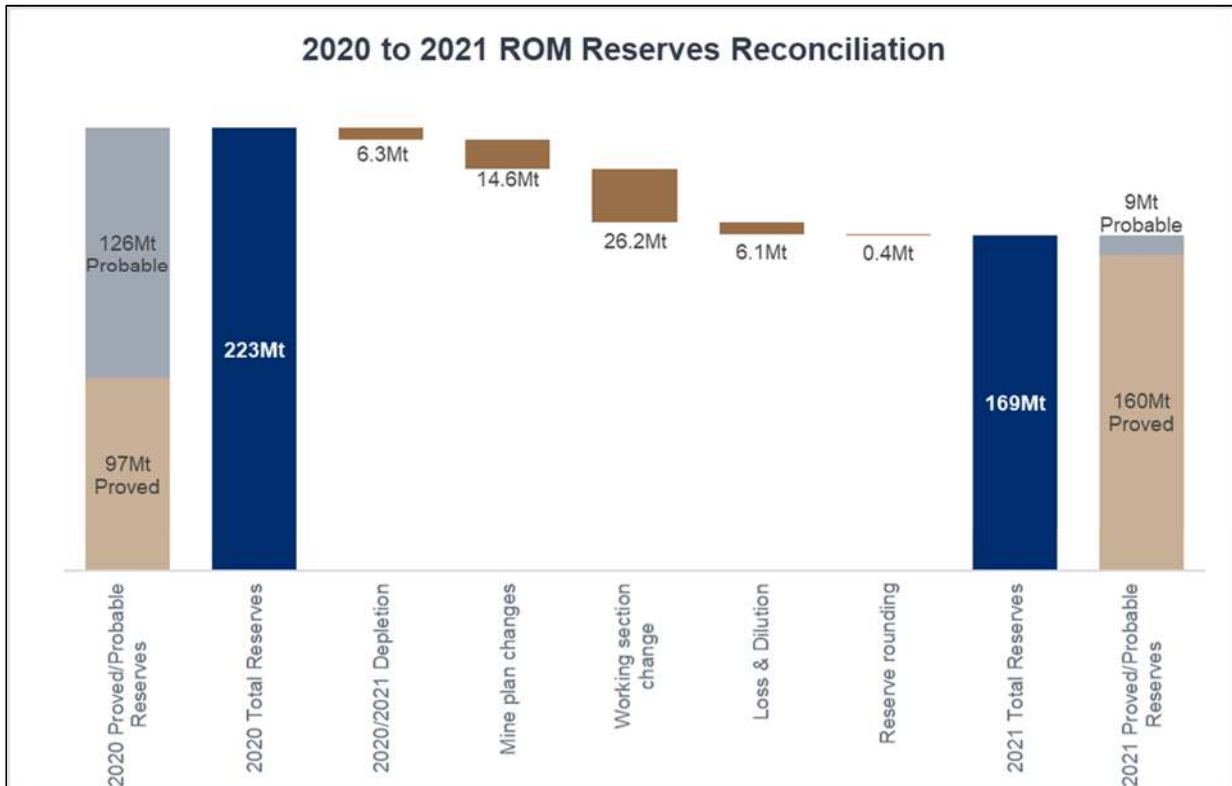


Figure 1 Narrabri Complex ROM Reserve Reconciliation

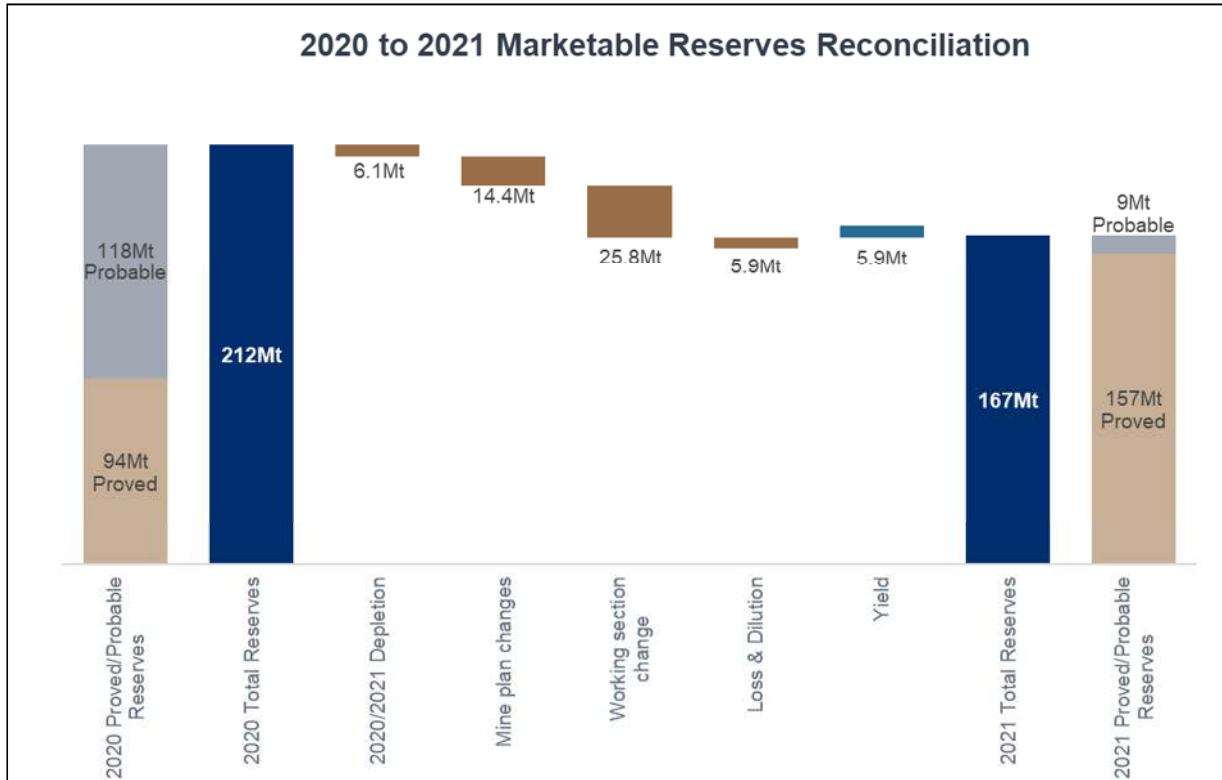


Figure 2 Narrabri Complex Marketable Reserve Reconciliation

### Narrabri North – Reconciliation

A net decrease of 30Mt of underground Coal Reserves was reported, due mostly to the following:

#### Mining activity

Narrabri North mined approximately 6.3Mt during the reporting period.

#### Mine plan changes

Recent exploration activity and mine plan optimisation completed as part of the Feasibility study resulted in changes in the mine layout. The changes to the mine plan are shown in Figure 3 and are detailed as follows:

- Shortening of LW209 to avoid thinning of the Hoskissons seam
- A step around in LW110 to avoid identified faulting
- A change from planned longwall extraction to continuous miner extraction for LW201 & LW202
- Shortening of LW203 and LW204 to avoid identified faulting

#### Change in the working section assumptions.

A value optimisation exercise completed for the Feasibility Study showed that the highest realised value is achieved by mining only within the HSK2 ply and forgoing the poorer quality coal in the upper plies of the Hoskissons seam. The analysis resulted in a reduced extraction height in the western longwall panels as shown in Figure 4. The reduced height is supported by the planned purchase of reduced height mining equipment.

Differences between the 2020 underground Coal Reserve estimate and the 2021 estimate are presented in Table and Table below.

**Table 1 Narrabri North Underground Coal Reserve Comparison – 2020 to 2021**

	Estimate Year	Proved ROM (Mt)	Probable ROM (Mt)	Total ROM (Mt)
Opening Value	31 March 2020	97	5	102
Closing Value	31 March 2021	68	4	72
Difference	Difference	(-29)	(-1)	(-30)
Production Depletion	31 March 2020 - 31 March 2021	N/A	N/A	(-6.3)
Reserve Rounding				0.1
Mine Plan Changes				(-10.5)
Working Section Change				(-10.5)
Loss & Dilution				(-3.0)

Subject to rounding

**Table 2 Narrabri North - Underground Marketable Coal Reserve Comparison – 2020 to 2021**

	Estimate Year	Proved (Mt)	Probable (Mt)	Total (Mt)
Opening Value	31 March 2020	93.4	4.3	97.7
Closing Value	31 March 2021	66.9	3.7	70.6
Difference		(-26.5)	(-0.6)	(-27.1)
Production Depletion	31 March 2020 -31 March 2021	N/A	N/A	(-6.1)
Reserve Rounding				0.1
Mine Plan Changes				(-10.3)
Working Section Change				(-10.3)
Loss & Dilution				(-3.0)
Yield				2.5

Subject to rounding

The decrease in underground Marketable Coal Reserves of 27.1Mt is consistent with the decrease in the ROM Coal Reserves. The total Marketable Coal Reserve of 71Mt is determined using the updated processing logic and yield assumptions.

### Narrabri South

A net decrease of 23Mt of underground Coal Reserves was reported due mostly to:

#### Mine plan changes

Recent exploration activity and mine plan optimisation completed as part of the Feasibility study resulted in changes in the mine layout. The changes to the mine plan are shown in Figure 3 and are detailed as follows:

- Shortening of LW307 to avoid thinning of the Hoskissons seam
- A re-alignment of the central Mains between the 200 series and the 300 series longwall panels
- Shortening of LW304 to avoid subsidence of an environmentally sensitive area
- Lengthening of LW308 due to availability of reduced height equipment

#### Change in the working section assumptions

Narrabri South was also assessed as part of the value optimisation exercise completed for the Feasibility Study which showed that the highest realised value is achieved by mining only within the HSK2 ply and forgoing the poorer quality coal in the upper plies of the Hoskissons seam. The analysis resulted in a reduced extraction height in the western longwall panels as shown in Figure 4. The reduced height is supported by the planned purchase of reduced height mining equipment.

Differences between the 2020 underground Coal Reserve estimate and the 2021 estimate are presented in Table and Table 0 below.

**Table 3 Narrabri South Underground Coal Reserve Comparison – 2020 to 2021**

	Estimate Year	Proved ROM (Mt)	Probable ROM (Mt)	Total ROM (Mt)
Opening Value	31 March 2020	0	121	121
Closing Value	31 March 2021	92	6	98
Difference		92	(-115)	(-23)
Reserve Rounding				(-0.5)
Mine Plan Changes				(-4.1)
Working Section Change				(-15.7)
Loss & Dilution				(-3.0)

Subject to rounding

**Table 0 Narrabri South - Underground Marketable Coal Reserve Comparison – 2020 to 2021**

	Estimate Year	Proved (Mt)	Probable (Mt)	Total (Mt)
Opening Value	31 March 2020	0	114	114
Closing Value	31 March 2021	90	6	96
Difference		90	(-108)	(-18)
Reserve Rounding				(-0.5)
Mine Plan Changes				(-4.1)
Working Section Change				(-15.5)
Loss & Dilution				(-3.0)
Yield				5.0

Subject to rounding

The decrease in underground Marketable Coal Reserves of 18 Mt is generally consistent with the decrease in ROM Coal Reserves. The exception is a change in yield assumptions based on modelling completed for the Feasibility study where the yield increased from 95% to approximately 99%. This resulted in an increase to the Marketable Reserves of 5Mt.



Figure 3 Summary of Changes to the Narrabri Complex Mine layout

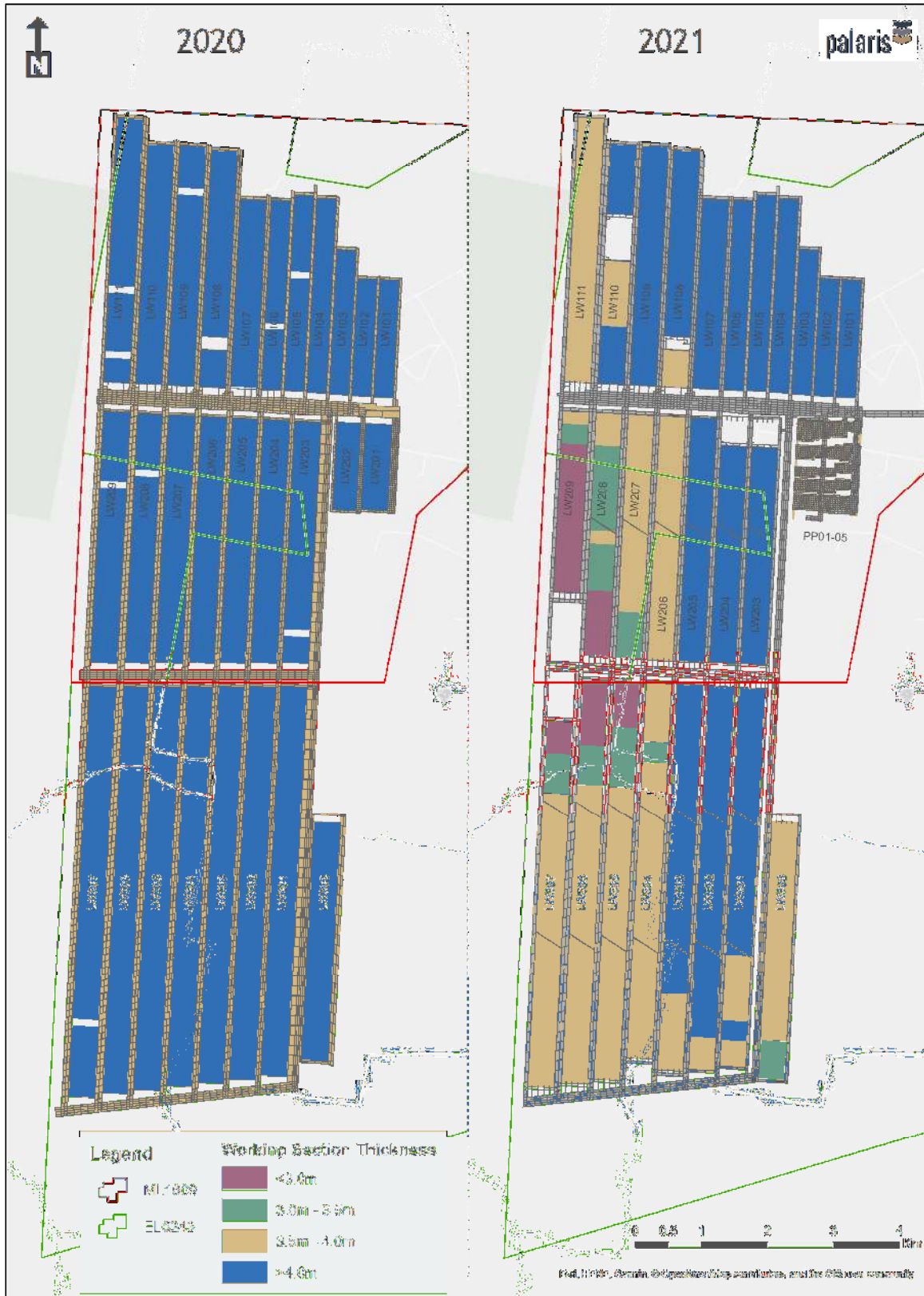


Figure 4 Summary of Changes to the Working Section