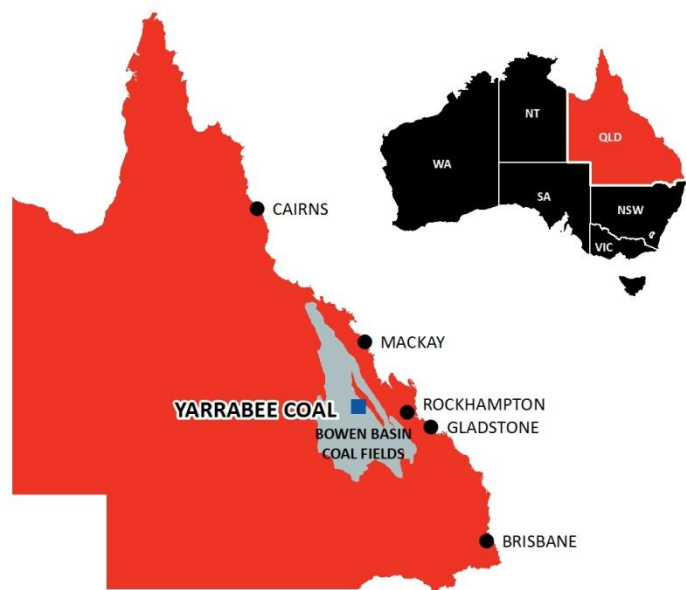




FACT SHEET

Yarrabee Coal Mine



The Yarrabee Coal Mine is located 37km northeast of Blackwater in the central portion of the Bowen Basin in Queensland – 280 km northwest of Gladstone, with proximity to Jellinbah and Curragh mines.

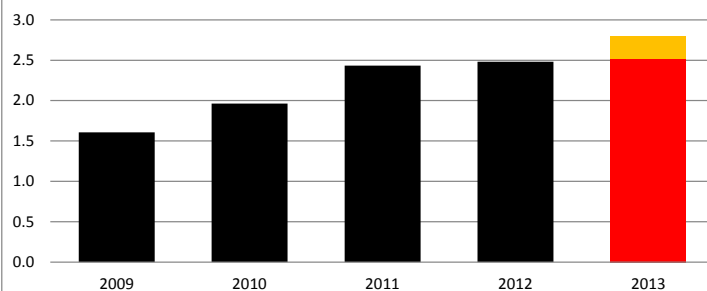
Ownership: The Yarrabee Mine is a wholly owned subsidiary of Yancoal Australia Ltd, after it acquired Felix Resources Pty Ltd in 2009.

History: The site was initially developed as a small privately owned mine in 1982, before it became part of Felix Resources in 2004. Production has gradually increased over the life of the mine as continuing exploration identified growing Resources and the low volatile PCI coal market developed.

Tenements: The project area consists of a number of Exploration Permits Coal (EPC's) and Mining Leases that cover a total area of 29,300 hectares.

JORC Resources and Reserves: The resources comprise Measured Resource 78.1Mt, Indicated Resource 89.4Mt and an Inferred Resource 13.1Mt and a Proved Reserve 39.7Mt and Probable Reserve of 21.7Mt contained in a number of seams.

Yarrabee Actual & Forecast Production (Mt)



Mining Method: The operation consists of a number of open cuts utilising conventional truck and shovel mining techniques. Coal is delivered from the pits to the central CHPP. Product coal is then road hauled to the rail load out facility about 34kms from the mine site.

CHPP: The preparation plant was completed in 2009 in an effort to improve the quality of the coal products. The plant has a capacity of 400tph and washes about 60% of the ROM coal. The remaining balance of the coal can bypass the plant and be crushed directly onto the product stockpiles as its quality is acceptable to the market.

Production Profile: Coal production for 2013 is forecast to be in the range of 2.7Mt to 2.9Mt, a modest increase from the 2.5Mt produced in 2012. In the longer term output is planned to increase to over 4.0Mt/tpa when more port facilities become available.

Coal Quality: The Yarrabee Mine produces a low volatile high energy pulverised coal injection (PCI) coal used predominantly in the steel industry. The coal has 9% to 12% ash, 8.0% to 9.5% volatile matter and 0.06% to 0.10% sulphur. The coal is used to improve the productivity of steelmaking blast furnaces by adding further heat energy without requiring high cost coke.

“The mine is progressing to owner operator status with an extended mine life and further growth potential”

Logistics and Infrastructure: Coal product is road hauled to the load out facility at Boonal on the Blackwater rail system. It is then railed to the R.G.Tanna and Barney Point Coal Terminals at Gladstone. Yarrabee’s share of current throughput capacity at the terminals is 2.7Mtpa, however Yancoal is a member of the consortium building the Wiggins Island Coal Terminal and has an allocation of 1.5Mtpa throughput capacity when the terminal is completed in early 2015. Yarrabee’s total port allocation will increase to 4.2Mtpa on completion of the new facility.

Mine Plan: Complex geological structures at Yarrabee make for a challenging mining environment. The mine is broken up into a series of large open-cut pits. Pits area associated with localised areas of economic coal seams. Traditionally Yarrabee has mined 2 to 3 pits concurrently. Currently Yarrabee operates 5 full time mining units across 3 to 4 active pits. Mining is conducted using traditional strip mining processes with new strips being developed while the previously mined out void is filled with new dump material.

Exploration Potential: The large tenement holdings around the mine site range from lightly explored to well identified in terms of geological structure. Continuous exploration drilling programmes have added significantly to the resource base of the operation. Further drilling work is now required to convert the large resource position to marketable reserves that can be mined in the future. Additionally exploration drilling is expected to further enhance the resource base in the project area.

Health and Safety: The successful expansion of the operation depends on a strong safety culture. Yarrabee’s safety campaign is focussed on placing the mine in a favourable position compared to its industry peers. The labour turnover is relatively low and ensures a safe, stable operating environment exists at the operation.

Employees: The mine currently employs a total of 448 people including contractors.

Marketing: Product coal is sold to a number of steel mills in Asia under long term and spot contracts. The product is well known and accepted by many customers in the region. Steel mills in India are a potential new market for the coal.

