

New Hope Corporation Limited

ABN 38 010 653 844

A. STATUTORY RESULTS

Current reporting period From 1 August 2021 to 31 July 2022

Previous reporting period From 1 August 2020 to 31 July 2021

B. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2022 \$000	2021 \$000	Movement
Statutory Results			
Revenue from Ordinary Activities	2,552,395	1,048,239	143.5%
Profit from Ordinary Activities after Tax attributable to Members	983,009	79,350	1,138.8%
Net Profit for the Period attributable to Members	983,009	79,350	1,138.8%

C. BRIEF EXPLANATION OF FIGURES REPORTED

This report is based on the audited Financial Statements of the Company. The Independent Auditor's Report, which was unmodified, is included within the Company's Annual Financial Report for the period ending 31 July 2022 which accompanies this Appendix 4E.

For a brief explanation of the figures above, please refer to the Company's Presentation of Full-Year 2022 Results, and the Directors' Report which forms part of the Annual Financial Report.

D. DIVIDENDS — ORDINARY SHARES

	Amount Cents per share	Franked amount Cents per share
Dividends Paid During the Year		
2021 Final Dividend	7.0	7.0
2022 Interim Dividend ¹	17.0	17.0
2022 Special Dividend ¹	13.0	13.0

¹ Declared 22 March 2022, paid 4 May 2022.

	Amount Cents per share	Franked amount Cents per share
2022 Final Dividend Declared		
2022 Final Dividend	31.0	31.0
2022 Final Special Dividend	25.0	25.0

The Directors have declared a final dividend of 31.0 cents per share, and a special dividend of 25.0 cents per share. The dividends are fully franked based on tax paid at 30 per cent. This dividend is payable on 8 November 2022 to shareholders registered as at Tuesday, 25 October 2022.

E. NET TANGIBLE ASSETS PER SECURITY

	31 July 2022 Cents	31 July 2021 Cents
Net Tangible Assets per Security	269.6	200.6

F. FOREIGN ENTITIES

Foreign entities have been accounted for in accordance with Australian Accounting Standards.

G. CONTROL GAINED OR LOST OVER ENTITIES DURING THE PERIOD

(a) Names of entities where control was gained in the period

There were no entities over which control was gained during the period.

(b) Names of entities where control was lost in the period

There were no entities over which control was lost during the period, except New Lenton Coal Pty Ltd (which held a 90 per cent interest in the Lenton Joint Venture) which was sold to Bowen Coking Coal Limited (ASX: BCB) on 1 July 2022.

Directors' Report

for the year ended 31 July 2022

The Directors present their report on the consolidated entity consisting of New Hope Corporation Limited ('the Company' or 'New Hope') and its controlled entities ('the Group').

DIRECTORS

The following persons were Directors of New Hope during the year and up to the date of this report:

Robert D. Millner	Ian M. Williams
Thomas C. Millner	Todd J. Barlow
Jacqueline E. McGill AO	Steven R. Boulton

PRINCIPAL ACTIVITIES

The principal activities of New Hope consisted of the development and operation of coal mines, port handling and logistics, agriculture and oil and gas development and production.

HIGHLIGHTS

- Net profit after tax (NPAT) of \$983.0 million (2021: \$79.4 million);
- Underlying EBITDA¹ result of \$1,577.4 million (2021: \$367.2 million);
- Net cash from operating activities \$1,138.6 million (2021: \$296.1 million), an increase of 285 per cent;
- 7.9Mt of saleable coal produced (2021: 9.6Mt);
- Balance of debt repaid and cancellation of syndicated debt facility at 31 July 2022;
- Department of Environment and Science issued New Acland Stage 3 Environmental Authority (28 June 2022);
- Investment of \$94.4 million to acquire a 15 per cent equity interest in Malabar Resources Limited acquired during the period
- 2022 Interim dividend of \$141.5 million, representing 17.0 cents per share and a Special Dividend of \$108.2 million, representing 13.0 cents per share were paid during the period;
- 2022 Final dividend of 31.0 cents per share, and special dividend of 25.0 cents per share, fully franked and payable 8 November 2022 and
- NHC Closing share price at 31 July 2022, \$4.39 (2021: \$1.995), representing a 120 per cent increase.

	2022 \$'000	2021 \$'000
Statutory Revenue	2,552,395	1,048,239
Statutory Profit after tax	983,009	79,350
Underlying EBITDA¹	1,577,357	367,197
Impairment of Queensland Coal Mining Assets	-	(40,259)
Impairment of Coal Exploration and Evaluation Assets	(4,989)	(1,618)
Onerous Contracts	-	(37,276)
New Acland Ramp Down ²	-	11,393
Group Redundancies	(5,491)	(15,733)
Liquidation Related Expenses	(9,823)	(2,620)
Strategic Growth and M&A	(650)	(1,370)
Debt Waiver Consent Fees	-	(1,110)
Total Non-Regular Items	(20,953)	(88,593)
EBITDA	1,556,404	278,604
Financial Income and Expenses	(14,630)	(18,531)
Depreciation and amortisation	(141,136)	(149,353)
Statutory Profit before Tax	1,400,638	110,720
Net Profit before Tax and before Non-Regular Items¹	1,421,591	199,313

¹ Underlying Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and Net Profit before Tax (NPBT) and before Non-Regular Items are non-IFRS measures. This non-IFRS information has not been audited by Deloitte.

² New Acland Ramp Down represents a change in coal stock inventory valuation following the increase in coal prices during 2021 financial year..

³ Financial Income and Expenses comprises statutory finance income and expenses minus unwinding of discount on provisions and commitment fees on loan facility. Refer to Note 20D.

Directors' Report

for the year ended 31 July 2022

OPERATING AND FINANCIAL REVIEW

The Company reported a NPBT and before Non-Regular Items of \$1,421.6 million for the financial year ended 31 July 2022 (2021: \$199.3 million). This represents a 613 per cent increase from the comparative period (2021). The primary drivers contributing to the NPBT and before Non-Regular Items result include:

- An increase in average A\$ realised prices to A\$281.84/t in 2022 from A\$101.36/t in 2021. Thermal coal prices continued to increase from July 2021 levels, which materialised into strong revenue generation over the reporting period. The quarter four average realised price was A\$493.52.
- Underlying Free On Board (FOB) costs of A\$93.54/t (2021: A\$56.85/t), including trade coal purchases of \$26.9/t and excluding royalties. Underlying Free on Rail (FOR) costs of \$47.04/t (2021: \$36.53/t). Amid supply chain constraints, inflationary pressures and inclement weather, the Company has remained focused on sustaining previously embedded cost reduction measures to ensure Company profits are maximised.
- Gross revenue from coal sales increased in 2022 to \$2,488.9 million from \$1,006.0 million in 2021. This represents a 147 per cent increase based on record high prices. Gross revenue from oil sales increased in 2022 to \$33.5 million from \$22.2 million in 2021 reflecting improved prices.

The variance between Underlying EBITDA¹ and Cash flow from Operations is primarily driven by the movement in Working Capital as outlined below.

	Note	2022 \$000	2021 \$000
Underlying EBITDA¹		1,577,357	367,197
Net Interest Paid		(16,975)	(15,620)
Net Income Taxes (Paid) / Received		(31,326)	19,317
Settlement of Non-Regular Items ^{1,2}		(10,690)	(36,046)
Net Foreign Exchange		(3,071)	(2,453)
Remeasurement of Assets Classified as Held for Sale		-	48
Impairment of Building Assets		-	2,771
Non-Cash Employee Benefit Expense — Share-Based Payments	5	850	72
Net Working Capital		(377,508)	(39,221)
Cash Flow from Operations		1,138,637	296,065

Cash Flow Summary

Operating Cash Flows	1,138,637	296,065
Investing Cash Flows	(222,524)	(42,760)
Financing Cash Flows	(628,133)	98,528
Cash and Cash Equivalents at the end of the Financial Year	715,714	424,663

Capital Management

Cash and Cash Equivalents	715,714	424,663
Undrawn Syndicated Facility ³	-	140,000
Liquidity Available	715,714	564,663

¹ Underlying Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and Non-Regular Items are a non-IFRS measures. This non-IFRS information has not been audited by Deloitte.

² Settlement of Non-Regular Items are cash Items that Impact Cash Flow from Operations.

³ As at 31 July 2022, the Syndicated Debt Facility was cancelled.

The Company holds a strong capital position, with a closing Cash and Cash Equivalents balance of \$715.7 million (2021: \$424.7 million) and a Term Deposit of \$100.0 million (2021: NIL), ensuring any future strategic growth opportunities can be supported. The closing balance of Trade Receivables also increased materially from the comparative period to \$502.0 million (2021: \$123.3 million), an increase of 307 per cent.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Operating cash flows

The Company generated a cash operating surplus of \$1,138.6 million which is an increase of 285 per cent on the prior comparative period (2021: \$296.1 million). Coal and oil pricing both strengthened during the period driven by limited supply in the market and increased demand given the current energy crisis. Prices are expected to remain at elevated levels over the next 12 months. An overall increase in cash payments is principally due to the inclusion of trade coal purchases that have supported the business and its customers during the period, and higher royalty payments to the New South Wales Government in line with higher sales prices being received.

Investing cash flows

Investing cash outflows were \$222.5 million principally due to the payment of \$94.4 million to secure a 15 per cent equity share in Malabar Resources Limited. This was a 420 per cent increase from \$42.8 million for the comparative period. Capital expenditure of \$48.7 million relates to the purchase of heavy mobile equipment to support the Bengalla operation. Included in Investing cash flows is a Term Deposit for \$100.0 million placed in July 2022 for a period of 12 months.

At completion of the divestment of the Company's interest in the Lenton Joint Venture, the Company received \$21.5 million in upfront payments.

Financing cash flows

The closing cash position for the financial year ended 31 July 2022 is \$715.7 million (2021: \$424.7 million).

On 28 October 2021, the Company fully repaid the debt drawn under the Syndicated Debt Facility of \$310.0 million. Following the full repayment of the Syndicated Debt Facility, the Company elected to terminate the facility on 15 July 2022, prior to its maturity in November 2023. The Company's internal modelling of cash flows indicates the Company will not require any funding for general corporate purposes and advances the execution of a broader strategy seeking to maximise sustainable long-term shareholder value.

Basic earnings per share for the 2022 financial year ended is 118.1 cents compared to 9.5 cents for the comparative period.

Directors have declared a final dividend of 56.0 cents per share (31 July 2021: 7.0 cents). This dividend is fully franked and payable on 8 November 2022 to shareholders registered as at Tuesday, 25 October 2022.

Review of Operations

Health and Safety

The Company remains committed to the safety, health and wellbeing of our people, our environment and the communities in which we operate. During the reporting period the All-Injury Frequency Rate (AIFR) was adopted as a primary safety performance metric as part of initiatives targeting ongoing improvement in safety culture and systems. The intent of AIFR is to recognise both short and long-term health and safety risks that can impact wellbeing and represents all types of injury to provide a more holistic indicator of safety incidents and risk. The AIFR twelve month moving average to 31 July 2022 was 29.72, a decrease compared to the 1 August 2021 average of 33.70. The Company continues to monitor Total Injury Frequency Rate (TRIFR) as a supplementary safety performance indicator. The Company's 12 month moving average TRIFR was 2.61 as at 31 July 2022, a decrease of 52 per to the prior comparative period (2021: 5.39)

Continual improvement of our safety culture and systems is at the front of mind. This is evidenced through such initiatives as enhanced supervisor development training, preventative injury activities and increased risk management practices to pro-actively identify and manage risk. During the year, the Company also begun a process to comprehensively review its Enterprise Risk Framework in consultation with all business units to understand the improvements that can be made.

New Acland Mine operations reached a milestone of 12 months injury free, and Queensland Bulk Handling have achieved 10 years of lost-time injury free. Both of these milestones reflect the Company's long-term commitment to high safety standards and practices.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Environment

As an environmentally responsible operator, the Company strongly believes that mining and agriculture can exist together and appreciates that as the custodians of large parcels of land, it has an obligation to return land to a productive and sustainable use post mining. During the financial year ended 31 July 2022, the Company recontoured 30 hectares and seeded 20 hectares of land at New Acland. The total material backfilled at New Acland was 1.9Mbcm. While New Acland awaits approvals to restart operations, rehabilitation will continue to be a key focus while on care and maintenance. To date the Queensland Government has certified 349 hectares of progressively rehabilitated land at New Acland.

On 13 July 2022 the surrender of the Environmental Authority for the Chuwar Coal Mine was approved by the Queensland Government, and the Mining Leases were subsequently relinquished. Chuwar Mine, located 5km from Ipswich has become the first open-cut coal mine in Queensland to be fully rehabilitated and relinquished.

The Company entered into an Enforceable Undertaking with the Department of Environment and Science to invest \$2.0 million towards a native vegetation and fauna habitat corridor for koalas at New Acland Mine. The rehabilitation project will connect and substantially expand existing koala habitats, linking Lagoon Creek to native vegetation north of the Acland township. 100 hectares of land will be planted with eucalyptus, paper bark and other refuge trees, significantly enhancing the standard of rehabilitation post mining. The existing environmentally significant area of Bottle Tree Hill will also be protected in perpetuity.

The Queensland Government critically assessed the project and concluded that all rehabilitation requirements had been met in full, deeming the site safe, stable, non-polluting, and able to support grazing for cattle.

The rehabilitation work at both Chuwar and New Acland are a clear and practical demonstration of the commitment the Company has to being a responsible operator and achieving successful rehabilitation and restoration of the mining land which we operate.

Operations

The Company produced 7.9Mt of saleable coal¹ for the financial year ended 31 July 2022 (2021: 9.6Mt), representing a decrease of 18 per cent to the comparative period. The Bengalla operation was heavily impacted by periods of unusually high rainfall throughout the year leading to a loss of 31,008 truck operating hours. Production was also impacted by COVID-19 related workforce shortages, both within the operations and throughout the supply chain. Dragline and excavator achieved above plan productivity, with the dragline improving by eight per cent to the prior comparative period. Contributing to this reduction in saleable coal was the completion of Stage 2 operations at the Queensland based New Acland Mine, which is currently awaiting Government approvals for Stage 3.

The Company realised sales for the 2022 financial year of 8.8Mt, compared to 9.6Mt in the prior period. Coal sales were supported by purchased coal, which has provided strategic opportunities to take advantage of pricing dynamics during the first half of the year. This has also assisted to mitigate demurrage impacts caused by supply chain constraints during periods of extreme wet weather.

The Company achieved a record average sales price during the financial year of A\$281.8/t (2021: A\$101.36/t), representing a 176 per cent increase. Robust market demand for high quality, low emission thermal coal in the first half of the year was then further strengthened by the Russia-Ukraine conflict, which tightened supply. With security of supply paramount to our key customers, our outlook is strong with a largely sold and optimally priced forward sales book for the next 12 months. The Company continues to take advantage of pricing dynamics when placing coal sales contracts and can respond quickly to any change in pricing deltas between different product qualities. The current energy crisis has also highlighted the need for increased domestic supply. The Company has responded by increasing sales to the domestic market and looks forward to increasing domestic sales if approvals for New Acland Stage 3 are granted.

During this financial year, the Japanese Reference Price (JRP), which is historically settled during the second half of the year was not settled. Consequently, the Company negotiated a final price settlement directly with a key customer. The settlement was completed at a level materially above the previous price of US\$109.97/t. The cash from this final settlement is expected to be received in September 2022.

With the gC NEWC index pricing greater than US\$400/t (2021: US\$170/t), the Company is well positioned to achieve continued strong cash generation.

¹ The Company's share of saleable volumes and sales represents its 80 per cent interest in Bengalla Mine operations and 100 per cent interest in New Acland Coal Mine operations.

Directors' Report

for the year ended 31 July 2022

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Group Coal Mining Operational Metrics	Metric	2022	2021
Prime overburden	kbcm	40,068	50,482
Run-of-Mine (ROM) coal produced	kt	9,978	14,002
ROM strip ratio – prime	bcm/t	4.0	3.6
Bypass	kt	1,155	1,004
Coal handling preparation plant (CHPP) feed	kt	9,215	12,685
Saleable coal produced	kt	7,889	9,589
Product yield	%	73%	76%
Coal sales	kt	8,832	10,035
Average sale price achieved	A\$/t	\$281.84	\$101.36
Unit costs of sales			
Bengalla mine site costs	A\$/prod t	\$61.91	\$46.33
Acland mine site costs	A\$/prod t	\$58.47	\$35.34
Free on Rail (FOR) cost	A\$/sale t	\$47.04	\$36.53
FOR to FOB cost (ex. State royalties and trade coal)	A\$/sale t	\$19.61	\$19.38
Underlying FOB cash costs (ex. State royalties and trade coal)	A\$/sale t	\$66.65	\$55.91
Trade Coal Purchases	A\$/sale t	\$26.90	\$0.94
State royalties	A\$/sale t	\$21.15	\$6.85
Underlying FOB cash cost	A\$/sale t	\$114.70	\$63.70
Margin	A\$/sale t	\$167.14	\$37.66

Bengalla Mine

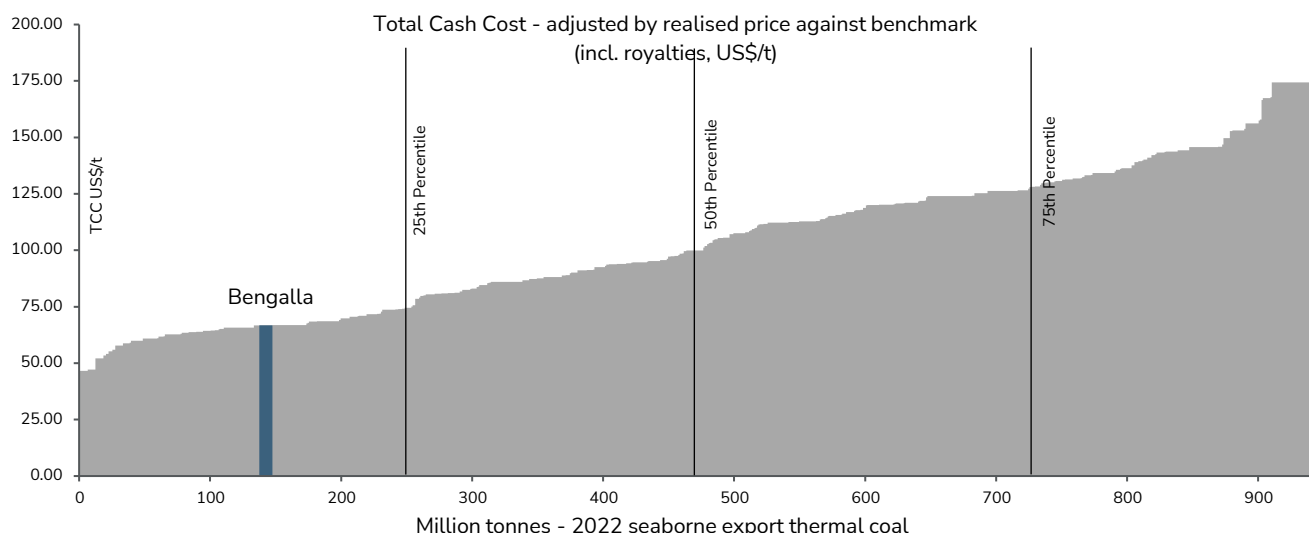
Bengalla (100 per cent basis) delivered 9.3Mt saleable production for the financial year compared to 9.7Mt in the comparative period. Despite losing over 59,848 truck hours to unprecedented weather events, a tight labour market and COVID-19 related absenteeism, production loss was limited to a reduction of just four per cent to the comparative period. Following the 2021 shutdown, the dragline performed strongly with high availability (90 per cent) and achieved above budget productivity rates. The addition of two new Hitachi EH5000 trucks, the optimisation of the dragline path and pit operations in response to significant periods of wet weather and the implementation of industry best practice activities through the use of digital mining, have all been successful mitigation strategies during what has been a challenging year throughout the Hunter Valley.

Of the 11.7Mt ROM produced, over 10.4Mt was fed to the coal handling and preparation plant (CHPP) maximising washed product and realised pricing to the gC NEWC. Total yield of 79 per cent was achieved, three per cent higher than the comparative period (2021: 76 per cent) with below planned levels of bypass (0.4Mt) due to the maximum wash strategy. While flooding on the Hunter Valley rail network towards the end of the year resulted in high closing product stocks on site, this provides Bengalla a strong sales runway into the new financial year where prices have further increased from 31 July 2022 levels.

As a mitigation measure against further inclement weather events, Bengalla purchased additional water discharge credits and was able to undertake controlled, environmentally approved discharges during the major wet weather event in July. These additional discharges have significantly improved water storage capacity moving into the 2023 financial year. These credits are valid for a period of 10 years and allow additional water discharges when the Hunter River is in high flow conditions.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Bengalla continues to be recognised as a large-scale cost competitive mine, with the FOB cost per tonne positioned within the lowest quartile of the cost curve¹, compared with other seaborne thermal coal producers worldwide.



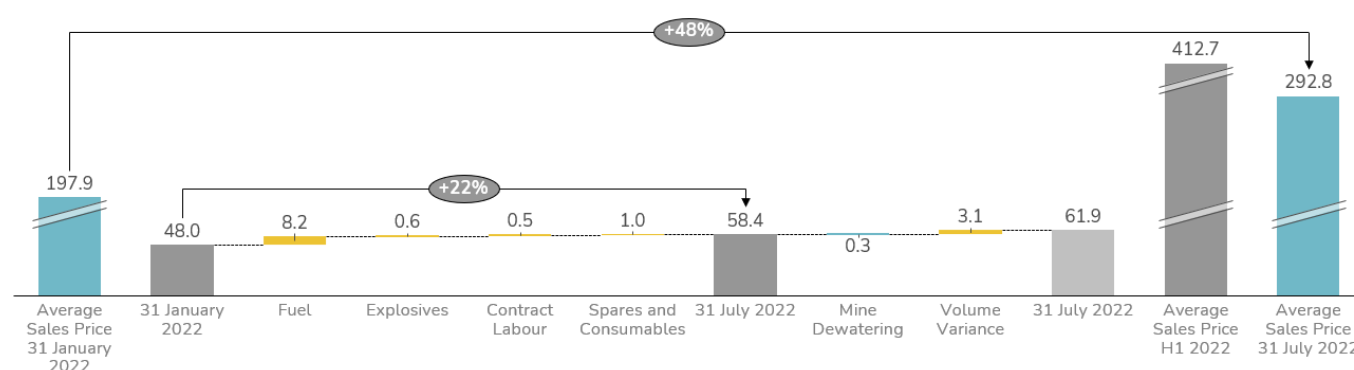
Source: Wood Mackenzie Q3 2022 dataset. New Hope estimates for own assets.
TCC refers to total cash cost and figures are energy adjusted.

¹Cost curve represents FOB natural market, where the natural market is defined as the major consumer for each producing region.

Constrained supply, a tight labour market and inflationary pressures along with reduced production on account of the wet weather and COVID-19 impacts have driven up prices with site costs per saleable tonne increasing from the first half of the year to \$61.9/t (31 January 2022: \$48.0/t). Cost increases are primarily associated with price increases in fuel, explosives, contract labour and plant and equipment components in the second half of the year.

In a challenging supply market, the Company is maintaining a strong cost discipline while optimising operational productivity to maximise value delivery. A key focus is ensuring certainty of supply with minimal disruption to operations, while high energy, low emission thermal coal prices are at record levels.

Bengalla Site Cash Costs Per Saleable Tonne



During the financial year Bengalla negotiated a new four-year Enterprise Agreement with its workforce with implementation due early in the 2023 financial year. The majority of Bengalla's employees are employed on Individual Flexibility Agreements underpinned by the Enterprise Agreement. In addition, approximately 90 per cent of Bengalla's employees and contractors are local to the Upper Hunter, Muswellbrook and Singleton shires, making a positive impact in the local community. Bengalla has strong and positive relationships in its local community which underpin its social licence to operate.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Bengalla 13.4Mt Life of Mine

Early 2022 the Bengalla Joint Venture Participants approved the updated Life of Mine Plan (LOM) for Bengalla, which involves ramping up production from 12.5Mtpa to 13.4Mtpa ROM (currently approved to 15.0Mtpa). This increase will provide additional saleable coal, as well as increasing the overall quality of the existing saleable coal produced. The Company is focussed on this growth project and the significant value it will provide to shareholders. Major commitments have been made to increase mining and ancillary fleet and CHPP capacity as well as supporting site infrastructure.

Exploration License (EL 9431)

On 4 July 2022, the New South Wales Government granted Bengalla an Exploration License (EL 9431) for an area of 556 hectares adjoining the western side of Bengalla Mine. Bengalla will conduct an exploration program over the area of EL 9431 aiming to identify available economic resource.

New Acland Coal Mine

New Acland produced 0.4Mt of saleable coal for the financial year, representing a decrease of 78 per cent on the comparative period (2021: 1.8Mt) due to the completion of Stage 2 operations. The site has safely transitioned into care and maintenance and is currently planning for the commencement of Stage 3 once the final approvals are granted.

New Acland Stage 3 Development

On 17 December 2021, the Land Court of Queensland recommended that the New Acland Mine Stage 3 Mining Leases and the Environmental Authority amendment application be granted, subject to conditions. On 26 May 2022, the Coordinator-General issued her change report to the stated conditions for the Environmental Authority for New Acland Mine Stage 3. The Coordinator-General's change report satisfies a condition to the Land Court of Queensland's recommendation that New Acland Mine Stage 3 Mining Leases and the Environmental Authority amendment be granted. Following this, on 28 June 2022 the Department of Environment and Science issued the New Acland Mine Stage 3 Environmental Authority. The Environmental Authority includes the Coordinator-General's amended stated conditions in accordance with the Land Court of Queensland's recommendation that New Acland Mine Stage 3 Mining Leases and Environmental Authority application be granted.

Queensland Bulk Handling (QBH)

QBH exported 2.6Mt of coal for the financial year (2021: 3.9Mt). This is a 32 per cent decrease on the comparative period due to reduced throughput associated with the transition of New Acland Mine into care and maintenance.

QBH realised opportunities during the year to meet short-term additional stockpile demand from current customers and has engaged with new customers for coal and non-coal throughput. The operation will continue to focus on new customers and markets where it makes financial sense to do so.

Coal Development and Exploration

The Company maintains several development and exploration sites. The expenditure on these assets has been maintained to keep the tenements in good standing and meet required obligations. Tenements related to the Yamala Project were surrendered in early 2022.

Pastoral Operations

The Company's pastoral operations benefited from continued strong cattle prices. Over the 12 months, 1,051 weaners were fattened and sold, an increase of five per cent on the comparative period. The majority of weaners were bred at Acland Pastoral Company (APC) and fattened at Bengalla Agricultural Company (BAC). The Company has also focused on developing BAC's breeding program, ending the year with 343 head of cattle, which includes 148 BAC bred weaners.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

APC cropping operations were impacted by heavy rains in late calendar year 2021 which delayed the winter crop harvest and significantly impacted grain yield and quality. The harvest of summer crops at APC and BAC was similarly affected from rain events in Autumn 2022. APC has over 700 hectares of wheat and barley currently growing.

BAC trialled several crops including corn and grain sorghum over summer and currently have wheat and lucerne crops in the ground. The Company is focussed on further capital improvements, including an increase in the land under irrigation and additional upgrades to pump and pipe networks.

The investment in farming equipment and silos at APC has been critical in reducing operating costs and increasing storage capacity to reduce grain loss and maximise revenues. The above average rainfall has increased weed control costs at both APC and BAC.

Bridgeport Energy Pty Ltd (BEL)

Oil production totalled 286,514bbl. This was a nine per cent decrease on the comparative period due to the natural decline in the oil resource and delays with wells coming online.

Following strengthened market demand, oil prices have remained robust with BEL achieving an average realised price of US\$96.36/bbl (2021: US\$57.77/bbl). This represents an increase 67 per cent to the comparative period. Increased prices have significantly improved BEL's full year result, reporting revenue of A\$33.5 million, an increase of \$11.4 million to the comparative period.

On 1 November 2021, Vintage Energy Limited (ASX: VEN) announced a tripling of Vali field 2P Reserves. The Company has assessed the results of the Vali gas discovery, in which it holds 25 per cent interest, and supported the change in 2P Reserves. As at 31 July 2022, three Vali wells had been completed and the fourth undergoing testing, with all major equipment in country and ready for installation. First gas is expected by the end of 31 January 2023.

Malabar Resources Limited

The Company, through a wholly owned subsidiary acquired a 15 per cent interest in Malabar Resources Limited (Malabar) for a total investment of \$94.4 million, paid in July 2022. Malabar's flagship asset is the Maxwell Mine, an underground metallurgical coal project located 10kms south-west of Muswellbrook in the Hunter Valley.

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

Mining leases for the Maxwell Mine were granted in November 2021 and the project has received final state and federal approvals. The estimated life of the mine is greater than 25 years with proved and probable reserves totalling 144 mt. Malabar's assets also include:

- Approved 25MW Maxwell Solar Farm (Stage One) located on more than 105 hectares of rehabilitated mine land within the NSW Government's designated Hunter-Central Coast Renewable Energy Zone and with close proximity to high voltage network infrastructure, with the capacity to significantly increase large-scale solar generation and battery storage;
- Spur Hill exploration project (EL 7429); and
- Agricultural assets including the Merton Vineyard. Malabar's strategy is to deliver low-impact underground mines which target metallurgical products, while co-existing and facilitating substantial sustainable, renewable enterprises.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Outlook

The Company remains firm that the demand for high quality, low emission thermal coal, produced from our Australian operations is critical to supporting the transition to a decarbonised economy. Government policy will provide a framework as to how the transition to a decarbonised economy will occur, and the Company will work within the policy framework to ensure that low-cost, reliable energy continues to be provided to those in need, including the Australian domestic market.

The Company's long-term strategy is to remain focused on coal, both through its existing thermal portfolio and in new opportunities in either metallurgical or thermal coal production. The Company will continue to invest in assets that suit its portfolio and provide shareholders with strong cash generation, and consistent returns. The Company believes that Australia's economy is dependent on fossil fuels and is proud of the contributions it makes to local, state and federal Government departments which help to underpin the living standards of all Australians.

Subject to New Acland receiving its final approval, with the recent announcement regarding the granting of the Stage 3 (New Acland Mining Leases), the Company looks forward to adding safe and efficient production to its portfolio in the coming 12 months. Coupled with the recent investment in Malabar Resources and the increase in production at Bengalla, the Company looks forward to a future of growth, capitalising on the current high price environment.

The significant cash build, the near-term price outlook and the Company's generous franking account balance has enabled the Board to reward shareholders with a fully franked Final Dividend of 31.0 cents per share, and an additional fully franked Special Dividend of 25.0 cents per share, both payable on 8 November 2022 to shareholders on record as at 25 October 2022.

As part of its broader capital management strategy, the Company is also looking at options to return a portion of its surplus capital to securityholders. The Company is reviewing several options in this regard to ensure any capital management decision is the most efficient and value-enhancing. These options include the management of dilution associated with the existing Convertible Notes, and options around the most efficient use of our significant franking account balance. Future surplus capital deployment may include, M&A opportunities aligned with our strategy, returning funds to securityholders through mechanisms such as buy-backs (either on or off-market), dividends or capital returns or entry into cash-settled equity transactions with a bank counterparty to hedge dilution associated with the existing Convertible Notes.

RISK MANAGEMENT

The Company has a robust risk management framework which is overseen by the Audit and Risk Committee (ARC), the Sustainability and People Committee (SPC), and the Board of Directors. The framework assists the organisation to identify, classify, document, manage and report on the risks facing the Company. Each identified risk is tracked in a risk register and allocated to an accountable individual who manages and reports on the risk.

The perceived likelihood and potential consequence of each risk are used to determine the risk level, which in turn determines the actions required to manage the risk and reporting obligations. The risk management framework requires that all significant risks have a specific documented action plan, mitigation measures, and that updates are provided to the Board of Directors on a periodic basis.

A summary of the significant risks facing the entity include the following:

Risk Category	Potential Risks	Potential Opportunities	Application to New Hope
Social Licence	A number of stakeholders have interest in the impact our operations have on the surrounding environment and the communities in which we operate. In addition, the Company is subject to stringent regulation and reporting obligations spanning multiple government jurisdictions and departments. Failure to adequately acknowledge and address the interests of these stakeholders could negatively impact the operations of the Company, and potentially result in an inability to secure, maintain or renew the regulatory approvals required to continue the operations of the Company.	The Company has developed valuable and longstanding relationships with key stakeholder groups and is well respected in the areas that we operate. Many of these stakeholder groups independently advocate on behalf of the Company which is a critical component in developing relationships in new areas of operation or with emerging stakeholder groups.	The Company engages appropriately qualified experts to both manage the underlying risks and to engage proactively with stakeholder groups. The Company also utilises a variety of systems to manage and report upon the Company's performance against those obligations.
New Acland Stage 3 Approval	<p>There is a risk that the Water License approval for the New Acland Stage 3 expansion is not obtained. This approval is critical to ensure operations continue beyond Stage 2 as reserves on the existing lease are depleted.</p> <p>Risks associated with prolonged approval delays or an inability to secure project approvals include, but are not limited to, the further impairment of asset values, take or pay commitments exceeding project requirements or the potential loss of key long-term customers.</p>	Obtaining the necessary water license for the New Acland Stage 3 project will secure employment for the existing and proposed workforce, provide continuing economic stimulus to the local community and deliver value to shareholders.	<p>The Company has engaged appropriately qualified experts to both manage the underlying risks and to engage proactively with stakeholder groups. The Company also utilises a variety of systems to manage and report upon the Company's performance against those obligations.</p> <p>Detailed impairment indicator assessments for the assets have been undertaken (detailed in Note 14 of the Financial Statements), with no impairment indicators being identified at 31 July 2022.</p> <p>As Stage 2 coal has been depleted, supplier and customer commitments have been appropriately managed while Stage 3 approvals continue to be pursued.</p>

RISK MANAGEMENT (CONTINUED)

Risk Category	Potential Risks	Potential Opportunities	Application to New Hope
Project Development	The Company's ongoing economic sustainability is dependent on successful identification and development of projects. Failure to do so effectively will limit the Group's longevity.	The Company actively seeks to identify potential opportunities that offer the prospect of building shareholder value. The Company acknowledges that sustainable long-term value creation can only be achieved by respecting and delivering positive outcomes for the broader stakeholder community.	The Company is actively pursuing growth through both development of existing assets and the acquisition of complementary assets. Such activities will ultimately require the deployment of capital. To ensure that capital is deployed in an optimal manner, the Company undertakes rigorous and well documented due diligence using a mix of internal and external subject matter experts prior to making any investment decisions. All significant project development and acquisition transactions require approval from the Board of Directors.
Bengalla Joint Venture	The Company has an active role in the direct management of day-to-day activities for the Bengalla Mine. The Bengalla Mine faces many of the same risks as the New Acland mining operation. Bengalla Mine management is tasked with discharging these duties day to day, with the Company providing oversight and governance via participation in the Bengalla Joint Venture management committee and by monitoring operational performance.	Knowledge gained from risk identification and management at one or more mines, including approaches to mitigating and managing those risks, can be shared across management teams, thereby improving the Group's overall risk management strategy.	The Company engages with the Bengalla Mine management team on an ongoing basis with the aim to identify, monitor, mitigate and actively manage risks, not only unique to Bengalla, but also across the Group.
Failure of Infrastructure	The Company is highly dependent upon the availability and effectiveness of key infrastructure in order to produce and bring products to market.	Monitoring and early identification of potential failures will improve productivity and performance outcomes for the Company. There is ongoing effort to identify opportunities and adopt processes that will reduce infrastructure failure or reduce the cost to the Company in the event that a failure does occur.	The Company undertakes timely and effective preventative maintenance as well as regular third-party inspections of key infrastructure to minimise the risk of unforeseen failure. The Company also actively participates in a comprehensive insurance program to ensure assets are insured for appropriate value.
Market Risk	The Company's activities expose it to a variety of financial risks including, but not limited to, commodity price risk, foreign currency risk and interest rate risk.	Opportunities exist to refine the existing policies for commodity price hedging and foreign exchange hedging such as investigating the use of different hedging instruments or the level of cover that is taken. The Company has the ability to consider active management of any interest rate and commodity price exposures.	The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses Derivative Financial Instruments to hedge risk exposures associated with fluctuations in foreign exchange rates and has placed commodity hedge contracts during opportunistic pricing periods.

CLIMATE RELATED RISKS

Our Position on Climate Change and our role in the global energy transition

Climate change is a critical global issue which, together with the transition to a lower carbon economy, poses potential risks to our business over the short, medium and long term.

The identification and management of climate-related risks is integrated into the Company's risk management framework. As with other risks, the scope of the framework applies to climate-related risks that are material to the achievement of the key objectives of the Company and related business plans.

The Company's analysis of material climate-related risks and identified mitigation measures is included in the summary table below.

The Company most recently published a detailed overview of its position on climate change, and its resilience to lower-carbon scenarios, in its 2021 Sustainability Report. The Company expects to periodically provide updated statements relating to climate change issues, including the company's approach to governance, strategy, risk management and metrics and target. The Company expects to provide its next update around the time of release of the Company's Annual Report.

CLIMATE RELATED RISKS (CONTINUED)

Risk Category	Risk and Description	Potential Impact	Mitigation or Opportunity
Policy and Legal	Legislative and Policy Changes		
	Changes in government policies that restrict the mining or use of coal or the use of land for coal mining and related activities.	The ability of the Company to develop new coal projects or to extend the life of existing projects could be impacted, together with increased project risk and cost associated with the granting of approvals.	The Company continues to proactively monitor the policy environment both domestically and internationally, including social and government appetite for changes that may impact the Group. The Company also engages with domestic policymakers to advocate for positive policy outcomes.
	The introduction of new and/or more stringent domestic policies such as carbon pricing and/or tightened safeguard mechanisms targeting scope 1 and/or 2 GHG emissions.	New and/or more stringent carbon pricing mechanisms could reduce the demand for thermal coal as a source of energy.	The Bengalla mine has existing approvals that extend out to 2039, enabling it to avoid potentially long and costly mine extension approvals.
	Changes in government policy relating to either coal consumption or energy generation in customer economies.	The Company could incur increased operational costs as a result of the potential introduction of regulatory carbon pricing mechanisms and/or trading systems.	If the New Acland expansion is approved, the New Acland Mine will have an approval term matching the remaining mine life.
		The Company may be required to source and procure carbon offsets from the voluntary market.	The Company has established detailed GHG emissions baselines for its assets. A range of potential emissions abatement options have been identified, including energy efficiency and energy productivity projects, which will be considered for progression in line with relevant internal governance and project development guidelines.
		Reduced demand for thermal coal in key customer markets could reduce revenues.	
		The Company could incur additional costs establishing supply to new markets.	The Company will explore access to voluntary carbon offset markets as part of an overall strategy to reduce net emissions in line with mandated emissions reduction pathways.

CLIMATE RELATED RISKS (CONTINUED)

Risk Category	Risk and Description	Potential Impact	Mitigation or Opportunity
Policy and Legal	Exposure to litigation and regulatory scrutiny		
	<p>Increased litigation from communities and stakeholders against governments and companies.</p> <p>Litigation may include claims for compensation for damages attributed to climate-related impacts or inadequate disclosure of climate risks, or orders to wind back approvals for existing operations or to block approval of expanded operations.</p>	<p>Increased costs associated with defending legal claims (including public liability claims) and/or environmental and development approvals for new coal projects or the extension of existing projects.</p> <p>Reputational damage because of stakeholders' perception that the Company's operations heighten climate change risk, together with ongoing stigmatisation of the coal sector.</p> <p>Project risk associated with injunctive actions against thermal coal mining operations.</p>	<p>The Company has a long-standing reputation as a responsible operator and continues to operate in accordance with conditions of approved mining leases and environmental authorities.</p> <p>The Company has adopted a proactive approach to assessing ongoing climate-related impacts on the coal industry through regular participation in industry groups such as Queensland Resources Council and Minerals Council of Australia and other stakeholder groups, and active engagement with state and federal regulators to monitor any potential challenges to existing approvals.</p> <p>The Company monitors relevant legal proceedings across courts with relevant jurisdiction and seeks legal advice on such developments when required.</p> <p>The Company provides transparent disclosure of climate-related impacts and risks to investors and stakeholders.</p>
Market	Market driven shift to a lower carbon economy		
	<p>An accelerated or disorderly transition toward a net zero carbon global economy has the potential to reduce global demand for thermal coal.</p>	<p>Markets will be affected by the transition to a net zero carbon global economy through shifts in supply and demand for certain commodities, products, and services as climate-related risks and opportunities are increasingly defining decisions and actions.</p> <p>Rational investment decisions require clear signals for decision makers, with a level of certainty about the path and pace of transition. A disorderly or fragmented transition to the zero-carbon economy may lead to sub-optimal allocation of financial, human and natural capital.</p>	<p>The Company will continue to work closely with its key customers to ensure it has clear foresight around near and medium-term demand forecasts.</p> <p>The Company's largest asset (Bengalla) produces high calorific value coal which is forecast to remain in demand during a range of scenarios for transition to a net zero carbon economy.</p>

CLIMATE RELATED RISKS (CONTINUED)

Risk Category	Risk and Description	Potential Impact	Mitigation or Opportunity
Market (continued)	Market driven shift to a lower carbon economy (continued)		
		<p>The number and mix of market participants could lead to increased volatility in the supply and pricing of thermal coal with associated risks to cashflows.</p> <p>Pressure from external stakeholders could see some producers exit the thermal coal industry with heightened threat of stranded assets and with a resultant reduction in supply and increase in pricing for remaining industry participants.</p> <p>An accelerated transition may bring forward requirements to resource and execute exit and/or business transformation strategies, including mine rehabilitation activities.</p>	<p>The Company will continue to stress-test the Company's portfolio and business strategy against a range of scenarios outlined by the International Energy Agency (IEA), and other relevant third parties, on the future of the global energy and seaborne coal markets.</p> <p>The Company undertakes progressive rehabilitation of all mine sites, thereby reducing exposure to legacy risks.</p>
Market	Access to capital and insurance		
	<p>Driven by investor concern over climate-related risks, changes to ESG policies by funding and insurance providers may limit access to and increase the cost of capital and insurance.</p>	<p>Pricing for financing and key services such as insurance may continue to increase, or access may become more conditional, if the pool of parties prepared to partner with the thermal coal industry reduces significantly.</p>	<p>The Company will monitor market conditions and explore opportunities to diversify funding sources, as well as maintain active engagement with existing and future potential providers.</p> <p>The Company will continue to ensure that all existing obligations are met with regard to existing operations.</p> <p>The Company will continue its disclosures on climate-related risks and opportunities.</p> <p>The Company will continue to advocate for the important role of high-quality thermal coal in reducing global emissions.</p>

CLIMATE RELATED RISKS (CONTINUED)

Risk Category	Risk and Description	Potential Impact	Mitigation or Opportunity
Technology	Substitution of thermal coal for lower emissions technologies		
	<p>There are technological risks associated with the transition away from thermal coal toward lower emissions and renewable energy sources.</p>	<p>Demand for thermal coal could be impacted if alternative energy sources become more competitive and reliable, relative to thermal coal.</p> <p>Disruptions during the domestic energy transition, including the removal of baseload power from the market, could affect the cost and reliability of energy supply to our operations.</p>	<p>As the global economy transitions towards lower emission energy sources, Paris Agreement-aligned scenarios forecast that there will be ongoing demand in the medium term for high quality thermal coal to supply high efficiency low emission coal fired power stations in order to generate affordable baseload power.</p> <p>The Company's high-quality thermal coal reserves are ideally placed to meet that demand.</p> <p>The Company will continue to monitor developments that have application to the mining and broader energy industries and consider investing in new technologies including those that improve energy efficiency and lower carbon intensity and nature-based and other forms of carbon offsetting projects.</p>
Reputation	Stakeholder exclusion		
	<p>Suppliers and other stakeholders include climate related considerations into their decision-making processes around businesses with which they will transact and engage.</p> <p>Community sentiment is increasingly affected by negative perceptions about thermal coal.</p>	<p>Risk of the loss of support from suppliers, leading to increased costs and operational risks from a more fragmented supply chain.</p> <p>Reduced community support may impact essential negotiations with landowners and other local stakeholders.</p> <p>Reduced community support may lead to legal challenges and an unfavourable political environment for the approval of mining projects.</p> <p>The ability to attract and retain a suitably skilled workforce could be impacted by employee perceptions about what it means to work in the coal mining industry.</p>	<p>The Company has strong relationships with key stakeholders and maintains dialogue covering the full spectrum of environmental, sustainability and governance issues.</p> <p>The Company will continue to sponsor local schools and to provide university and trade pathways to support the next generation of our workforce.</p> <p>The Company will continue to monitor requirements in respect of and communicate transparently in relation to disclosure of climate-related impacts and risks to investors and stakeholders.</p>

CLIMATE RELATED RISKS (CONTINUED)

Risk Category	Risk and Description	Potential Impact	Mitigation or Opportunity
Reputation (continued)	Stakeholder exclusion (continued)		<p>The Company operates in accordance with world-class environmental practices in a highly regulated environment which supports our social licence to operate.</p> <p>The Company has land holdings and assets which in the medium to long term may be re-purposed for alternate uses, such as enhanced biodiversity and conservation zones, renewable energy generation and other industrial or commercial uses which provide opportunity for workforce transition and enhanced community and local economic outcomes.</p>
Physical	Climate Change		
	<p>Increases in the frequency and intensity of extreme weather events.</p> <p>Rising mean temperatures and long-term shifts in climate patterns.</p>	<p>Disruptions to mining and port operations, or damage to or loss of key infrastructure, resulting in delays, increased operating costs and lost revenue.</p> <p>Rising mean temperatures may impact workplace health and safety and the ability of our workforce to carry out their job in acceptable conditions.</p> <p>Intensity and duration of droughts may have a longer-term impact on operational reliability or longevity of mining equipment.</p>	<p>The Company actively manages climate change risks through our Risk Action Plan and the standard risk management process which incorporates business continuity and crisis management planning to aid preparedness.</p> <p>The Company's Bengalla Mine has implemented various water management initiatives, including through securing additional water discharge rights and through the increased capacity of its discharge dam.</p> <p>The Company's New Acland Mine utilises recycled wastewater, increasing its resilience in the event of drought and avoiding undersupply of water.</p> <p>The Company continues to investigate opportunities to minimise water usage and secure alternative, reliable water sources (including recycled water sources, where available) to strengthen our operations' resilience to water availability risks.</p>

INSURANCE OF OFFICERS

In accordance with the provisions of the *Corporations Act 2001*, New Hope Corporation Limited has a Directors' and Officers' Liability policy covering Directors and Officers of the Group. The insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

PROCEEDINGS ON BEHALF OF THE CORPORATION

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Corporation, or to intervene in any proceedings to which the Corporation is a party, for the purpose of taking responsibility on behalf of the Corporation for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than this and matters outlined in the Review of Operations, there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations or results of the consolidated entity in subsequent financial years.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

New Acland Mining Lease approval

On 26 August 2022, the Minister for Resources granted the New Acland Mine Stage 3 Mining Leases. The grant of the Mining Leases follows an independent assessment by the Minister for Resources including the consideration of the Land Courts recommendation that the New Acland Stage 3 Mining Leases be granted. The only remaining approval required before mining can begin is the granting of the Associated Water Licence by the Department of Regional Development, Manufacturing and Water.

Convertible Bond conversion

On 25 August 2022, the Company received a Conversion Notice in relation to holder of the Company's Convertible Notes electing to convert their Notes in accordance with the conditions of the Notes into ordinary shares in New Hope Corporation Limited at the conversion price. The number of ordinary shares that were issued on 6 September 2022 under the Conversion Notice was 106,746.

On 8 September 2022, the Company received a Conversion Notice in relation to holder of the Company's Convertible Notes electing to convert their Notes in accordance with the conditions of the Notes into ordinary shares in New Hope Corporation Limited at the conversion price. The number of ordinary shares that were issued on 14 September 2022 under the Conversion Notice was 426,985.

There are no other events that have occurred since 31 July 2022 which require disclosure.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The activities of the consolidated entity in the 2023 Financial Year are expected to be similar to those of the 2022 Financial Year.

The Company will disclose further information on likely developments in the operations of the consolidated entity and the expected results of operations as appropriate.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance statement can be accessed on the New Hope Corporation website at:



WORKPLACE COMPLIANCE

The Company has complied with the *Workplace Gender Equality Act 2012* and has lodged its report with the Workplace Gender Equality Agency. The report can be accessed on the New Hope Corporation website at:



SUSTAINABILITY

Since 2017 the Company has published an annual Sustainability Report which has reported against various environmental, social and governance metrics.

The format and content of the Sustainability Report has evolved over time and will this year be provided as a section within the Company's Annual Report.

STATUTORY COMPLIANCE

Environmental Compliance

During the 2022 financial year, the Company received two Penalty Infringement Notices, one relating to a production oil leak (\$13,785) and the other relating to the late submission of an Annual Return (\$3,336). The Company was not prosecuted for any breach of environmental laws during the financial year.

INFORMATION ON DIRECTORS

Robert D. MILLNER - (NON-EXECUTIVE CHAIRMAN)

EXPERIENCE

Robert D. Millner is Chairman of the Company's holding company Washington H. Soul Pattinson and Company Limited (WHSP). Robert D. Millner joined the Board of New Hope Corporation Limited on 1 December 1995 and was appointed Chairman on 27 November 1998. He has extensive experience in the investment industry.

OTHER CURRENT LISTED DIRECTORSHIPS

Washington H. Soul Pattinson and Company Limited – Appointed 1984, Chairman since 1998

Apex Healthcare Berhad – Appointed 2000

BKI Investment Company Limited – Appointed 2003, Chairman since 2003

Brickworks Limited – Appointed 1997, Chairman since 1999

TPG Corporation Limited – Appointed 2000

TPG Telecom Limited – Appointed 2020

TUAS Limited – Appointed 2020

Aeris Resources Limited – Appointed 2022

FORMER LISTED DIRECTORSHIPS IN LAST THREE YEARS

Australian Pharmaceutical Industries Limited – Appointed 2000, resigned July 2020.

Milton Corporation Limited – Appointed 1998, resigned October 2021.

SPECIAL RESPONSIBILITIES

Chair of the Board

INTERESTS IN SHARES AND OPTIONS

5,222,774 Ordinary Shares in New Hope Corporation Limited (comprising 279,559 shares directly held and 4,943,215 shares held through family related interests).

NIL Options or Performance Rights over Ordinary Shares in New Hope Corporation Limited

Todd J. BARLOW - B.BUS, LLB (HONS) (NON-EXECUTIVE DIRECTOR)

EXPERIENCE

Todd J. Barlow joined the Board of New Hope Corporation Limited on 22 April 2015. He is the Chief Executive Officer and Managing Director of Washington H. Soul Pattinson and Company Limited since 2015. Prior to this, he was the Managing Director of Pitt Capital Partners Limited for five years.

Todd J. Barlow has extensive experience in mergers and acquisitions, equity capital markets and investing, and has been responsible for a number of WHSP's investments since joining the WHSP Group in 2014. His career has spanned positions in law and investment banking in Sydney and Hong Kong. Todd J. Barlow has a Bachelor of Business and Bachelor of Laws (Honours) from the University of Technology, Sydney.

OTHER CURRENT LISTED DIRECTORSHIPS

Washington H. Soul Pattinson and Company Limited – Appointed 2015

FORMER LISTED DIRECTORSHIPS IN LAST THREE YEARS

Palla Pharma Limited – Appointed 2015, resigned 2020

SPECIAL RESPONSIBILITIES

Chair of the Nomination Committee

Member of Sustainability & People Committee

Member of the Audit and Risk Committee

INTERESTS IN SHARES AND OPTIONS

19,900 Ordinary Shares in New Hope Corporation Limited

NIL Options or Performance Rights over Ordinary Shares in New Hope Corporation Limited

INFORMATION ON DIRECTORS (CONTINUED)

Jacqueline E. MCGILL AO - BSc, MBA, GAICD (INDEPENDENT NON-EXECUTIVE DIRECTOR)

EXPERIENCE

Jacqui McGill AO was appointed as a Non-Executive Director of the Company on 22 June 2020. She is a highly accomplished Executive and Non-Executive Director with a career spanning 30 years across a range of commodities.

Jacqui McGill is a Non-Executive Director of Goldfields, 29Metals, the Royal Automobile Association of South Australia, and a Trustee of Adelaide Festival Centre.

During her executive career she held senior leadership roles with BHP including leadership of BHP Mitsui Coal and Olympic Dam Corporation, as well as other senior leadership roles in BHP's copper, uranium, and iron ore divisions.

Jacqui McGill has a Bachelor of Science, an MBA and an honorary doctorate from Adelaide University. She is a Graduate of the Australian Institute of Company Directors and was included in the 2020 Australia Day honours list recognising her services for diversity and inclusion.

OTHER CURRENT LISTED DIRECTORSHIPS

29 Metals – Appointed as Non-Executive Director July 2021

Gold Fields Limited – Appointed as an Independent Non-Executive Director November 2021.

FORMER LISTED DIRECTORSHIPS IN LAST THREE YEARS

NIL

SPECIAL RESPONSIBILITIES

Chair of the Sustainability & People Committee

Member of the Audit and Risk Committee

Member of Nomination Committee

INTERESTS IN SHARES AND OPTIONS

50,000 Ordinary Shares in New Hope Corporation Limited

NIL Options or Performance Rights over Ordinary Shares in New Hope Corporation Limited

Thomas C. MILLNER - (NON-EXECUTIVE DIRECTOR)

EXPERIENCE

Thomas C. Millner joined the Board of New Hope Corporation Limited on 16 December 2015. He is Director and Portfolio Manager of Contact Asset Management. He is also a Non-Executive Director of Washington H. Soul Pattinson and Company Limited.

Thomas C. Millner has over 20 years' experience within the financial services and funds management industry and over 10 years as a Director of Australian publicly listed companies.

Thomas C. Millner has a Bachelor of Industrial Design degree and a Graduate Diploma in Applied Finance.

He is a Fellow of the Financial Services Institute of Australasia and Graduate of the Australian Institute of Company Directors.

OTHER CURRENT LISTED DIRECTORSHIPS

Washington H. Soul Pattinson and Company Limited – Appointed 2011

FORMER LISTED DIRECTORSHIPS IN LAST THREE YEARS

NIL

SPECIAL RESPONSIBILITIES

NIL

INTERESTS IN SHARES AND OPTIONS

4,874,368 Ordinary Shares in New Hope Corporation Limited (comprising 21,153 shares directly held and 4,853,215 shares held through family related interests).

NIL Options or Performance Rights over Ordinary Shares in New Hope Corporation Limited.

INFORMATION ON DIRECTORS (CONTINUED)

Ian M. WILLIAMS - BEc, LLB, GAICD (INDEPENDENT NON-EXECUTIVE DIRECTOR)

EXPERIENCE

Ian M. Williams was appointed as a Non-Executive Director of the Company on 1 November 2012.

Ian M. Williams is an experienced Non-Executive Director and corporate advisor and was a corporate partner of international law firms Herbert Smith Freehills and Ashurst for 20 years. He is a graduate of Sydney University and Oxford University and the Australian Institute of Company Directors.

He is Chair of Lindsay Australia and NXT Building Group, a Director of KGL Resources, National Group Corporation, Spicers Paper, Softbank Robotics Australia, Stoddart Group and Baseball Australia and Vice-President of the Australia Japan Business Co-operation Committee.

OTHER CURRENT LISTED DIRECTORSHIPS

Lindsay Australia Limited – Appointed September 2021

KGL Resources Limited – Appointed June 2022

FORMER LISTED DIRECTORSHIPS IN THE LAST THREE YEARS

NIL

SPECIAL RESPONSIBILITIES

Chair of the Audit and Risk Committee

Member of the Sustainability & People Committee

Member of Nomination Committee

Director of New Hope Japan KK

INTERESTS IN SHARES AND OPTIONS

NIL Ordinary Shares in New Hope Corporation Limited

NIL Options or Performance Rights over Ordinary Shares in New Hope Corporation Limited

Steven R. BOULTON (INDEPENDENT NON-EXECUTIVE DIRECTOR)

EXPERIENCE

Steven R. Boulton recently joined the Board of New Hope Corporation Limited on 29 July 2022. He is an accomplished CEO and board director with more than 40 years of experience in infrastructure, investment/funds management and asset management sectors.

He is Chairman of both SeaSwift, and a Non-Executive Director of Fulton Hogan and Airlie Energy.

Steven R. Boulton has a Graduate Diploma in Applied Corporate Governance, a Bachelor of Business (Business Management & HR Management) degree and a Master of Technology Management. He is a Fellow of the Australian Institute of Company Directors, the Governance Institute of Australia and Australian Institute of Managers and Leaders. He is also a Certified Professional of the Australian Human Resources Institute.

OTHER CURRENT LISTED DIRECTORSHIPS

NIL

FORMER LISTED DIRECTORSHIPS IN THE LAST THREE YEARS

NIL

SPECIAL RESPONSIBILITIES

NIL

INTERESTS IN SHARES AND OPTIONS

NIL Ordinary Shares in New Hope Corporation Limited.

NIL Options or Performance Rights over Ordinary Shares in New Hope Corporation Limited.

COMPANY SECRETARY

Dominic H. O'Brien - BA, LLB (HONS), LLM, GAICD (COMPANY SECRETARY appointed 1 February 2022)

Dominic H. O'Brien joined the Company on 1 December 2020 as General Manager, People and Legal. Dominic H. O'Brien was appointed in 2022 as Executive General Manager and Company Secretary, leading the Company's People, Legal, Company Secretary, Corporate Affairs, Risk and Health & Safety functions.

Dominic H. O'Brien has over 23 years' experience as a legal practitioner and in senior management and executive roles gained in Australia and internationally, having worked at Allens Lawyers, MIM Holdings, Xstrata and Peabody Energy during his career. Dominic H. O'Brien holds a Bachelor of Arts and Bachelor of Laws (Hons) from the University of Queensland, a Master of Laws from the Queensland University of Technology and is a Graduate of the Australian Institute of Company Directors.

Robert J. Bishop - B.COMM, B.BUS (MAR), GAICD (COMPANY SECRETARY until 1 February 2022)

Robert J. Bishop joined the Company in 2019 as General Manager of Corporate Development and in 2020 was appointed as Chief Financial Officer and Company Secretary, assuming responsibility for the Group's finance and company secretarial functions. In 2022, Robert J. Bishop was appointed as Chief Executive Officer and ceased being Company Secretary on 1 February 2022.

Robert J. Bishop has more than 20 years' experience in the resources and manufacturing sectors. Prior to joining the company, Mr Bishop was Chief Financial Officer and Company Secretary of AMCI Investments Pty Ltd and is a Graduate of the Australian Institute of Company Directors.

Directors' Report

for the year ended 31 July 2022

REMUNERATION REPORT

The information provided in the Remuneration Report has been audited as required by section 308(3C) of the Corporations Act 2001 (Cth) (**Corporations Act**).

PERSONS ADDRESSED AND SCOPE OF THE REMUNERATION REPORT

The Remuneration Report sets out the remuneration information of the Company's Key Management Personnel (**KMP**) in accordance with section 300A of the Corporations Act and associated regulations. KMP are defined as those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company.

The names and positions held by the Company's KMPs in office at any time during the 2022 financial year are outlined below:

Name	Positions Held	Commenced	Ceased
Directors			
Robert D. Millner	Non-Executive Director Chair	01 Dec 1995 27 Nov 1998	
Todd J. Barlow	Non-Executive Director Chair of the Nomination Committee	22 Apr 2015 24 Apr 2016	
Jacqueline E. McGill AO	Independent Non-Executive Director Chair of the Sustainability and People Committee (SPC)	22 Jun 2020 17 Nov 2020	
Thomas C. Millner	Non-Executive Director	16 Dec 2015	
Ian M. Williams	Independent Non-Executive Director Chair of the Audit and Risk Committee (ARC) Non-Executive Director of Controlled Subsidiary	01 Nov 2012 25 Nov 2019 02 Sep 2019	
Steven R. Boulton	Independent Non-Executive Director	29 July 2022	
Executive KMP			
Robert J. Bishop ¹	Chief Financial Officer (CFO)	01 Aug 2020	14 Feb 2022
	Company Secretary (CoSec)	17 Nov 2020	01 Feb 2022
	Acting Chief Executive Officer (CEO)	01 Dec 2021	13 Feb 2022
	Chief Executive Officer (CEO)	14 Feb 2022	
Rebecca S. Rinaldi	Acting Chief Financial Officer (CFO) Chief Financial Officer (CFO)	01 Feb 2022 14 Feb 2022	13 Feb 2022
Dominic H. O'Brien	Executive General Manager (EGM)	01 Feb 2022	
	Company Secretary (CoSec)	01 Feb 2022	
Former Executive KMP			
Reinhold H. Schmidt ²	Chief Executive Officer (CEO)	1 Sep 2020	14 Jan 2022

¹ Robert J. Bishop was Acting CEO for the period 1 December 2021 to 13 February 2022 during the period of personal leave and post resignation of Reinhold H. Schmidt.

² Reinhold H. Schmidt began a short period of personal leave on 1 December 2021 which became extended to 14 January 2022. Following this period of personal leave, Reinhold H. Schmidt resigned from his position and ceased as KMP effective 14 January 2022.

REMUNERATION GOVERNANCE

The performance of the Company can only be achieved by identifying and retaining high calibre Directors and Executives with appropriate experience and capability. Developing an appropriate remuneration strategy is a key factor in ensuring employees are engaged and motivated to perform over the long-term.

The Board maintains overall responsibility for the remuneration of the Executive KMP and ensures the structures are competitive and aligned with the long-term interests of the Company and shareholders. While the Board maintains overall responsibility and approval for the Executive KMP remuneration, it delegates oversight to the Sustainability and People Committee (**SPC**, formerly known as the Health, Safety, Environment and People Committee) to regularly review, report and make recommendations to the Board in relation to remuneration.

REMUNERATION REPORT (CONTINUED)

To ensure that remuneration is consistent with current industry practices, the SPC seeks and considers advice from a wide range of sources including:

- Shareholders;
- External remuneration consultants;
- Other experts and independent consultants;
- Legal advisors;
- Management; and
- Independent surveys, reviews, market information and reports.

Advice from other experts and independent consultants will typically cover Non-Executive Director fees, Executive KMP remuneration and pay structures and equity plans.

The SPC has procedures in place to ensure that all engagements with independent external remuneration consultants, and recommendations (if any) are free from undue influence. At times, remuneration consultants may be required to interact with management to obtain the relevant information needed to form any remuneration recommendations. In these instances, a Non-Executive Director will always have oversight of interactions between independent consultants and management. The Board confirms that remuneration recommendations made during the 2022 financial year were made free from undue influence as these procedures were adhered to.

REVIEW OF REMUNERATION ARRANGEMENTS

At the commencement of the 2022 financial year, the SPC sought information and advice (including remuneration recommendations) from independent remuneration advisers, Godfrey Remuneration Group Pty Ltd (**GRG**) on the matters and for the professional fees set out following:

- KMP remuneration package composition, relativities and quantum - \$16,000;
- the review and re-design of STI and LTI plans applicable to KMP and other eligible employees - \$58,000.

Following the receipt of advice and recommendations from GRG, the SPC proposed revised KMP remuneration arrangements, both in terms of quantum and relative composition, for appointments made to KMP roles during the 2022 financial year. The SPC also proposed adoption of revised STI and LTI plans designed by GRG, together with related documents prepared by GRG to implement and administer the respective plans. The Board consulted with management, considered feedback received from shareholders on remuneration arrangements and ultimately determined to implement the SPC's recommended proposals. During the review process, awards which might ordinarily have been decided and granted throughout the year were deferred pending final Board decisions arising from the review process with intention that awardees not be prejudiced by any delay to the timing of award grants. The outcomes of the review process and material terms of the revised STI and LTI plans which have been adopted are detailed in this remuneration report.

SECURITIES TRADING POLICY

The Company has adopted a Securities Trading Policy to assist Directors and certain employees (and their associates) to comply with their obligations under the insider trading prohibitions of the Corporations Act) and to protect the reputation of the Company, its Directors and employees. Specifically, the Company's Securities Trading Policy prohibits trading in Company securities by certain personnel except during specific trading windows and with written consent.

In addition to guidance on inside information and dealing in our securities, the Policy prohibits our Directors and certain employees from entering into margin lending or other secured financing arrangements, short-term trading in, or "short-selling", our securities, or entering into any hedging arrangement that limits the economic risk of securities or entitlements to acquire our securities (such as options or share rights) including hedging or similar arrangements.

The Securities Trading Policy is available on the Company's website:



REMUNERATION REPORT (CONTINUED)

EMPLOYMENT CONTRACTS

Employment contracts with the Executive KMP detail the individual terms and conditions of employment. They provide for a cash salary, superannuation and non-cash benefits, details of which are provided on page 37 of this report. Executive KMP may elect to salary sacrifice a portion of their cash salary into superannuation or other benefits. The details of key employment terms are detailed below.

Name	Term of Agreement and Notice Period ¹	Base Remuneration Plus Superannuation	Termination Payments ²
Current Executive KMP			
Robert J. Bishop	No fixed-term 6-month notice period	956,292 ³	6-months' base remuneration
Rebecca S. Rinaldi	No fixed-term 3-month notice period	516,724 ³	3-months' base remuneration
Dominic H. O'Brien	No fixed-term 3-month notice period	526,724 ³	3-months' base remuneration
Former Executive KMP			
Reinhold H. Schmidt	No fixed-term six month notice period	1,500,000 ³	Six months' base remuneration

¹ This notice period applies equally to all parties.

² Base salary is payable if the Company terminates Executive KMP with notice, and without cause (e.g. for reasons other than unsatisfactory performance) as defined in their employment contracts. In the event of summary termination, it is without notice or payment in lieu.

³ Fixed remuneration quoted is current as at 31 July 2022 and is reviewed annually by the SPC.

REMUNERATION STRUCTURE – NON-EXECUTIVE DIRECTORS

Remuneration of Non-Executive Directors is determined by the Board with reference to market rates for comparable companies and reflective of the responsibilities and commitment required of the Non-Executive Director.

Non-Executive Directors are paid within an aggregate fee limit approved by shareholders. The current limit is \$1,750,000 per financial year and was approved by shareholders on 15 November 2012. In the 2022 financial year, the aggregate amount expended for Non-Executive Directors' remuneration was at 54 per cent of this limit. The Board will not seek an increase to the aggregate fee limit at the 2022 AGM.

Non-Executive Directors are paid a fixed annual fee (inclusive of superannuation where relevant) and do not participate in any performance-related incentive awards or receive shares or share options. Non-Executive Directors do not receive retirement benefits other than inclusive superannuation payments. Non-Executive Director fees currently consist of base fees for the Chair and Non-Executive Directors of the Board and fees for the Chairs and Members of the SPC and ARC.

Fees paid to Non-Executive Directors are set out in the table below.

	Board	Audit and Risk Committee	Sustainability and People Committee (SPC)	Nomination Committee	Controlled subsidiary
2022 ¹					
Chair	242,092	55,021	17,341	n/a	47,374
Member	143,054	11,004	11,004	n/a	33,013
2021					
Chair	240,992	54,771	17,263	n/a	47,159
Member	142,404	10,954	10,954	n/a	32,863

¹ On 1 July 2022, the superannuation guarantee percentage increased from 10.0 per cent to 10.5 per cent. 2022 fees include this increase for one month of the 2022 financial year.

REMUNERATION REPORT (CONTINUED)

REMUNERATION STRUCTURE — EXECUTIVE KMP

Remuneration of the Executive KMP is underpinned by the Company's Vision and Core Values.



The following table summarises the Company's policy regarding Executive KMP remuneration.

	Total Fixed Remuneration (TFR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
Purpose	To attract, motivate and retain Executive KMP with the appropriate experience and capabilities to deliver our Vision and Purpose in accordance with our Core Values.	<p>Create a strong link between performance and reward over the short to medium-term.</p> <p>Focus the attention on delivering against short-term goals that underpin the success of the Company.</p>	<p>Create a strong link between performance and reward over the long-term. Encourage sustainable, long-term value creation through equity ownership.</p> <p>Align the long-term interests of shareholders with the Executing KMP who have a key role in influencing the creation of long-term value.</p>
Link to Performance	Motivate Executive KMP to drive a strong and positive culture and deliver on the business strategy and outcomes.	Gateways to reward and KMP Personalised scorecards include strategic annual objectives linking individual and company performance.	Performance hurdles are set by the Board over three-year periods to deliver sustained shareholder value.

REMUNERATION REPORT (CONTINUED)

	Total Fixed Remuneration (TFR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)
Performance Measures	<p>Individual accountabilities that support the execution of the business strategy.</p> <p>The Executive KMP receive a fixed amount which is recommended annually by the SPC and set by the Board.</p>	<p>Gateways to performance assessment include:</p> <ul style="list-style-type: none"> • Nil fatalities; • Nil serious environmental harm; • Nil serious cultural heritage harm; and • Threshold EBITDA achieved. <p>Individual performance indicators are based upon the short-term requirements of the role and the Company.</p> <p>Company key performance indicators (KPIs) which link performance to achievement of the short-term business objectives.</p>	<p>For the 2022 financial year grant, performance will be measured over a rolling three-year period with reference to a combination of:</p> <ul style="list-style-type: none"> • Total shareholder return (TSR) achieved by the Company relative to comparative index. • Comparative costs control performance assessed by measuring ranking in the top 40 thermal coal mines in Australia; • Execution of business strategy and ESG objectives assessed by the Board; and • Risk management and safety and well-being outcomes assessed by the Board. <p>There is also a concurrent service condition alongside the above performance conditions which provides that Rights will lapse if the participant resigns before the end of the performance period.</p>
Delivery	<p>Competitive market based fixed remuneration comprising base salary, superannuation, and other non-cash benefits.</p>	<p>Awards are payable in cash following the release of the Annual Financial results upon the company gateway and company scorecard and individual performance targets being achieved.</p>	<p>LTI is delivered in Performance Rights which can be exercised into Ordinary Shares upon meeting required performance hurdles and satisfying the requisite service conditions over the performance period.</p>

REMUNERATION REPORT (CONTINUED)

TOTAL FIXED REMUNERATION STRUCTURE

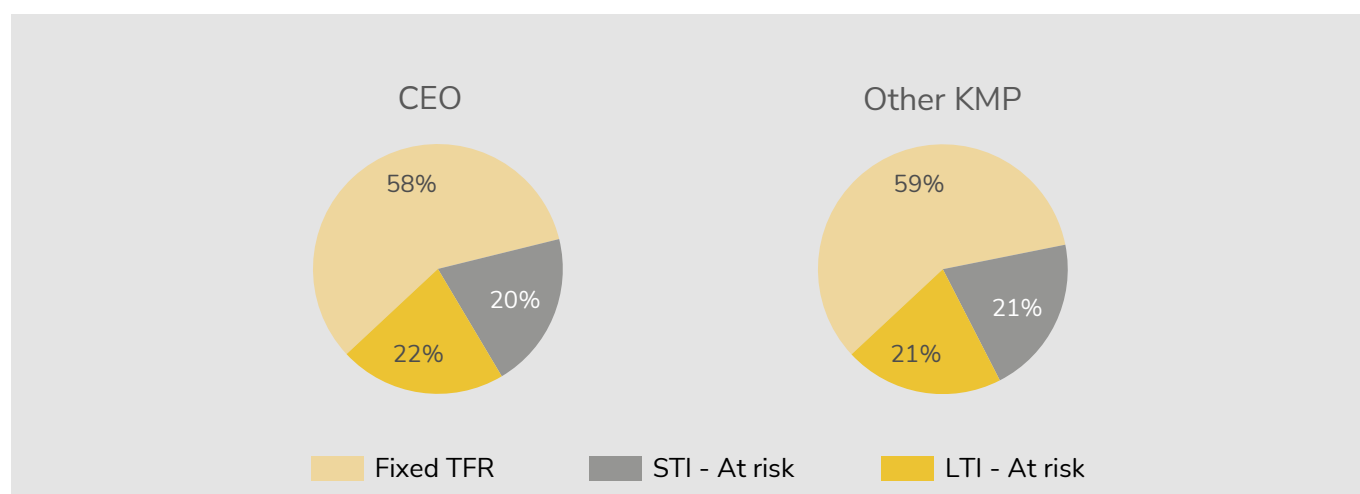
TFR is based on the position, scope and leadership accountability of the KMP. TFR is determined by a process of review of Company requirements and individual experience and capability, relevant comparative remuneration both in the market and internally, and, where appropriate, external independent advice on remuneration structure, policies and practices.

SHORT-TERM AND LONG-TERM INCENTIVE STRUCTURES

The Board considers the use of STI and LTI as reasonable means of remunerating Executive KMP on the basis they:

- Encourage Executive KMP to achieve objectives linked to shareholder value creation;
- Rewards performance including actions and behaviours enabling value creation and drive company success;
- Provide flexibility to the Company to actively manage the way in which it remunerates and incentivises Executive KMP; and
- Contribute to the attraction and retention of skilled talent in a competitive market.

The following diagram sets out the remuneration mix of TFR, STI award and LTI award value at target for the Executive KMP for the 2022 financial year.



REMUNERATION REPORT (CONTINUED)

VARIABLE EXECUTIVE REMUNERATION — SHORT-TERM INCENTIVES

Aspect	Description												
Form of Award	Awards are delivered in Cash.												
Performance Period	The Company’s financial year (12 months).												
STI Opportunity	<div>The target and maximum awards payable for KMP are outlined below:<table><tr><th></th><th colspan="2">Opportunity as a % of TFR</th></tr><tr><th></th><th>Target</th><th>Stretch</th></tr><tr><td>CEO</td><td>35.0%</td><td>52.5%</td></tr><tr><td>Other KMP</td><td>35.0%</td><td>52.5%</td></tr></table></div>		Opportunity as a % of TFR			Target	Stretch	CEO	35.0%	52.5%	Other KMP	35.0%	52.5%
	Opportunity as a % of TFR												
	Target	Stretch											
CEO	35.0%	52.5%											
Other KMP	35.0%	52.5%											
Award Determination and Payment	<div>STI award is determined following a review of performance over the year against the Company and individual KPIs as assessed by the CEO and the Board.</div> <div>Awards will generally be paid in cash in the month of October following the end of the performance period.</div>												
Gate	<div>To enable payment of STI to KMP, key financial and non-financial gateways must be satisfied. The gateways are:</div> <div><div>- Nil fatalities;</div><div>- Nil serious environmental harm;</div><div>- Nil serious cultural heritage harm; and</div><div>- Threshold EBITDA achieved</div></div>												
Cessation of Employment During a Period	Generally, no STI will be awarded if cessation of employment occurs prior to end of the performance period. The Board in its absolute discretion may determine that in other cases of cessation of employment, such as retirement, death or total or permanent disability, awards will be pro-rated with respect to the percent of the Performance Period that has elapsed.												
Board Discretion	The Board retains discretion to increase or decrease, including to nil, the extent of STI awarded to Executive KMP if it forms the view that it is appropriate to do so given the circumstances that prevailed during the Performance Period.												
Major Corporate Transactions	Awards vest pro-rata relative to the percent of the Measurement Period that has elapsed in the event of a change of control transaction going unconditional, unless determined otherwise by the Board.												
Malus and Clawback	STI awards may be reduced or cancelled, and action may be taken to recover awards in the event of erroneous or misleading data, misconduct, misstatement of accounts, serious reputational damage or corporate failure.												
Company and Individual KPIs	<div>The Company KPIs assess wholistic Company performance referencing Group financial, costs, production, health, safety, risk and controls, environment and community measures.</div> <div>The Individual KPIs include specific safety, operational, project and strategic measures in addition to the level of demonstration of the Company’s Core Values and behaviours. KPI components are weighted.</div>												

REMUNERATION REPORT (CONTINUED)

SHORT-TERM INCENTIVE OUTCOMES – LINK TO PERFORMANCE

Summary of 2022 financial year STI performance measures and outcomes

Performance is assessed by examination of outcomes against threshold, target and stretch levels across a range of measures. The measures are holistic to the Company's activities and are specified at a Company and Individual level. Targets are determined annually at levels which appropriately represent improved performance over prior periods to drive actions and initiatives providing continuous improvement outcomes. Stretch is set at levels which would represent material improvement. An outline of the relevant range of measure is set out below. The SPC and Board considers that these measures and their relevant threshold, target and stretch levels create a strong link between performance and reward over the short to medium-term and focus management attention on delivering against short-term goals that underpin the success of the Company.







	Measure	Target Weighting	Description	Outcome		
				Threshold	Target	Stretch
Non-Financial	Health, Safety, Environment & Community ¹	10%	Rewards continuous improvement on HSEC measured through a balance of lead and lag indicators. Indicators include frequency and potential/severity analysis of: all injuries, total recordable injuries, hazard identification and reduction, environmental incidents, and non-vexatious community complaints. Initiatives designed to improve HSEC performance and effectiveness of actions are also considered.			▼
	Risk, Audit and Controls	10%	Rewards effective mitigation of existing risks and detect emerging risks through assessment and control frameworks. Indicators include execution and effectiveness of risk plan and critical control activities, timely completion of audit corrective actions, and completion rate of training initiatives designed to educate employees about risk areas and improve risk mitigation practices and outcomes.		▼	
Financial	Group EBITDA	20%	Rewards improvement to earnings.			▼
	Group Cost/Tonne	20%	Rewards improvement to cost management.			▼
	Overburden (Prime)	10%	Rewards improvement to mine-planning.		▼	
	Group Production	10%	Rewards improvement to production.			▼
Total Company Performance		80%			110%	

Directors' Report

for the year ended 31 July 2022

REMUNERATION REPORT (CONTINUED)

Individual measures assess the efforts and effectiveness of actions and outcomes against targets set by the SPC and approved by the Board which focus on improvement in strategy, culture and people, diversity and inclusion, safety, risk management, sustainability, financial stability and value creation.

KMP	Target Weighting	Threshold	Outcome Target	Stretch
Robert J. Bishop	20%			
Rebecca S. Rinaldi	20%			
Dominic H. O'Brien	20%			

2022 Financial Year Performance Commentary

Group safety performance measured by all injury frequency rate (AIFR) and total recordable injury frequency rate (TRIFR) improved. Other targeted safety improvement initiatives focussed on improving hazard and incident investigation and reporting by potential were implemented. Revised company policy and governance structures to support transparent determination and implementation of community engagement programs and activities were implemented. Community complaints declined. Environmental reporting frameworks were improved. Environmental incidents declined excluding water discharge during flood events. Due to sites' water management practices, water quality was not impacted and the regulator determined no action to be taken. The SPC recommended and the Board agreed that stretch health, safety, environment and community performance was achieved.

Transparency and reporting around risk plan and critical control activities improved during the year. Targeted actions were largely achieved throughout the year with delays to action completion dates occurring due to delays in supply of materials required to complete construction and commissioning of operational improvements. A detailed equipment fire risk review was completed during the year with all improvement actions adopted in full and completed on time. Training initiatives designed to educate employees about risk areas and improve risk mitigation practices and outcomes were delivered with completion and minimum pass rates achieved. The SPC recommended and the Board agreed that targeted risk, audit and controls community performance was achieved.

The Group achieved stretch performance against targeted EBITDA and cost reduction performance. Overburden (prime) and production performance were adversely impacted by uncontrollable, extreme weather events and labour availability disruption due to COVID-19. During the year, Management implemented mitigation strategies which were successful in reducing the impacts of the uncontrollable events. If the uncontrollable events impacts were excluded, performance in excess of target was achieved. The SPC recommended and the Board agreed that financial targets were exceeded by an overall average factor of 1.41.

The SPC recommended and the Board agreed, in consultation with the CEO, to implement a detailed action plan of targeted improvements and initiatives to be delivered with achievements and outcomes assessed on scorecard basis. Accountability for delivery rested with the CEO with specific areas of responsibility delegated to KMP and other senior management roles. The developed and agreed action plan was wholistic encompassing targeted improvements in strategy definition and implementation plans, company culture and values focussed decision making, people engagement, Bengalla enterprise agreement re-negotiation without disruption, diversity and inclusion initiatives to improve participation by under-represented groups, safety governance and due diligence practices, enterprise risk framework review, risk management and controls effectiveness, responsible operator practices, rehabilitation outcomes, environmental performance, sustainability reporting, marketing strategy, financial stability and capital management strategy development and articulation, investor and proxy advisory engagement, and value creation through successful execution of transactions and strategy. The collective actions and achievements of management and the Company are detailed elsewhere in this report. The SPC recommended and the Board agreed that targeted performance was met and/or exceeded across the range of detailed measures. The Board consequently determined individual performance outcomes as set out in the individual performance measures table above. Individual STI awards were calculated accordingly.

In light of the performance outcomes detailed in the table above, the Board has determined to make the following Executive KMPs' STI awards in relation to the 2022 financial year:

	STI Maximum \$	STI Payable \$	STI Payable %	STI Forfeited \$	STI Forfeited %
Current Executive KMP					
Robert J. Bishop	502,053	452,518	90.1%	49,535	9.9%
Rebecca S. Rinaldi	271,280	244,514	90.1%	26,766	9.9%
Dominic H. O'Brien	276,530	258,464	93.5%	18,066	6.5%

REMUNERATION REPORT (CONTINUED)

Special Incentive Awards

In light of the significant efforts and achievements across the Group and the exceptional returns generated throughout FY22, the SPC recommended and the Board determined to make special incentive awards payments to all employees in the Group. The Board considered it appropriate to exercise a discretion to provide all employees with a special incentive award additional to determined STIP awards to demonstrate the link between reward and the success of the Group and to reinforce the Group's employee value proposition that the Group's remuneration and reward arrangements are designed to attract and retain motivated and talented employees. The special incentive awards paid to all employees in the Group were structured as either a fixed cash payment or a cash payment calculated as a percentage of FY22 STIP award achieved, depending upon role in the Group. Special incentive awards were made to the Executive KMP as set out in the table below. The awards to Executive KMP were delivered as a restricted right which can be exercised into Ordinary Shares upon meeting a 12-month service condition from the date of award. The award will be recognised over the service period, in line with the attached 12-month service condition.

	Special Incentive Award \$	Percentage of TFR \$	Restricted Rights Awarded
Current Executive KMP			
Robert J. Bishop	226,259	24%	54,986
Rebecca S. Rinaldi	122,257	24%	29,711
Dominic H. O'Brien	129,232	25%	31,406

* The Share Price used to calculate the grant of Restricted Rights was based on a volume weighted average price (VWAP) of \$4.1148 over the 20 trading days preceding 1 August 2022.

VARIABLE EXECUTIVE REMUNERATION — LONG-TERM INCENTIVES

Aspect	Description												
Instrument	LTI is delivered in Performance Rights which can be exercised into Ordinary Shares upon meeting required performance hurdles and satisfying the requisite service conditions over the measurement period. The Rights are “Indeterminate Rights” which may be settled in the form of a Company Share (including a Restricted Share), or cash equivalent, upon valid exercise.												
Award Opportunity	<p>The target and maximum awards payable for KMP are outlined below:</p> <table><tr><th></th><th colspan="2">Opportunity as a % of TFR</th></tr><tr><th></th><th>Target</th><th>Stretch</th></tr><tr><td>CEO</td><td>37%</td><td>74%</td></tr><tr><td>Other KMP</td><td>35%</td><td>70%</td></tr></table>		Opportunity as a % of TFR			Target	Stretch	CEO	37%	74%	Other KMP	35%	70%
	Opportunity as a % of TFR												
	Target	Stretch											
CEO	37%	74%											
Other KMP	35%	70%											
Grant Frequency	LTI is granted annually.												
Grant calculation	<p>The number of Rights in each Tranche of LTI to be granted are calculated via the application of the following formula:</p> <p>Number of Rights = Total Fixed Remuneration (TFR) x LTI % ÷ 20-day VWAP</p> <p>Where LTI % is the maximum LTI opportunity as a % of TFR.</p> <p>The Share Price used to calculate the grant of Rights was based on a volume weighted average price (VWAP) of \$1.9005 over the 20 trading days preceding 1 August 2021.</p>												
Measurement Period	Three financial years from 1 August 2021 to 31 July 2024.												
Service Period	The Executive KMP must remain an employee of the Company during the performance period to be eligible for LTI award vesting.												

REMUNERATION REPORT (CONTINUED)

VARIABLE EXECUTIVE REMUNERATION — LONG-TERM INCENTIVES (CONTINUED)

Aspect	Description																				
Performance Conditions	For 2022 financial year LTI grants, the following performance conditions apply:																				
	Tranche 1 Performance Rights (55% weighting at Target) are subject to an TSR vesting condition. This vesting condition ranks the Company's TSR growth over the performance period against the TSRs of companies in a blend of Global Coal and ASX100-200 companies.																				
	The vesting scale for this performance vesting metric is as follows:																				
	<table><tr><th>Performance Level</th><th>Company's TSR Over Measurement Period</th><th>Vesting % of Tranche</th></tr><tr><td>Stretch</td><td>P75</td><td>100%</td></tr><tr><td>Between Target and Stretch</td><td>> P50 & < P75</td><td>Pro-rata</td></tr><tr><td>Target</td><td>P50</td><td>50%</td></tr><tr><td>Below Target</td><td>< P50</td><td>0%</td></tr></table>	Performance Level	Company's TSR Over Measurement Period	Vesting % of Tranche	Stretch	P75	100%	Between Target and Stretch	> P50 & < P75	Pro-rata	Target	P50	50%	Below Target	< P50	0%					
	Performance Level	Company's TSR Over Measurement Period	Vesting % of Tranche																		
	Stretch	P75	100%																		
	Between Target and Stretch	> P50 & < P75	Pro-rata																		
	Target	P50	50%																		
	Below Target	< P50	0%																		
	Tranche 2 Performance Rights (15% weighting) are subject to a comparative costs control vesting condition. This vesting condition measures the statistical ranking of Bengalla Mine's cost control performance compared to Australia's top 40 export thermal coal mines.																				
The vesting scale for this performance vesting metric is as follows:																					
<table><tr><th>Performance Level</th><th>Bengalla Mine's Cost Position Relative to Australia's Top 40 Export Thermal Coal Mines Over Measurement Period</th><th>Vesting % of Tranche</th></tr><tr><td>Stretch</td><td>≤ 4%</td><td>100%</td></tr><tr><td>Between Target and Stretch</td><td>< 7% & > 4%</td><td>Pro-rata</td></tr><tr><td>Target</td><td>= 7%</td><td>50%</td></tr><tr><td>Between Threshold and Target</td><td>< 10% & > 7%</td><td>Pro-rata</td></tr><tr><td>Threshold</td><td>= 10%</td><td>25%</td></tr><tr><td>Below Threshold</td><td>> 10%</td><td>0%</td></tr></table>	Performance Level	Bengalla Mine's Cost Position Relative to Australia's Top 40 Export Thermal Coal Mines Over Measurement Period	Vesting % of Tranche	Stretch	≤ 4%	100%	Between Target and Stretch	< 7% & > 4%	Pro-rata	Target	= 7%	50%	Between Threshold and Target	< 10% & > 7%	Pro-rata	Threshold	= 10%	25%	Below Threshold	> 10%	0%
Performance Level	Bengalla Mine's Cost Position Relative to Australia's Top 40 Export Thermal Coal Mines Over Measurement Period	Vesting % of Tranche																			
Stretch	≤ 4%	100%																			
Between Target and Stretch	< 7% & > 4%	Pro-rata																			
Target	= 7%	50%																			
Between Threshold and Target	< 10% & > 7%	Pro-rata																			
Threshold	= 10%	25%																			
Below Threshold	> 10%	0%																			
Tranche 3 Performance Rights (7.5% weighting) are subject to a strategic vesting condition.																					
The vesting scale for this performance vesting metric is as follows:																					
<table><tr><th>Performance Level</th><th>Company Strategic Objectives</th><th>% Vesting of Tranche</th></tr><tr><td>Stretch</td><td>Operational performance and returns from transactions executed materially exceed transaction objectives</td><td>100%</td></tr><tr><td>Target</td><td>Transactions executed achieve target returns and synergies</td><td>50%</td></tr><tr><td>Threshold</td><td>Implementation of strategic plan actions</td><td>25%</td></tr></table>	Performance Level	Company Strategic Objectives	% Vesting of Tranche	Stretch	Operational performance and returns from transactions executed materially exceed transaction objectives	100%	Target	Transactions executed achieve target returns and synergies	50%	Threshold	Implementation of strategic plan actions	25%									
Performance Level	Company Strategic Objectives	% Vesting of Tranche																			
Stretch	Operational performance and returns from transactions executed materially exceed transaction objectives	100%																			
Target	Transactions executed achieve target returns and synergies	50%																			
Threshold	Implementation of strategic plan actions	25%																			
Tranche 4 Performance Rights (7.5% weighting) are subject to an ESG vesting condition.																					
The vesting scale for this performance vesting metric is as follows:																					
<table><tr><th>Performance Level</th><th>Company ESG Objectives</th><th>% Vesting of Tranche</th></tr><tr><td>Stretch</td><td>Material improvement in ESG practices, disclosure and performance (e.g., increase in sustainability analytics scores and other independent recognition)</td><td>100%</td></tr><tr><td>Target</td><td>Achieve key actions from ESG improvement plan</td><td>50%</td></tr><tr><td>Threshold</td><td>Complete review of ESG disclosure and practices/strategy and document improvement plan</td><td>25%</td></tr></table>	Performance Level	Company ESG Objectives	% Vesting of Tranche	Stretch	Material improvement in ESG practices, disclosure and performance (e.g., increase in sustainability analytics scores and other independent recognition)	100%	Target	Achieve key actions from ESG improvement plan	50%	Threshold	Complete review of ESG disclosure and practices/strategy and document improvement plan	25%									
Performance Level	Company ESG Objectives	% Vesting of Tranche																			
Stretch	Material improvement in ESG practices, disclosure and performance (e.g., increase in sustainability analytics scores and other independent recognition)	100%																			
Target	Achieve key actions from ESG improvement plan	50%																			
Threshold	Complete review of ESG disclosure and practices/strategy and document improvement plan	25%																			

REMUNERATION REPORT (CONTINUED)

VARIABLE EXECUTIVE REMUNERATION — LONG-TERM INCENTIVES (CONTINUED)

Aspect	Description												
Performance Conditions	Tranche 5 Performance Rights (7.5% weighting) are subject to a safety vesting condition.												
	The vesting scale for this performance vesting metric is as follows:												
	<table><tr><th>Performance Level</th><th>Company Safety Objectives</th><th>% Vesting of Tranche</th></tr><tr><td>Stretch</td><td>Material improvement in safety metrics over period, and third-party audit confirms effectiveness of safety governance and due diligence practices.</td><td>100%</td></tr><tr><td>Target</td><td>Improvement in safety metrics year on year over the measurement period, and safety metrics remain below industry average.</td><td>50%</td></tr><tr><td>Threshold</td><td>Implement recommendations from the Safety Governance Practices and Due Diligence review, and no fatalities during the measurement period caused by failure of Company Health and Safety Management System.</td><td>25%</td></tr></table>	Performance Level	Company Safety Objectives	% Vesting of Tranche	Stretch	Material improvement in safety metrics over period, and third-party audit confirms effectiveness of safety governance and due diligence practices.	100%	Target	Improvement in safety metrics year on year over the measurement period, and safety metrics remain below industry average.	50%	Threshold	Implement recommendations from the Safety Governance Practices and Due Diligence review, and no fatalities during the measurement period caused by failure of Company Health and Safety Management System.	25%
	Performance Level	Company Safety Objectives	% Vesting of Tranche										
	Stretch	Material improvement in safety metrics over period, and third-party audit confirms effectiveness of safety governance and due diligence practices.	100%										
	Target	Improvement in safety metrics year on year over the measurement period, and safety metrics remain below industry average.	50%										
	Threshold	Implement recommendations from the Safety Governance Practices and Due Diligence review, and no fatalities during the measurement period caused by failure of Company Health and Safety Management System.	25%										
	Tranche 6 Performance Rights (7.5% weighting) are subject to a risk management vesting condition.												
	The vesting scale for this performance vesting metric is as follows:												
	<table><tr><th>Performance Level</th><th>Company Risk Management Objectives</th><th>% Vesting of Tranche</th></tr><tr><td>Stretch</td><td>Third party audit confirms effectiveness of the Risk Framework and Practices at an industry best practices level.</td><td>100%</td></tr><tr><td>Target</td><td>Third party audit confirms compliance with Risk Framework and Practices, and all material risk actions completed on time as per framework deadlines.</td><td>50%</td></tr><tr><td>Threshold</td><td>Implement recommendations from the Risk Framework and Practices review.</td><td>25%</td></tr></table>	Performance Level	Company Risk Management Objectives	% Vesting of Tranche	Stretch	Third party audit confirms effectiveness of the Risk Framework and Practices at an industry best practices level.	100%	Target	Third party audit confirms compliance with Risk Framework and Practices, and all material risk actions completed on time as per framework deadlines.	50%	Threshold	Implement recommendations from the Risk Framework and Practices review.	25%
Performance Level	Company Risk Management Objectives	% Vesting of Tranche											
Stretch	Third party audit confirms effectiveness of the Risk Framework and Practices at an industry best practices level.	100%											
Target	Third party audit confirms compliance with Risk Framework and Practices, and all material risk actions completed on time as per framework deadlines.	50%											
Threshold	Implement recommendations from the Risk Framework and Practices review.	25%											
Cessation of Employment During the Service Period	Generally, all unvested LTI awards will be forfeited if employment ceases prior to the completion of the Service Period. The Board in its absolute discretion may determine that in other cases of cessation of employment, such as retirement, death, total or permanent disability, awards will result in retaining unvested Performance Rights for testing at the end of the performance period.												
Malus and Clawback	LTI awards may be reduced or cancelled and action may be taken to recover vested awards in the event of erroneous or misleading data, misconduct, misstatement of accounts, serious reputational damage or corporate failure.												
Retesting	There is no retesting applicable to any LTI award.												
Dividend and Voting Entitlements	Performance Rights carry no entitlement to voting prior to being exercised into Ordinary Shares. At the time and to the extent Performance Rights are vested, the Company will make a dividend equivalent payment in respect of dividends that would have been paid on the shares underlying vested rights during the measurement period. Participants also receive dividend equivalent payments in respect of vested Rights at the time a dividend is paid by the Company.												
Major Corporate Transactions	Awards vest pro-rata relative to the percent of the Measurement Period that has elapsed as well as the change in share price up to the point of a change of control transaction going unconditional, unless determined otherwise by the Board.												
Board Discretion	The Board retains discretion to increase or decrease, including to nil, the extent of vesting in relation to each Tranche of Performance Rights if it forms the view that it is appropriate to do so given the circumstances that prevailed during the Measurement Period. In exercising this discretion, the Board shall take into account, amongst other factors it considers relevant, Company performance from the perspective of Shareholders over the relevant Measurement Period.												

REMUNERATION REPORT (CONTINUED)

VARIABLE EXECUTIVE REMUNERATION — LONG-TERM INCENTIVES (CONTINUED)

The performance conditions detailed on page 33 - 35 are wholistic to the Company's activities. Targets are determined at levels which appropriately represent improved performance over prior periods to drive actions and initiatives providing continuous improvement outcomes. Stretch is set at levels which would represent material improvement. The SPC and Board considers that these measures and their relevant threshold, target and stretch levels create a strong link between performance and reward over the long-term and encourage sustainable, long-term value creation through equity ownership.

Directors' Report

for the year ended 31 July 2022

REMUNERATION REPORT (CONTINUED)

REMUNERATION – STATUTORY TABLES

Details of the remuneration of Directors and the Executive KMP of the Company during the 2022 financial year are set out below.

	Short-Term Benefits			Long-Term Benefits	Post-Employment	Other	Share-Based Payments	
	Cash Salary and Fees	Cash Bonus	Non-Cash Benefits ¹	Long Service Leave	Superannuation ²	Termination Benefits ³	Equity Settled Shares	Total \$
2022								
Non-Executive Directors								
Robert D. Millner	220,000	-	-	-	22,092	-	-	242,092
Todd J. Barlow ⁴	130,000	-	-	-	13,054	-	-	143,054
Jacqueline E. McGill AO	155,759	-	-	-	15,641	-	-	171,400
Thomas C. Millner	130,000	-	-	-	13,054	-	-	143,054
Ian M. Williams	220,000	-	-	-	22,092	-	-	242,092
Steven R. Boulton ⁶	-	-	-	-	-	-	-	-
Total Non-Executive Directors	855,759	-	-	-	85,933	-	-	941,692
Other KMP								
Robert J. Bishop ⁵	807,899	452,518	29,061	26,518	25,129	-	504,530	1,845,655
Rebecca S. Rinaldi ⁶	245,154	244,514	21,899	8,218	13,959	-	111,789	645,533
Dominic H O'Brien ⁶	250,716	258,464	11,991	5,962	10,280	-	134,632	672,044
Reinhold H. Schmidt ^{3 & 6}	738,216	-	-	-	11,784	410,680	(275,244)	885,436
Total Other KMP	2,041,985	955,496	62,951	40,698	61,152	410,680	475,707	4,048,668
Total Remuneration - 2022	2,897,744	955,496	62,951	40,698	147,085	410,680	475,707	4,990,360
2021								
Non-Executive Directors								
Robert D. Millner	220,000	-	-	-	20,992	-	-	240,992
Todd J. Barlow ⁷	130,000	-	-	-	12,404	-	-	142,404
Jacqueline E. McGill AO	153,839	-	-	-	14,680	-	-	168,519
Thomas C. Millner	130,000	-	-	-	12,404	-	-	142,404
Ian M. Williams	220,000	-	-	-	20,992	-	-	240,992
William H. Grant OAM ⁶	46,357	-	-	-	4,404	-	-	50,761
Total Non-Executive Directors	900,196	-	-	-	85,876	-	-	986,072
Executive Directors								
Shane O. Stephan ^{8 & 9}	114,187	-	34,280	2,036	3,616	-	(32,753)	121,366
Other KMP								
Reinhold H. Schmidt ^{6 & 8}	1,355,848	595,019	113,904	24,402	22,163	-	50,044	2,161,380
Robert J. Bishop ^{5 & 8}	541,460	206,412	18,323	12,387	24,648	-	16,095	819,325
Andrew L. Boyd ^{8 & 9}	303,467	-	125,734	5,547	9,039	519,349	(147,790)	815,346
Benjamin C. Armitage ^{8 & 9}	180,765	-	7,941	(41,059)	9,039	400,008	(69,798)	486,896
Total Other KMP	2,381,540	801,431	265,902	1,277	64,889	919,357	(151,449)	4,282,947
Total Remuneration - 2021	3,395,923	801,431	300,182	3,313	154,381	919,357	(184,202)	5,390,385

¹ Non-cash benefits include movements in annual leave provisions and fringe benefit tax incurred by the Company related to property under termination arrangements.

² Superannuation guarantee requirements for the 2022 and 2021 financial years is in line with the Australian Taxation Office's legislated requirements.

³ Termination payments aligned to contractual terms and conditions and finalised in individual deed of release.

⁴ Thomas C. Millner elected to waive his committee fees for the 2022 financial year.

⁵ Robert J. Bishop was Acting CEO for the period from 1 December 2021 to 13 February 2022 included acting allowance of \$230,000 p.a (pro rata), Effective 14 February 2022 Robert J. Bishop was appointed permanently to the position of CEO.

⁶ Individuals who commenced or ceased as KMP during the 2022 financial year. Refer to page 24 for commencement and cessation dates.

⁷ Todd J. Barlow's base salary excludes Committee fees of \$20,000 (2021: \$20,000) for his services as member of the Audit and Risk Committee and member of the Sustainability, and People Committee. He has elected to waive his remuneration for these services.

Directors' Report

for the year ended 31 July 2022

⁸ A temporary part-time arrangement (nine-day fortnight) was implemented as a cost saving initiative in response to the impact of the COVID-19 pandemic, reducing base salaries from 1 July 2020 to 31 December 2020 by approximately 10 per cent.

⁹ Individuals who commenced or ceased as KMP during the 2021 financial year.

REMUNERATION REPORT (CONTINUED)

SHARE-BASED COMPENSATION

The terms and conditions of each LTI award series awarded to Executive KMP in the current or future reporting periods and the associated pricing model inputs are detailed in the table below.

KMP

Name	LTI series	Grant Date	Vesting Date	Number Granted	Value Per Share	Number Vested	Vested %	Number Forfeited	Forfeited %	Number Lapsed	Lapsed %	Total Award Value in Future Financial Years ³
Robert J. Bishop	2021	Dec-20	Aug-24	133,169	\$0.76 ¹	-	-	-	-	-	-	101,208
	2022	Sep-22	Aug-24	173,425	\$5.16 ¹	-	-	-	-	-	-	894,872
	2022	Sep-22	Aug-24	141,893	\$5.50 ²	-	-	-	-	-	-	780,412
Rebecca S. Rinaldi	2022	Sep-22	Aug-24	80,714	\$5.16 ¹	-	-	-	-	-	-	416,485
	2022	Sep-22	Aug-24	66,039	\$5.50 ²	-	-	-	-	-	-	363,214
Dominic H. O'Brien	2022	Sep-22	Aug-24	97,207	\$5.16 ¹	-	-	-	-	-	-	501,588
	2022	Sep-22	Aug-24	79,533	\$5.50 ²	-	-	-	-	-	-	437,432

¹ Fair values at grant date are independently determined using the Black-Scholes options pricing model that considers the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

² Share price at grant date

³ Calculated with reference to the grant date fair value. This value may change depending on the actual share price at vesting date.

Former KMP

Name	LTI series	Grant Date	Vesting Date	Number Granted ¹	Value Per Share	Number Vested	Vested %	Number Forfeited	Forfeited %	Number Lapsed	Lapsed %	Total Award Value in Future Financial Years ²
Reinhold H. Schmidt ²	2021	Dec-20	Aug-24	414,056	\$0.76	-	-	414,056	-	-	-	-

¹ Fair values at grant date are independently determined using the Black-Scholes options pricing model that considers the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the option.

² Ceased as KMP 14 January 2022

EQUITY HOLDINGS

The tables below show the number of Performance Rights (STI and LTI) and shares in New Hope Corporation Limited that were held during the 2022 financial year by KMP and their related parties either directly, indirectly or beneficially.

Performance Rights Holdings LTI – KMP

Name	Balance at the Start of the Year	Granted as Remuneration	Vested	Forfeited	Lapsed	Balance at the End of the Year	Unvested
Robert J. Bishop	133,169	315,318	-	-	-	448,487	448,487
Rebecca S. Rinaldi	-	146,753	-	-	-	146,753	146,753
Dominic H. O'Brien	-	176,740	-	-	-	176,740	176,740

Directors' Report

for the year ended 31 July 2022

REMUNERATION REPORT (CONTINUED)

Performance Rights Holdings LTI - Former KMP

Name	Balance at the Start of the Year	Granted as Remuneration	Vested	Forfeited	Lapsed	Balance at the End of the Year	Unvested
Reinhold H. Schmidt	414,056	-	-	(414,056)	-	-	-

Shareholding

Name	Balance at the Start of the Year	Purchased / (Sold)	Received on the Vesting of Performance Rights	Ceased as KMP	Balance at the End of the Year
Robert D. Millner	4,177,774	1,045,000	-	-	5,222,774
Todd J. Barlow	19,900	-	-	-	19,900
Jacqueline E. McGill AO	30,000	20,000	-	-	50,000
Thomas C. Millner	4,004,368	870,000	-	-	4,874,368
Ian M. Williams	-	-	-	-	-
Robert J. Bishop	-	-	-	-	-
Rebecca S. Rinaldi	-	-	-	-	-
Dominic H O'Brien	-	150,000	-	-	150,000

Shares Issued on the Vesting of Performance Rights

Since the end of the 2022 financial year, no Performance Rights have vested and converted to Ordinary Shares in the Company.

Loans to Directors and Executives

There were no loans to Directors or Executives granted during the 2022 financial year, nor were there any outstanding loans as at 31 July 2022.

VOTING AT THE COMPANY'S 2021 ANNUAL GENERAL MEETING

At the AGM held on 18 November 2021, shareholders approved the resolution to pass the 2021 Remuneration Report by 89.16 per cent.

End of Remuneration Report

Directors' Report

for the year ended 31 July 2022

NON-AUDIT SERVICES

Deloitte Touche Tohmatsu has acted as auditor for the Group for the entire 2022 year. The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

During the 2022 Financial Year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms (refer Note 32):

	2022 \$000	2021 \$000
Deloitte and Related Network Firms		
Audit or Review of Financial Reports:		
Group	641,000	538,669
Subsidiaries and Joint Operations	264,233	127,667
	905,233	666,336
Other Assurance and Agreed-Upon Procedures under Other Legislation or Contractual Arrangements		
Group	10,000	105,000
	10,000	105,000
Other Services		
Advisory Services	442,285	51,500
	442,285	51,500
Total	1,357,518	822,836

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 41.

ROUNDING

The Company is of a kind referred to in *ASIC Corporations Instrument 2016/191*, issued by the Australian Securities and Investments Commission (ASIC), relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with that ASIC Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors held during the year ended 31 July 2022 and the number of meetings attended by each Director:

	Full Meetings of Directors		Audit and Risk Committee		Sustainability and People Committee		Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Robert D. Millner	14	14	-	-	-	-	-	-
Todd J Barlow	14	14	5	5	4	3	1	1
Jacqueline E. McGill AO	14	13	5	5	4	4	1	1
Thomas C. Millner	14	14	-	-	-	-	-	-
Ian M. Williams	14	14	5	5	4	4	1	1
Steven R. Boulton ¹	-	-	-	-	-	-	-	-

¹ Appointed on 29 July 2022

Signed at Sydney, 19 September 2022, in accordance with a resolution of Directors.



R.D. MILLNER

Director

The Board of Directors
New Hope Corporation Limited
Level 16, 175 Eagle Street
Brisbane, QLD, 4000

19 September 2022

Dear Board Members,

Auditor's Independence Declaration to New Hope Corporation Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of New Hope Corporation Limited.

As lead audit partner for the audit of the financial report of New Hope Corporation Limited for the year ended 31 July 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully,



DELOITTE TOUCHE TOHMATSU



Stephen Tarling
Partner
Chartered Accountants

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The Company is a company limited by shares on the Australian Securities Exchange (ASX). The Company is incorporated and domiciled in Australia and its registered office and principal place of business is: New Hope Corporation Limited, Level 16, 175 Eagle Street, Brisbane, QLD, 4000.

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' Report on pages 1 to 40, which is not part of this Financial Report. The Financial Report was authorised for issue by the Directors on 19 September 2022. The Company has the power to amend and reissue the Financial Report.

Through the use of the internet, the Company has ensured that corporate reporting is timely, complete and available globally at minimum cost to the Company. All Financial Reports and other announcements to the ASX are available on the Investor Relations pages of the website: www.newhopegroup.com.au/investor-information.

Statement of Comprehensive Income
for the year ended 31 July 2022

	Notes	2022 \$000	2021 \$000
Revenue and Other Income			
Revenue	2	2,552,395	1,048,239
Other Income	3(a)	6,043	5,739
		2,558,438	1,053,978
Expenses			
Cost of Sales	3(b)	(984,607)	(658,721)
Marketing and Transportation		(115,327)	(198,207)
Administration		(16,324)	(12,339)
Other Expenses		(9,823)	(2,620)
Financing Expenses	20(d)	(26,730)	(26,675)
Impairment of Assets	3(b)	(4,989)	(44,696)
Profit before Income Tax		1,400,638	110,720
Income Tax (Expense) / Benefit	4(a)	(417,629)	(31,370)
Net Profit for the Year		983,009	79,350
Net Profit attributable to New Hope Shareholders		983,009	79,350
Other Comprehensive Income / (Loss) for the year, net of Tax			
Items that may be reclassified to Profit or Loss:			
Exchange difference on the Translation of Foreign Operations	23(f)	(145)	(26)
Changes to the fair value of Cash Flow Hedges, net of Tax	23(f)	(113,694)	(69,982)
Transfer to Profit or Loss for Cash Flow Hedges, net of Tax	23(f)	6,609	38,470
Items that will not be reclassified to Profit or Loss:			
Changes to the fair value of Equity Investments, net of Tax	23(f)	261	37
Other Comprehensive Income / (Loss) for the Year, net of Tax		(106,969)	(31,501)
Total Comprehensive Income for the Year		876,040	47,849
Total Comprehensive Income for the Year attributable to New Hope Shareholders		876,040	47,849
Earnings per share for Profit attributable to the Ordinary Equity Holders of the Company			
Basic Earnings per Share - Cents / Share	6	118.1	9.5
Diluted Earnings per Share - Cents / Share	6	106.0	9.5

The above Statement of Comprehensive Income should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Financial Position
for the year ended 31 July 2022

	Notes	2022 \$000	2021 \$000
Current Assets			
Cash and Cash Equivalents	16	715,714	424,663
Receivables	7	501,972	123,323
Term Deposits	17	100,000	-
Derivative Financial Instruments	21	-	9,746
Inventories	9	59,743	73,343
Assets Classified as Held for Sale	10	-	10,067
Total Current Assets		1,377,429	641,142
Non-Current Assets			
Receivables	7	39,557	364
Derivative Financial Instruments	21	1,365	-
Equity Investments	18	94,973	229
Deferred Tax Assets	4(e)	14,795	214
Property, Plant and Equipment	11	1,756,246	1,951,833
Intangible Assets	12	71,627	76,552
Exploration and Evaluation Assets	13	71,043	105,533
Total Non-Current Assets		2,049,606	2,134,725
Total Assets		3,427,035	2,775,867
Current Liabilities			
Trade and Other Payables	8	94,478	78,786
Derivative Financial Instruments	21	17,335	-
Borrowings	20	10,690	11,019
Current Tax Liabilities		379,500	24,528
Provisions	15	31,833	53,433
Financial Guarantee Liability	10(b)	2,463	-
Unearned Revenue	19	906	-
Total Current Liabilities		537,205	167,766
Non-Current Liabilities			
Borrowings	20	277,831	586,879
Derivative Financial Instruments	21	127,263	-
Provisions	15	166,361	274,609
Unearned Revenue	19	2,844	-
Total Non-Current Liabilities		574,299	861,488
Total Liabilities		1,111,504	1,029,254
Net Assets		2,315,531	1,746,613
Equity			
Contributed Equity	23(c)	97,536	97,536
Reserves	23(f)	(89,229)	16,890
Retained Earnings	23(g)	2,307,224	1,632,187
Total Equity		2,315,531	1,746,613

The above Statement of Financial Position should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Changes in Equity for the year ended 31 July 2022

	Notes	Contributed Equity \$000	Reserves \$000	Retained Earnings \$000	Total \$000
Balance as at 1 August 2021		97,536	16,890	1,632,187	1,746,613
Profit for the Year		-	-	983,009	983,009
Other Comprehensive (Loss) / Income		-	(106,969)	-	(106,969)
Total Comprehensive Income / (Loss)		-	(106,969)	983,009	876,040
Transactions with Owners in their capacity as Owners					
Dividends Paid	22(a)	-	-	(307,972)	(307,972)
Share-Based Payment Transactions	23(d),(f)	-	850	-	850
		-	850	(307,972)	(307,122)
Balance as at 31 July 2022		97,536	(89,229)	2,307,224	2,315,531
Balance as at 1 August 2020		96,692	42,553	1,586,135	1,725,380
Profit / (Loss) for the Year		-	-	79,350	79,350
Other Comprehensive (Loss) / Income		-	(31,501)	-	(31,501)
Total Comprehensive Income / (Loss)		-	(31,501)	79,350	47,849
Transactions with Owners in their capacity as Owners					
Dividends Paid	22(a)	-	-	(33,298)	(33,298)
Convertible Notes Issued	23(d),(f)	-	6,610	-	6,610
Share-Based Payment Transactions	23(d),(f)	844	(772)	-	72
		844	5,838	(33,298)	(26,616)
Balance as at 31 July 2021		97,536	16,890	1,632,187	1,746,613

The above Statements of Changes in Equity should be read in conjunction with the accompanying Notes to the Financial Statements.

Statement of Cash Flows

for the year ended 31 July 2022

	Notes	2022 \$000	2021 \$000
Cash Flows from Operating Activities			
Receipts from Customers		2,240,254	1,042,813
Payments to Suppliers and Employees		(1,053,316)	(750,444)
		1,186,938	292,368
Net Interest Paid		(16,975)	(15,620)
Net Income Taxes (Paid) / Received ¹		(31,326)	19,317
Net Cash Inflow from Operating Activities	5	1,138,637	296,065
Cash Flows from Investing Activities			
Payments for Property, Plant and Equipment		(65,361)	(49,850)
Proceeds from Sale of Property, Plant and Equipment		26,492	22,724
Payments for Equity Investment	18	(94,483)	-
Payments for Exploration and Evaluation Assets	13	(12,468)	(10,813)
Term Deposits	17	(100,000)	-
Proceeds for Sale of Business	10(b)	21,625	-
Refunds / (Payments) for Security and Bond Guarantees		1,671	(4,821)
Net Cash (Outflow) from Investing Activities		(222,524)	(42,760)
Cash Flows from Financing Activities			
Proceeds from Secured Debt	20(a)	-	20,000
Repayments of Secured Debt	20(a)	(310,000)	(70,000)
Net Proceeds from Convertible Notes	20(c)	-	195,702
Repayment of Lease Liabilities		(10,161)	(13,876)
Dividends Paid	22(a)	(307,972)	(33,298)
Net Cash Inflow / (Outflow) from Financing Activities		(628,133)	98,528
Net Increase in Cash and Cash Equivalents		287,980	351,833
Cash and Cash Equivalents at the beginning of the Financial Year		424,663	70,377
Effects of Exchange Rate changes on Cash and Cash Equivalents		3,071	2,453
Cash and Cash Equivalents at the end of the Financial Year		715,714	424,663

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes to the Financial Statements.

Notes to the Financial Statements

for the year ended 31 July 2022

The Financial Report covers New Hope Corporation Limited and its subsidiaries as the consolidated entity and together are referred to as New Hope, the Company or the Group in this Financial Report. The Financial Report for the year ended 31 July 2022 was authorised for issue in accordance with a resolution of the Directors on 19 September 2022.

BASIS OF PREPARATION

This Financial Report is a general purpose financial report which:

- Has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), Australian Accounting Interpretations and the *Corporations Act 2001*;
- Complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). For the purposes of preparing the consolidated Financial Statements, the Company is a for profit entity;
- Adopts policies which are consistent with those of the previous financial year and corresponding interim reporting period with the exception of changes required on adoption of new accounting standards as identified in Note 33;
- Does not adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to Note 33 for more information on this and other accounting policies;
- Has been prepared under the historical cost convention, as modified by the revaluation of equity investments, trade receivables held at fair value, derivative instruments carried at fair value and agricultural assets carried at fair value;
- Is for a company which is of a kind referred to in *ASIC Corporations Instrument 2016/191*, issued by the Australian Securities and Investment Commission, relating to the 'rounding off' of amounts in the Consolidated Financial Statements. Amounts in the Consolidated Financial Statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar; and
- Presents comparative information that has been reclassified where appropriate to enhance comparability

The Directors have presented these Consolidated Financial Statements on a going concern basis and have a reasonable expectation that the Group will be able to pay its debts as and when they fall due for at least the next 12 months.

The Company has successfully navigated the economic impacts of COVID-19 to date and continues to monitor and respond to the evolving situation.

BASIS OF CONSOLIDATION

(A) SUBSIDIARIES

The Consolidated Financial Statements incorporate the assets and liabilities of all subsidiaries of New Hope Corporation Limited (Company or parent entity) as at 31 July 2022 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling Interests in the results and equity of subsidiaries are shown separately in the Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity respectively.

BASIS OF CONSOLIDATION (CONTINUED)

(B) INTERESTS IN OTHER ENTITIES

For information on Joint Arrangements and interests in Other unincorporated entities refer to Note 25.

OTHER ACCOUNTING POLICIES

Significant and other accounting policies relevant to gaining an understanding of the Consolidated Financial Statements have been grouped with the relevant Notes to the Financial Statements.

KEY JUDGEMENTS AND ESTIMATES

The preparation of Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed within the following notes:

		PAGE
Note 4	Deferred Tax Assets	57
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1. FINANCIAL REPORTING SEGMENTS

ACCOUNTING POLICY

Operating Segments have been determined based on reports reviewed by Key Management Personnel (KMP) which are used to make strategic decisions. KMP has been identified as the Board, the Chief Executive Officer (CEO), the Chief Financial Officer (CFO) and the Executive General Manager and Company Secretary. The reportable segments reflect how performance is measured, and decisions regarding allocations of resources are made by KMP.

The Group disaggregates revenue based on the geographical region to which goods and services are provided to customers. Outlined in Note 1(c) is the disaggregation of the Group's Revenue from Contracts with Customers. Refer to Note 2 for further information on the Group's Revenue accounting policy.

A. DESCRIPTION OF SEGMENTS

The Group has three reportable segments, namely Coal Mining in Queensland (including mining related production, processing, transportation, port operations and marketing), Coal Mining in New South Wales (including mining related production, processing, transportation and marketing) and Other (including coal exploration, oil and gas related exploration, development, production and processing, pastoral operations and administration). Treasury and Income Tax expense have not been allocated to an Operating Segment and are reconciling items.

Other immaterial coal mining and related operations that do not meet the quantitative thresholds requiring separate disclosure in AASB 8 *Operating Segments* have been combined with the Other segment. Segment information is presented on the same basis as that used for internal reporting purposes.

Notes to the Financial Statements for the year ended 31 July 2022

1. FINANCIAL REPORTING SEGMENTS (CONTINUED)

B. SEGMENT INFORMATION

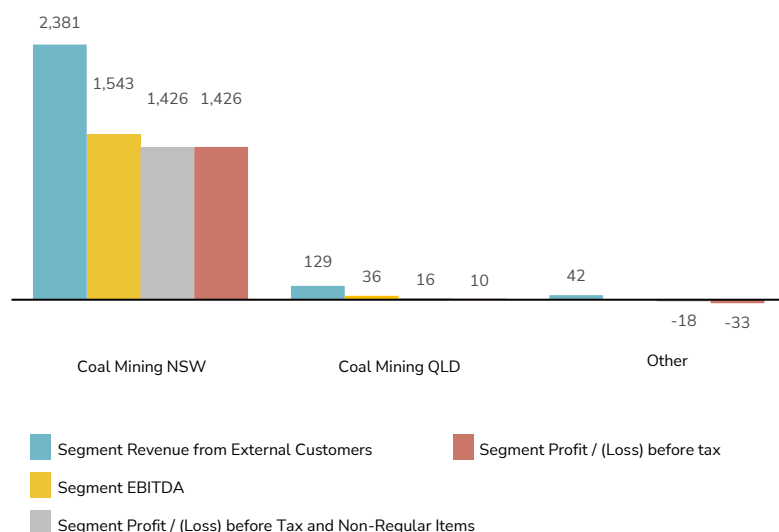
Year ended 31 July 2022	Notes	Coal Mining NSW \$000	Coal Mining QLD \$000	Other \$000	Total \$000
Total Segment Revenue		2,380,925	128,570	53,821	2,563,316
Intersegment Revenue		(111)	-	(12,317)	(12,428)
Revenue from External Customers		2,380,814	128,570	41,504	2,550,888
Interest Revenue					1,507
Total Revenue from External Customers					2,552,395
Underlying EBITDA before Non-Regular Items²					1,577,357
Segment Underlying EBITDA before Non-Regular Items²		1,542,818	36,296	795	1,579,909
Depreciation and Amortisation	3	(115,628)	(17,736)	(7,772)	(141,136)
Net Interest Expense ³		(873)	(2,918)	(10,839)	(14,630)
Segment Profit / (Loss) before Tax and Non-Regular Items		1,426,317	15,642	(17,816)	1,424,143
Non-Regular Items before Tax ¹		-	(5,304)	(15,649)	(20,953)
Segment Profit / (Loss) before Tax after Non-Regular Items		1,426,317	10,338	(33,465)	1,403,190
Treasury Loss before Income Tax and Non-Regular Items					(2,552)
Non-Regular Treasury Items before Tax					-
Treasury Loss before Income Tax					(2,552)
Profit / (Loss) before Tax (after Non-Regular Items)					1,400,638
Income Tax (Expense) / Benefit	4(a)				(417,629)
Profit / (Loss) after Tax and Non-Regular Items					983,009
Reportable Segment Assets		2,133,391	234,966	1,058,678	3,427,035
Total Segment Assets includes:					
Additions of Non-Current Capital Assets		52,936	27,940	15,939	96,815
Increase in Impairment of Assets		-	-	(4,989)	(4,989)

¹ Non-Regular Items for the financial year ended 31 July 2022 relate to Group Redundancy Costs, Liquidation Related Expenses, Strategic Growth and M&A.

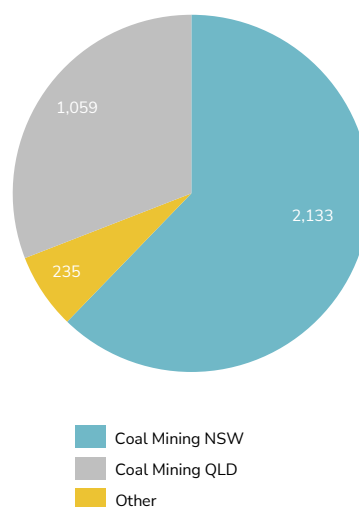
² Underlying Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and Net Profit before Tax (NPBT) and before Non-Regular Items are non-IFRS measures. This non-IFRS information has not been audited by Deloitte.

³ Net interest expense comprises finance income and expenses minus unwinding of discount on provisions and commitment fees on loan facility. Refer to note 20D.

2022 Segment Performance (\$million)



2022 Segment Assets (\$million)



Notes to the Financial Statements for the year ended 31 July 2022

1. FINANCIAL REPORTING SEGMENTS (CONTINUED)

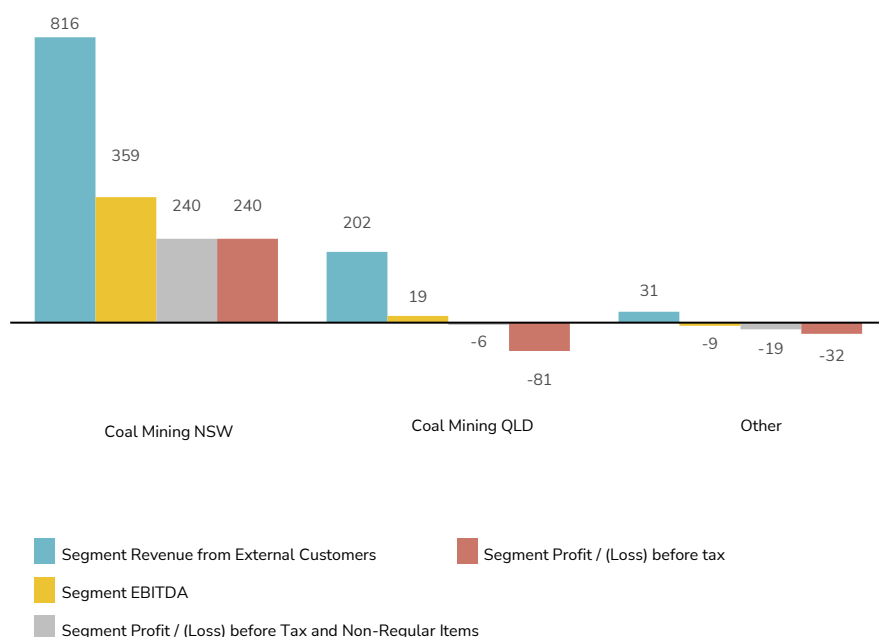
B. SEGMENT INFORMATION (CONTINUED)

Year ended 31 July 2021	Notes	Coal Mining NSW \$000	Coal Mining QLD \$000	Other \$000	Total \$000
Total Segment Revenue		815,784	201,526	46,060	1,063,370
Intersegment Revenue		(134)	-	(15,050)	(15,184)
Revenue from External Customers		815,650	201,526	31,010	1,048,186
Interest Revenue					53
Total Revenue from External Customers					1,048,239
Underlying EBITDA before Non-Regular Items²					367,197
Segment Underlying EBITDA before Non-Regular Items²		359,076	18,798	(9,151)	368,723
Depreciation and Amortisation	3	(118,279)	(22,136)	(8,938)	(149,353)
Interest Expense		(1,155)	(3,065)	(953)	(5,173)
Segment Profit / (Loss) before Tax and Non-Regular Items		239,642	(6,403)	(19,042)	214,197
Non-Regular Items before Tax ¹		-	(74,681)	(12,802)	(87,483)
Segment Profit / (Loss) before Tax after Non-Regular Items		239,642	(81,084)	(31,844)	126,714
Treasury Loss before Income Tax and Non-Regular Items					(14,884)
Non-Regular Treasury Items before Tax					(1,110)
Treasury Loss before Income Tax					(15,994)
Profit / (Loss) before Tax (after Non-Regular Items)					110,720
Income Tax (Expense) / Benefit	4(a)				(31,370)
Profit / (Loss) after Tax and Non-Regular Items					79,350
Reportable Segment Assets		1,655,866	404,228	715,773	2,775,867
Total Segment Assets includes:					
Additions to Non-Current Capital Assets		79,625	4,837	12,955	97,417
Increase in Impairment of Assets		-	(40,307)	(4,389)	(44,696)

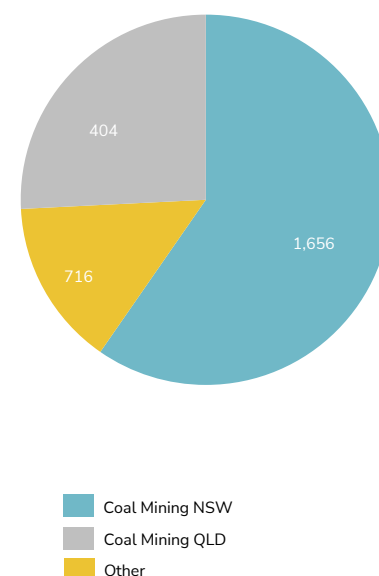
¹ Non-Regular Items for the financial year ended 31 July 2021 relate to Coal Mining Asset and Coal Exploration Asset Impairments, Onerous Contracts, New Acland Ramp Down Costs, Group Redundancy Costs, Liquidation Related Expenses, Strategic Growth and M&A and Debt Waiver Consent Fees.

² Underlying Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and Net Profit before Tax (NPBT) and before Non-Regular Items are non-IFRS measures. This non-IFRS information has not been audited by Deloitte.

2021 Segment Performance (\$million)



2021 Segment Assets (\$million)



1. FINANCIAL REPORTING SEGMENTS (CONTINUED)

C. OTHER SEGMENT INFORMATION

(i) SEGMENT REVENUE

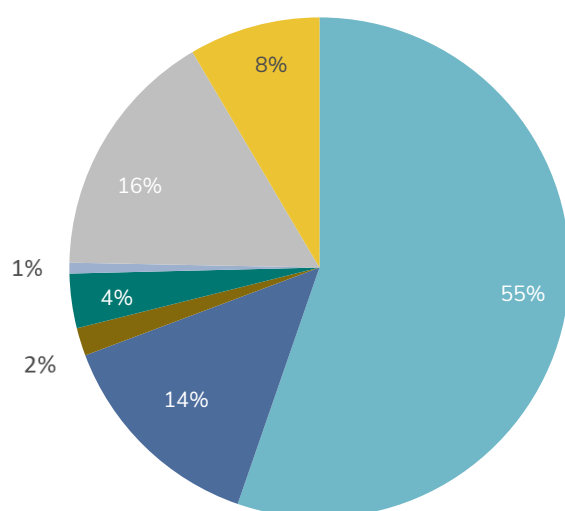
Year ended 31 July 2022	Notes	Coal Mining NSW \$000	Coal Mining QLD \$000	Other \$000	Total \$000
Total Segment Revenue by Geographical Region					
Japan		1,115,027	78,512	-	1,193,539
Taiwan		301,923	-	-	301,923
Chile		34,539	4,467	-	39,006
Korea		45,687	30,591	-	76,278
India		14,680	-	-	14,680
Other ¹		350,229	-	-	350,229
Australia		130,707	15,003	37,019	182,729
Revenue from Customer Contracts ²		1,992,792	128,574	37,019	2,158,384
Provisional Pricing					382,498
Other Revenue					11,512
Total Revenue	2				2,552,394

¹ Other revenue from customer contracts relates to third party customer contracts with undisclosed geographical information.

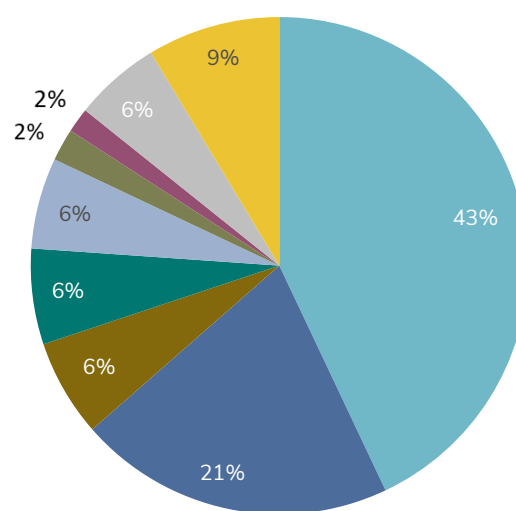
² Revenue from customers contracts includes income from commodity sales and services. Refer Note 2.

Revenues of \$277,350,000 (2021 - \$161,911,000) are derived from a single external customer, representing 13 per cent of total Revenue from Customer Contracts. These revenues are attributed to the Taiwan geographical segment. Provisional pricing adjustments of \$353,277,000 (2021: \$34,716,000) relate to this customer. There are no other individual customers who represent more than 10 per cent of revenue from customer contracts for the year ended 31 July 2022.

2022 Segment Revenue (\$million)



2021 Segment Revenue (\$million)



Japan Taiwan Chile Korea India China Vietnam Other Australia

Notes to the Financial Statements for the year ended 31 July 2022

1. FINANCIAL REPORTING SEGMENTS (CONTINUED)

C. OTHER SEGMENT INFORMATION (CONTINUED)

(i) SEGMENT REVENUE (CONTINUED)

Year ended 31 July 2021	Notes	Coal Mining NSW \$000	Coal Mining QLD \$000	Other \$000	Total \$000
Total Segment Revenue by Geographical Region					
Japan		345,200	82,314	-	427,514
Taiwan		205,211	-	-	205,211
Chile		16,969	46,046	-	63,015
Korea		45,672	15,971	-	61,643
India		37,322	21,969	-	59,291
China		20,638	-	-	20,638
Vietnam		-	15,885	-	15,885
Other ¹		56,196	-	-	56,196
Australia		48,855	12,536	24,920	86,311
Revenue from Customer Contracts ²		776,063	194,721	24,920	995,704
Provisional Pricing					42,341
Other Revenue					10,194
Total Revenue	2				1,048,239

¹ Other revenue from customer contracts relates to third party customer contracts with undisclosed geographical information.

² Revenue from customers contracts includes income from commodity sales and services. Refer Note 2.

Revenues of \$161,911,000 (2020 - \$58,538,000) are derived from a single external customer, representing 16 per cent of total Revenue from Customer Contracts. These revenues are attributed to the Taiwan geographical segment. Provisional pricing adjustments of \$34,716,000 (2020: \$8,199,000) relating to this customer. There are no other individual customers who represent more than 10 per cent of revenue from customer contracts for the year ended 31 July 2021.

(ii) SEGMENT ASSETS

The amounts provided to KMP with respect to total assets are measured in a manner consistent with that of the Consolidated Financial Statements. These assets are allocated based on the operations of the Segment. All Non-Current Assets are located in Australia.

2. REVENUE

ACCOUNTING POLICY

The Group recognises Sales Revenue related to the transfer of promised goods or services when the performance obligations under the contract have been satisfied. The amount of Revenue recognised reflects the consideration to which the Group is or expects to be entitled for satisfying the performance obligation.

Revenue is recognised for the major business activities as follows:

- Coal Sales Revenue is recognised at the point in time when control of the products have been transferred to the customer in accordance with the sales terms, in this instance when the risks and benefits of ownership has transferred. The transfer of title, risks and rewards, and therefore the fulfilment of performance obligations normally occurs at the time of loading the shipment for export sales, and generally at the time the coal is delivered to the customer for domestic sales.
- Coal sales are reflected at final prices by the end of the reporting period, except for certain Coal Sales that are provisionally priced at the date revenue is recognised, which include a future price reference that is adjusted for discount and quality.
- Oil Sales Revenue is recognised at the point in time when control of the products have been transferred to the customer in accordance with the sales terms, in this instance when the risks and benefits of ownership have transferred. This is normally when the oil is delivered to the customer.
- The Group's products are sold to customers under contracts that vary in tenure and pricing mechanisms, primarily being monthly or quarterly indexes.
- Service Fee Income and Management Fee Income is recognised as Revenue over time as the services are performed.

Notes to the Financial Statements

for the year ended 31 July 2022

2. REVENUE (CONTINUED)

	Notes	2022 \$000	2021 \$000
Sales Revenue			
Revenue from Commodity Sales		2,143,384	983,528
Revenue from Provisional Pricing Adjustments		382,498	42,341
Services		15,002	12,226
		2,540,884	1,038,095
Other Revenue			
Property Rent		2,172	1,509
Interest	20(d)	1,644	85
Sundry Revenue ¹		7,695	8,550
Total Revenue	1(b),(c)	2,552,395	1,048,239

¹ Included within Sundry Revenue for the 2021 financial year is an amount relating to COVID-19 Government relief in the form of JobKeeper payments received by the Group of \$5,861,000. No JobKeeper payments were received by the Group in FY2022.

3. OTHER INCOME AND EXPENSES

Profit / (Loss) before Income Tax includes the following specific income / (expenses):

A. OTHER INCOME

	Notes	2022 \$000	2021 \$000
Insurance Recovery		-	5,739
Land Access Compensation		5	-
Gain from Lenton Divestment	10(b)	6,038	-
Total Other Income		6,043	5,739

B. BREAKDOWN OF EXPENSES

	Notes	2022 \$000	2021 \$000
(i) COST OF SALES^{1&2}			
Purchase Coal		(237,570)	(9,446)
Royalties		(181,752)	(62,038)
Other Production Costs			
Mining		(272,039)	(264,253)
Non-Mining		(18,903)	(23,605)
Total Cost of Sales		(710,264)	(359,342)
(ii) EMPLOYEE-RELATED EXPENSES			
Salary and wages		(130,138)	(135,992)
Superannuation		(9,157)	(9,399)
Share-based payments expense		(850)	(72)
Redundancy expenses		(5,491)	(15,733)
Other employee benefits expenses		(1,542)	(3,330)
Total employee-related expenses		(147,178)	(164,526)

¹ Employee-Related Expenses relating to Cost of Sales of \$134,086,000 (FY2021: 152,084,000) have been excluded

² Depreciation and Amortisation Expenses relating to Cost of Sales of \$140,257,000 (FY2021: 147,138,000) have been excluded.

Notes to the Financial Statements
for the year ended 31 July 2022

3. OTHER INCOME AND EXPENSES (CONTINUED)

B. BREAKDOWN OF EXPENSES (CONTINUED)

		2022 \$000	2021 \$000
(iii) DEPRECIATION AND AMORTISATION			
Depreciation			
Buildings	11	(1,180)	(1,937)
Plant and equipment	11	(59,315)	(61,255)
Total Depreciation		(60,495)	(63,192)
Amortisation			
Mining reserves and leases	11	(58,857)	(61,664)
Mine and port development	11	(4,968)	(5,637)
Oil producing assets	11	(4,946)	(5,529)
Software	12	(458)	(551)
Right-of-use assets	11	(7,888)	(9,256)
Mining information	12	(2,969)	(2,969)
Water rights	12	(555)	(555)
Total Amortisation		(80,641)	(86,161)
(iv) IMPAIRMENT OF ASSETS			
Impairment of QLD coal mining assets	14	-	(40,307)
Impairment of coal exploration and evaluation assets	14	(4,989)	(1,618)
Impairment of building assets	14	-	(2,771)
Total Impairment Charge		(4,989)	(44,696)
(v) OTHER EXPENSES			
Liquidation related expenses ¹		(9,823)	(2,620)
Onerous contract expenses ²		-	(37,276)
Net (Loss) / Gain on disposal of property, plant and equipment		(563)	4,981
Lease costs expensed ³		-	(51)

¹ Liquidation related costs have been included in Other Expenses. Refer to Note 15(d).

² Onerous contract expense is included in Marketing and Transportation expenses. Refer to Note 15(c).

³ Expenses relating to Leases of Low Value Assets.

Notes to the Financial Statements

for the year ended 31 July 2022

4. INCOME TAXES

ACCOUNTING POLICY

The Income Tax Expense or Revenue for the period is the tax payable on the current period's Taxable Income, based on the relevant Income Tax Rate for each jurisdiction, adjusted by changes in Deferred Tax Assets and Liabilities attributable to Temporary Differences, and unused Tax Losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the jurisdictions where the Company's subsidiaries and associates operate and generate taxable income.

Deferred Income Tax is provided in full, using the liability method, on Temporary Differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, the Deferred Income Tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable Profit or Loss. Deferred Income Tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Statement of Financial Position date and are expected to apply when the related Deferred Income Tax Asset is realised or the Deferred Income Tax Liability is settled.

TAX CONSOLIDATION LEGISLATION

New Hope Corporation Limited and its wholly owned Australian controlled entities are subject to tax consolidation legislation. All entities within the group are party to both Tax Sharing and Funding Agreements (TSA and TFA). The TSA, in the opinion of the Directors, limits the joint and several liability of each entity in the case of default by New Hope Corporation Limited. The TFA provides the basis to account for compensation for tax related items transferred between the subsidiaries and the head entity of the group. The head entity, New Hope Corporation Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts.

In addition to its own Current and Deferred Tax amounts, the Company also recognises the Current Tax Liabilities (or Assets) and the Deferred Tax Assets arising from unused Tax Losses and unused Tax Credits assumed from controlled entities in the Tax Consolidated Group. Assets or liabilities arising under TFAs with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the TFA are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

A. INCOME TAX (EXPENSE) / BENEFIT

	2022 \$000	2021 \$000
Income Tax - Current Tax Expense	(389,050)	(24,631)
Income Tax - Adjustments for Current Tax of Prior Periods	2,733	3,582
Income Tax - Deferred Tax (Expense) / Benefit	(31,312)	(10,321)
	(417,629)	(31,370)
Effective Tax Rate	29.8%	28.3%

B. NUMERICAL RECONCILIATION OF INCOME TAX (EXPENSE) / BENEFIT TO PRIMA FACIE TAX RECEIVABLE / (PAYABLE)

	2022 \$000	2021 \$000
Profit / (Loss) before Income Tax	1,400,638	110,720
Income Tax calculated at 30% (2021: 30%)	(420,191)	(33,216)
Tax effect of amounts which are not deductible / (taxable) in calculating Taxable Income:		
CGT Income not assessable	-	1,716
Non-Assessable accounting gain from property disposals	3,334	-
Non-Assessable Interest relating to convertible notes	(614)	
Other Non-Temporary Items	(1,805)	89
	(419,276)	(31,411)
Under / (Over) provided in prior year	1,647	41
Income Tax (Expense) / Benefit	(417,629)	(31,370)

C. TAX (EXPENSE) / BENEFIT RELATING TO ITEMS OF OTHER COMPREHENSIVE INCOME

	2022 \$000	2021 \$000
Cash Flow Hedges	(45,894)	(13,506)

4. INCOME TAXES (CONTINUED)

D. DEFERRED TAX BALANCES

ACCOUNTING POLICY

Deferred Tax Assets are recognised for the deductible Temporary Differences and unused Tax Losses only when it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred Tax Liabilities and Assets are not recognised for Temporary Differences between the carrying amount and tax bases of Investments in Controlled Entities where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the differences will not reverse in the foreseeable future.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset Current Tax Assets and Liabilities and when the Deferred Tax balances relate to the same taxation authority.

	Net balance at 1 August \$000	Recognised in Profit or Loss \$000	Recognised in OCI \$000	Net \$000	Deferred Tax Assets \$000	Deferred Tax Liabilities \$000
2022						
Rehabilitation Provision	80,387	(30,926)	-	49,461	49,461	-
Property, Plant and Equipment	(101,125)	9,976	-	(91,149)	-	(91,149)
Capitalised Exploration	(12,966)	(751)	-	(13,717)	-	(13,717)
Cash Flow Hedges	(2,923)	-	45,894	42,971	42,971	-
Inventories	(8,140)	(2,112)	-	(10,252)	-	(10,252)
Employee Benefits	11,287	(3,435)	-	7,852	7,852	-
Other	1,991	(3,046)	-	(1,055)	-	(1,055)
Capital Losses	1,500	-	-	1,500	1,500	-
Lease Liabilities	30,203	(1,019)	-	29,184	29,184	-
	214	(31,312)	45,894	14,795	130,968	(116,173)
2021						
Rehabilitation Provision	74,717	5,670	-	80,387	80,387	-
Property, Plant and Equipment	(81,465)	(19,660)	-	(101,125)	-	(101,125)
Capitalised Exploration	(10,327)	(2,639)	-	(12,966)	-	(12,966)
Cash Flow Hedges	(16,429)	-	13,506	(2,923)	-	(2,923)
Inventories	(4,475)	(3,665)	-	(8,140)	-	(8,140)
Employee Benefits	14,143	(2,856)	-	11,287	11,287	-
Other	(4,012)	6,003	-	1,991	1,991	-
Capital Losses	1,500	-	-	1,500	1,500	-
Lease Liabilities	23,374	6,829	-	30,203	30,203	-
	(2,974)	(10,318)	13,506	214	125,368	(125,154)

E. UNRECOGNISED DEFERRED TAX ASSETS

	2022 \$000	2021 \$000
Deferred Tax Assets have not been recognised in respect of the following items:		
Tax Losses (Capital)	4,522	6,607
Temporary Differences associated with Equity Investments	5,709	5,709
	10,231	12,316

Notes to the Financial Statements

for the year ended 31 July 2022

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The deferred taxation benefits will only be obtained if assessable income is derived of a nature and of an amount sufficient to enable the benefit from the deductions to be realised, conditions for deductibility imposed by the law are complied with and no changes in tax legislation adversely affect the realisation of the benefit from the deductions. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Capital Tax Losses do not expire under current tax legislation. Deferred Tax Assets have not been recognised in respect of these items because it is uncertain when future Capital Gains will be available against which the Group can utilise the benefits from these assets.

5. RECONCILIATION OF PROFIT / (LOSS) AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	Notes	2022 \$000	2021 \$000
Profit after Income Tax		983,009	79,350
Depreciation and Amortisation		141,136	149,353
Non-Cash Employee Benefit Expense – Share-Based Payments	29	850	72
Gain from Disposal of Entity - Lenton	10	6,038	-
Impairment of Assets	3(b)	4,989	44,696
Net Foreign Exchange Gains		(3,071)	(2,453)
Net Loss / (Profit) on sale of Non-Current Assets	3(b)	563	(4,981)
Net Income Taxes (Paid) / Received ¹		(31,326)	19,317
Income Tax Expense / (Benefit)	4(a)	417,629	31,370
Non-Cash Finance Costs	20(d)	10,444	2,076
Provision for Onerous Contract	15(c)	-	16,477
Changes in Operating Assets and Liabilities			
(Increase) in Receivables and Prepayments		(384,236)	(54,973)
Decrease in Inventories		11,479	7,643
(Decrease) in Trade and Other Payables		7,942	(3,768)
(Decrease) / Increase in Provisions		(26,809)	11,886
Net Cash from Operating Activities		1,138,637	296,065

¹ The amount of Income Taxes paid for the 2022 financial year represents current year instalments less a refund of instalments paid for the year ended 31 July 2021.

6. EARNINGS PER SHARE

ACCOUNTING POLICY

BASIC EARNINGS PER SHARE

Basic Earnings per Share is calculated by dividing the Profit attributable to Ordinary Equity Holders of the Company, excluding any costs of servicing equity other than Ordinary Shares, by the weighted average number of Ordinary Shares outstanding during the year, adjusted for bonus element in Ordinary Shares issued during the year.

DILUTED EARNINGS PER SHARE

Diluted Earnings per Share adjusts the figures used in the determination of Basic Earnings per Share to take into account the after Income Tax effect of interest and other financial costs associated with dilutive potential Ordinary Shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential Ordinary Shares.

6. EARNINGS PER SHARE (CONTINUED)

A. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

	Earnings per Share (cents)	
	2022	2021
	\$000	\$000
Basic Earnings per Share	118.1	9.5
Diluted Earnings per Share	106.0	9.5

B. RECONCILIATION OF ADJUSTED PROFITS

	Basic	
	2022	2021
	\$000	\$000
Profit / (Loss) attributable to the Ordinary Equity Holders of the Company	983,009	79,350

	Dilutive	
	2022	2021
	\$000	\$000
Profit / (Loss) attributable to the Ordinary Equity Holders of the Company	988,346	79,771

C. WEIGHTED AVERAGE NUMBER OF SHARES USED AS THE DENOMINATOR

	Consolidated	
	2022	2021
Weighted average number of Ordinary Shares (Basic)	832,357,082	832,348,195
Performance Rights	322,614	553,434
Convertible bond - Equity	99,918,722	7,566,862
Weighted average number of Ordinary Shares (Diluted)	932,598,418	840,468,491

D. PERFORMANCE RIGHTS GRANTED TO EMPLOYEES

Performance Rights granted to employees are considered to be potential Ordinary Shares and have been included in the determination of Diluted Earnings Per Share to the extent to which they are dilutive. Performance Rights have not been included in the determination of Basic Earnings Per Share. Details relating to Performance Rights are set out in Note 29.

7. RECEIVABLES

ACCOUNTING POLICY

Trade Receivables derived from contracted sales are recognised initially at fair value and subsequently at amortised cost, less any expected credit losses (ECL). Trade Receivables from provisionally priced sales are carried at fair value. The carrying value less the estimated credit adjustments are assumed to approximate their fair values due to their short-term nature. Trade Receivables are due for settlement no more than forty-five days from the date of recognition.

Other non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value, and subsequently at amortised cost less any ECLs. They are included in Current Assets, except for those with maturities greater than 12 months after the reporting date which are classified as Non-Current Assets. Other (Non-Current) Receivables from Bowen Coking Coal Limited as part of the purchase consideration from the Lenton Divestiture are carried at fair value.

The Group measures the loss allowance for a Financial Asset at an amount equal to the lifetime ECL. Where the Financial Asset's credit risk has not increased significantly since initial recognition, the Group will measure the loss allowance based on twelve months ECL. A simplified approach is taken to accounting for Trade and Other Receivables as well as contract assets and records the loss allowance at the amount equal to the lifetime ECL. In applying this simplified method, the Group uses its historical experience, external indicators and forward-looking information to calculate the ECL.

7. RECEIVABLES (CONTINUED)

	2022 \$000	2021 \$000
Current		
Trade Receivables	82,466	78,995
Trade Receivables – Provisionally Priced	389,888	9,216
Other Receivables ¹	14,896	21,364
Prepayments	14,722	13,748
Total Current	501,972	123,323
Non-Current		
Other Receivables ²	39,557	364
Total Non-Current	39,557	364

¹ These amounts relate to Long Service Leave payments recoverable from the Coal Mining Industry Long Service Leave Fund, Rebates Receivable, Goods and Services Tax (GST) refunds receivable and Security Deposits. None of these receivables are impaired or past due.

² Included in the Non-Current Other Receivables are royalty and milestone payments from Bowen Coking Coal Limited of \$39,471,000, carried at fair value. Refer to note 10 for more details.

Trade Receivables – Provisionally Priced

During this financial year, the Japanese Reference Price (JRP), which is historically settled during the second half of the year was not settled. The cash from this final settlement was received in September 2022.

Other Receivables – Receivables from Lenton

With the execution of the Lenton sale transaction, a new receivable from Bowen Coking Coal Limited was recognised on 1 July 2022 and carried at fair value. For more details, please refer to note 10(b).

A. FOREIGN EXCHANGE AND INTEREST RATE RISK

Information about the Group's exposure to foreign currency risk and interest rate risk in relation to Trade and Other Receivables is provided in Note 24.

B. FAIR VALUE AND CREDIT RISK

Due to the short-term nature of current Receivables, their carrying value is assumed to approximate their fair value. The fair value of Non-Current Receivables approximates their carrying amounts. Information about the Group's exposure to fair value and credit risk in relation to Trade and Other Receivables is provided in Note 24. The Group assessed the ECL in relation to Trade and Other Receivables in the current year and the prior year to be immaterial and no loss allowance has been recorded.

8. TRADE AND OTHER PAYABLES

ACCOUNTING POLICY

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and usually paid within forty-five days of recognition. Trade Payables from provisionally priced purchases are carried at fair value.

	2022 \$000	2021 \$000
Trade and Other Payables ¹	94,478	78,786

¹ Included in the Trade Payables is the Provisionally Priced Payable of \$4,806,000 (FY2021: NIL).

Notes to the Financial Statements

for the year ended 31 July 2022

9. INVENTORIES

ACCOUNTING POLICY

Coal Stocks are valued at the lower of cost and net realisable value. Cost comprises the weighted average costs of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Self-Generating and Regenerating Assets relate to the Group's agricultural inventories and are valued at fair value less costs to sell.

Inventories of Consumable Supplies and Spare Parts expected to be used in production are valued at weighted average cost.

A provision for stock obsolescence in relation to Raw Materials and stores is raised for items which have become obsolete over time.

	2022 \$000	2021 \$000
Coal stocks	26,435	42,090
Self-Generating and Regenerating Assets	6,033	5,120
Raw Materials and Stores at cost	32,539	29,276
Less: Provision for Obsolescence	(5,264)	(3,143)
Total Inventories	59,743	73,343

A. INVENTORY EXPENSE

Coal Stocks recognised as an expense during the year ended 31 July 2022 amounted to \$857,483,000 (2021: \$689,838,000). The Group did not recognise any inventory write-down to net realisable value for the Financial Year (2021: \$NIL).

10A. ASSETS CLASSIFIED AS HELD FOR SALE

ACCOUNTING POLICY

Non-Current Assets (or disposal group) are classified as Held For Sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. When the sale is considered highly probable and is available for immediate sale, the asset is valued at the lower of its carrying amount and fair value less costs to sell, with any gain or loss on remeasurement recognised in the Statement of Comprehensive Income.

	2022 \$000	2021 \$000
Land – Mining ¹	-	7,067
Buildings - Non-Mining ²	-	3,000
Total	-	10,067

¹ \$6,498,000 related to the Pastoral CGU and \$569,000 related to the Qld Coal Mining Operations CGU, both included in the Coal Mining QLD Segment.

² Included in 'Other' Operating Segment.

The Group has classified from Property, Plant and Equipment to Assets Classified as Held for Sale in the 2021 financial year, with the sale transactions completed in the 2022 financial year. Key updates for the current financial year are outlined below:

- A gain on disposal of parcels of land of \$5,251,000 was recognised in the Statement of Comprehensive Income in the 2022 financial year.
- On 28 July 2021, the Group entered a contract for sale of the previous corporate office at Brookwater, Queensland. The sale was subject to a Put and Call Option with the Group and was executed in the current financial year, with proceeds of \$3,000,000 received and a loss of \$613,000 recognised in the Statement of Comprehensive Income in the 2022 financial year.

Notes to the Financial Statements for the year ended 31 July 2022

10B. DISPOSAL OF NEW LENTON COAL

On 2 August 2021 the Group entered into a Binding Term Sheet to divest 100 per cent of the shares in New Lenton Coal Pty Ltd (which held a 90 per cent interest in the Lenton Joint Venture) to Bowen Coking Coal Limited (ASX: BCB). On 24 December 2021 the Group signed a Sale and Purchase Agreement with Bowen Coking Coal in line with the Binding Term Sheet. A total of \$1.0 million of upfront cash payments were received. There were several conditions precedent included in the Sale and Purchase Agreement. These were subsequently satisfied and the sale completed on 1 July 2022.

The sale consideration included cash, a series of milestone payments and a royalty stream. The determination of the fair value of the receivable in relation to the future royalty stream and milestone payments involves judgement and is based on expectations in relation to the timing of relevant approvals, production and forecast price assumptions.

A summary of the sale transaction out is presented below:

	2022 \$000
Deposit and Contract Settlement Payment	21,625
Receivables	39,471
Total Purchase Consideration	61,096
Total Assets	122,410
Total Liabilities	(69,815)
Total Net Assets Disposed	52,595
Financial Guarantee Liability Provided	(2,463)
Profit on Sale	6,038

As part of the sale, the Group provided a guarantee to the State of Queensland for an amount of \$61.5m in relation to New Lenton Coal Pty Ltd's rehabilitation obligation. The guarantee is provided through a bank letter of credit, issued in favour of the State of Queensland. The terms associated with the letter of credit allows for the bank to claim from the Group the value of the guarantee called upon by the State in the event of default by New Lenton on its rehabilitation obligation.

Under a separate agreement entered in to with Bowen Coking Coal, the Group has agreed that the guarantee will be terminated after 24 months.

The Group recognised the guarantee as a financial liability as at 31 July 2022 and measured the liability at fair value having regard to a probability weighted assessment of the risk of default. The Group has considered its position and has determined that the probability of default is highly unlikely as at 31 July 2022. A liability of \$2,500,000 has been recognised as a result.

11. PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING POLICY

PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment is stated at historical cost less applicable Depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains / losses on qualifying Cash Flow Hedges of foreign currency purchases of Property, Plant and Equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other subsequent costs are expensed to the Statement of Comprehensive Income during the financial period in which they are incurred.

RIGHT OF USE ASSETS

At the commencement date of a lease (other than leases of 12 months or less and leases of low value assets), the Group recognises a Right-of-Use Asset representing its Right-of-Use to the underlying asset. Right-of-Use Assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group and an estimate of the costs to dismantle and remove the underlying asset.

Subsequent to initial recognition, Right-of-Use Assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less Accumulated Depreciation and any Accumulated Impairment Loss. Right-of-Use Assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, including any lease extensions.

DEPRECIATION

Depreciation is calculated so as to write off the cost of each item of Property, Plant and Equipment over its expected economic life to the consolidated entity. Each item's useful life has due regard both to its own physical life limitations and to present assessments of economically recoverable resources of the mine property at which the item is located. Estimates of residual values and remaining useful lives are made on an annual basis. An annual review of the appropriateness of the method of depreciation is also undertaken, noting that the majority of assets were depreciated using the straight-line method in the 2022 financial year. The expected useful life of Plant and Equipment is four to 20 years, Buildings is 25 to 40 years and Motor Vehicles is four to eight years. Land is not depreciated.

DISPOSALS

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

IMPAIRMENT

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Refer to Note 14 for further detail on impairment of assets.

MINE PROPERTIES, DEVELOPMENT COSTS, RESERVES AND LEASES AND OIL PRODUCING ASSETS

Development expenditure incurred by the Group is accumulated separately for each area of interest in which economically recoverable resources have been identified to the satisfaction of the Directors. Direct development expenditure, pre-operating start-up costs and an appropriate portion of related overhead expenditures are capitalised as development costs up until the relevant area of interest is ready for use. The cost of acquiring reserves and resources are capitalised in the Statement of Financial Position as incurred.

Mining Reserves, Leases and Mine and Port Development Assets are amortised over the estimated productive life of each applicable mine or port on either a unit of production basis or years of operation basis, as appropriate. Amortisation commences when an area of interest is ready for use.

Oil Producing Assets are amortised on a unit of production basis. The method uses the actual costs of the asset to date plus all its projected future development costs. Amortisation commences when an area of interest is ready for use.

DEFERRED STRIPPING COSTS

The Group does not recognise any deferred stripping costs. Based on the nature of the Group's mining operations and the stripping ratio for the components of its operations, the recognition criteria of a deferred stripping asset are not satisfied. Further, it is anticipated that the operations will maintain a consistent stripping ratio at the component level and as such no overburden in advance should be recognised.

Notes to the Financial Statements
for the year ended 31 July 2022

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Notes	Land and Buildings Mining \$000	Land and Buildings Non-mining \$000	Plant and Equipment \$000	Mining Reserves and Leases \$000	Mine and Port Development \$000	Oil Producing Assets \$000	Plant under Construction \$000	Right-of-Use Assets \$000	Total \$000
Year ended 31 July 2022										
Balance at 1 August 2021		186,216	3,193	520,138	982,562	108,570	45,295	8,694	97,165	1,951,833
Additions		2,489	-	53,629	-	1,108	3,561	16,030	-	76,817
Movements in Rehabilitation		-	-	(16,332)	-	(29,160)	(6,945)	-	-	(52,437)
Remeasurement of Assets ¹		-	-	-	-	-	-	-	6,631	6,631
Disposal – Lenton	10	(5,140)	-	(51,648)	-	-	-	(2,000)	-	(58,788)
Transfers within Property Plant and Equipment		-	-	12,503	-	-	-	(12,503)	-	-
Transfers to Exploration and Evaluation Assets	13	-	-	-	-	-	-	-	-	-
Disposal of Assets		(7,102)	(1,046)	(22,508)	-	-	-	-	-	(30,656)
Impairment Charge	14	-	-	-	-	-	-	-	-	-
Depreciation / Amortisation Expense		(1,043)	(136)	(59,316)	(58,857)	(4,968)	(4,946)	-	(7,888)	(137,154)
Balance at 31 July 2022		175,420	2,011	436,466	923,705	75,550	36,965	10,221	95,908	1,756,246
Year ended 31 July 2021										
Balance at 1 August 2020		209,476	7,066	558,332	1,044,226	113,646	45,827	25,106	81,148	2,084,827
Additions		38	-	36,835	-	5,544	4,942	2,161	37,084	86,604
Movements in Rehabilitation		-	-	5,288	-	(2,606)	55	-	-	2,737
Remeasurement of Assets ¹		-	-	-	-	-	-	-	(4,807)	(4,807)
Transfers to Asset Classified as Held for Sale	10	(7,067)	(3,000)	-	-	-	-	-	-	(10,067)
Transfers within Property, Plant and Equipment		-	-	23,441	-	-	-	(18,573)	(4,868)	-
Transfers to Exploration and Evaluation Assets	13	-	-	-	-	(992)	-	-	-	(992)
Disposal of Assets		(5,431)	-	(12,312)	-	-	-	-	-	(17,743)
Impairment Charge	14	(9,101)	(635)	(30,191)	-	(1,385)	-	-	(2,136)	(43,448)
Depreciation / Amortisation Expense		(1,699)	(238)	(61,255)	(61,664)	(5,637)	(5,529)	-	(9,256)	(145,278)
Balance at 31 July 2021		186,216	3,193	520,138	982,562	108,570	45,295	8,694	97,165	1,951,833

¹ Remeasurement of assets relates to remeasurement of Right-of-Use Assets due to a change in lease terms.

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

SIGNIFICANT JUDGEMENTS AND ESTIMATES

(A) IMPAIRMENT ASSESSMENT

All Property, Plant and Equipment allocated to Cash Generating Units (CGUs) containing Goodwill must be tested for impairment at the CGU level on an annual basis. Other Property, Plant and Equipment assets must also be tested for impairment when impairment indicators are identified. Refer to Note 14 for further detail on the significant judgements and estimates used in impairment assessment.

(B) ESTIMATION OF COAL AND OIL RESERVES AND RESOURCES

The Group estimates its coal reserves and resources based on information compiled by Competent Persons as defined in accordance with the JORC Code, which is produced by the Australasian Joint Ore Reserves Committee (JORC). The oil reserves and resources are equivalently calculated by appropriately qualified persons in accordance with the Society of Petroleum Engineers Petroleum Reserves Management System (SPE-PRMS) (updated May 2022).

The estimation of reserves and resources requires judgement to interpret available geological data and then to select an appropriate mining method and establish an extraction schedule. It also requires assumptions about future commodity prices, exchange rates, production costs, recovery rates and discount rates and, in some instances, the renewal of mining licences. There are many uncertainties in the estimation process and assumptions that are valid at the time of estimation may change significantly when new information becomes available. In particular, the increasing global focus on climate change and associated policy and regulatory risks may impact on future coal demand and prices which could impact reserves and resource estimations, including the commercial viability of their extraction.

Changes in coal and oil reserves could have an impact on the calculation of depreciation, amortisation and impairment charges; the timing of the payment of closedown and restoration costs; and the recovery of deferred tax assets. Changes in coal and oil resources could have an impact on the recoverability of exploration and evaluation costs capitalised. Refer to Note 14 for details on Impairment of Assets.

(C) NEW ACLAND STAGE 3 APPROVALS

There have been several key developments in the approvals of the New Acland Stage 3 project (NAC03) during the reporting period. An assessment has undertaken based on these key developments as at 31 July 2022 for any potential indicators of impairment to the Coal Mining QLD operations CGU assets. Refer to Note 14 for details on Impairment of Assets.

12. INTANGIBLE ASSETS

ACCOUNTING POLICY

IT Development and Software	Costs incurred in IT development and developing software and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised are external direct costs of materials and services. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.
Water Rights and Mining Information	The Group benefits from Water Rights associated with its mining operations through the efficient and cost-effective operation of the mine. These rights are amortised on a straight-line basis over the life of the mine. The value of exploration, pre-feasibility and feasibility costs necessary for regulatory, reporting and internal control purposes have been recognised as a Mining Information Intangible Asset. The total value is amortised over the estimated life of the mine.
Goodwill	Goodwill on acquisitions of subsidiaries is included in Intangible Assets. Goodwill on acquisitions of associates is included in Investments in Associates. Goodwill is not amortised. Goodwill is carried at cost less accumulated impairment losses. Gains or losses on the disposal of an entity include the carrying amount of Goodwill relating to the entity sold. Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.
Impairment	Goodwill and Intangible Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Refer to Note 14 for details of impairment testing. Goodwill impairments are not reversible.

12. INTANGIBLE ASSETS (CONTINUED)

	Notes	Software \$000	Goodwill \$000	Water Rights \$000	Mining Information \$000	Total \$000
Year ended 31 July 2022						
Balance at 1 August 2021		892	5,595	10,892	59,173	76,552
Amortisation Charge		(458)	-	(555)	(2,969)	(3,982)
Disposal		(34)	-	-	-	(34)
Disposal – Lenton	10	-	-	-	(909)	(909)
Balance at 31 July 2022		400	5,595	10,337	55,295	71,627
Year ended 31 July 2021						
Balance at 1 August 2020		1,443	5,595	11,447	62,142	80,627
Amortisation Charge		(551)	-	(555)	(2,969)	(4,075)
Balance at 31 July 2021		892	5,595	10,892	59,173	76,552

CRITICAL ESTIMATE – GOODWILL IMPAIRMENT ASSESSMENT

Management use judgement in determining the CGU's that should be used for impairment testing and allocating Goodwill that arises from business combinations to these CGU's. The Group's Goodwill of \$5,595,000 (2021: \$5,595,000) relates to the acquisition of Queensland Bulk Handling Pty Ltd (QBH). Refer to Note 14 for the details regarding the impairment assessments performed at 31 July 2022 and any related impairment charge recognised in the Statement of Comprehensive Income.

13. EXPLORATION AND EVALUATION ASSETS

ACCOUNTING POLICY

Costs are carried forward only if they relate to an area of interest for which rights of tenure are current and either such costs are expected to be recouped through successful development and exploration or from sale of the area or activities in the area of interest have not (at reporting date) reached a stage that permits a reasonable assessment of existence or otherwise of economically recoverable reserves. At the time that a decision is taken to develop an area with proven technical feasibility and commercial viability the costs will cease to be capitalised as exploration and evaluation assets and existing assets will be transferred to Property, Plant and Equipment.

Exploration and Evaluation expenditure which do not satisfy these criteria are expensed.

	Notes	2022 \$000	2021 \$000
Total Exploration and Evaluation Assets		71,043	105,533
<i>Reconciliation</i>			
Balance at 1 August		105,533	94,223
Additions		13,367	10,813
Movements in Rehabilitation		(277)	753
Disposal – Lenton	10	(42,591)	-
Transfers from Property, Plant and Equipment		-	992
Impairment Charge	14	(4,989)	(1,248)
Balance at 31 July		71,043	105,533

13. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

CRITICAL JUDGEMENT – EXPLORATION AND EVALUATION EXPENDITURE

During the year the Group capitalised various items of expenditure to the Exploration and Evaluation Asset. The relevant items of expenditure were deemed to be part of the capital cost of developing future mining and oil operations, which will subsequently be amortised over the life of the mine or oil field. The key judgement applied in considering whether the costs should be capitalised, is that costs are expected to be recovered through either successful development or sale of the relevant area.

There are a number of factors which will be considered in determining the potential for successful development or sale of an exploration asset, including but not limited to, judgements in relation to future commercial viability of exploration tenements, potential for successful development, the risk of expiration of exploration rights without renewal and planned expenditure for further exploration, all of which may be further impacted by climate change considerations.

If after expenditure is capitalised information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is recognised in the Statement of Comprehensive Income in the period when the new information becomes available. Refer to Note 14 for the details regarding the impairment assessments performed at 31 July 2022 and any related impairment charge recognised in the Statement of Comprehensive Income.

14. IMPAIRMENT OF ASSETS

ACCOUNTING POLICY

The Group tests assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An Impairment Charge is recognised immediately in the Statement of Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's Fair Value Less Cost to Dispose (FVLCD) and its value in use (VIU).

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or groups of assets (CGU).

Irrespective of whether there is any indication of impairment, the Group also tests Intangible Assets with an indefinite useful life or Intangible Assets not yet available for use for impairment annually. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that the CGU to which it is allocated to for impairment testing might be impaired.

With the exception of Goodwill, the Company assesses annually for any indicator of a reversal of a previous impairment. Goodwill previously impaired is non-reversible.

A. CGU ASSESSMENT

Assets are grouped at the lowest levels for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other CGUs. These CGUs are different to the Group's Operating Segments outlined in Note 1.

B. IMPAIRMENT INDICATOR ASSESSMENT AND ASSESSMENT OF RECOVERABLE AMOUNT

The Company performed an impairment indicator assessment across all CGUs for the 2022 financial year and detailed impairment assessments where indicators of impairment have been identified or where Goodwill has been allocated to the CGU. An asset is impaired when its carrying amount exceeds its recoverable value. Where estimates of recoverable amounts have been required these have been determined using either a FVLCD or VIU discounted cash flow model, with the exception of exploration related CGUs and assets which uses a comparable resource multiple. These methodologies are subject to critical judgement, estimates and assumptions. Relevant considerations in respect of the Company's impairment indicator assessments and the determination of CGU recoverable value are included below:-

(i) QLD COAL MINING OPERATIONS CGU

The QLD Coal Mining Operations CGU is predominantly comprised of the New Acland Coal Mine, which includes New Acland Stage 2 and New Acland Stage 3 (NAC03). During the 2022 financial year the Company continued to consider the potential impact that recent developments in the legal and regulatory environment in relation to NAC03 may have on the recoverable amount for the CGU and whether there were any further indicators of impairment or factors suggesting reversal of previously recognised impairments of NAC03.

14. IMPAIRMENT OF ASSETS (CONTINUED)

B. ASSESSMENT OF RECOVERABLE AMOUNT (CONTINUED)

(i) QLD COAL MINING OPERATIONS CGU (CONTINUED)

A summary of key events pertaining to NAC03 approvals since July 2020 are detailed below:

- The NAC03 project requires a Regional Interests Development Approval (RIDA) in accordance with the *Regional Planning Interests Act 2014*. Following an extended history of appeal, NAC03's application for a RIDA was approved, with conditions, by the Queensland Treasury on the 27 August 2020;
- On 3 February 2021, the High Court of Australia upheld the appeal by Oakey Coal Action Alliance (OCAA) against NAC03 in respect of the previous orders issued by the Queensland Court of Appeal given on 1 November 2019;
- The High Court ordered the matter of NAC03's application for Mining Leases and Environmental Authority to be re-heard in the Queensland Land Court;
- On 17 December 2021, the Land Court of Queensland recommended that the Mining Leases and Environmental Authority amendment application be granted, subject to conditions;
- On 26 May 2022, the Coordinator-General issued her change report to the stated conditions for the Environmental Authority for NAC03;
- The Coordinator-General's change report satisfies a condition to the Land Court of Queensland's recommendation that NAC03's Mining Leases and the Environmental Authority amendment be granted;
- On 28 June 2022, the Department of Environment and Science issued the New Acland Mine Stage 3 Environmental Authority. The Environmental Authority includes the Coordinator-General's amended stated conditions in accordance with the Land Court of Queensland's recommendation that New Acland Mine Stage 3's Mining Leases and the Environmental Authority amendment application be granted; and
- On 26 August 2022, the Minister for Resources granted the New Acland Stage 3 Mining Leases, such that the associated water licence (AWL) remains the key outstanding approval. An Amended AWL application was submitted on 19 January 2019, which progressed through public consultation and is with the Minister for decision.

For the year ending 31 July 2021, the Directors determined the recoverable amount for the CGU based on a FVLCD calculation, using discounted cashflow projections, adjusted with probability weightings specific to individual scenarios to derive a weighted average recoverable amount. An impairment charge of \$40,259,000 was charged to Statement of Comprehensive Income. Given the above developments during the year ending 31 July 2022, the Directors reviewed the carrying amount for the CGU and whether there were any further indicators of impairment at 31 July 2022 or factors suggesting a reversal of impairment may be appropriate.

No impairment indicators were identified during the period ended 31 July 2022, thus no impairment charge has been recognised in the Statement of Comprehensive Income (31 July 2021: \$40,259,000).

The Carrying Value as at 31 July 2022 and Impairment Charge in the comparative period are outlined below:

	2022		2021	
	Carrying Value \$000	Impairment Charge \$000	Recoverable Amount ¹ \$000	Impairment Charge \$000
Property, Plant and Equipment				
Land and Buildings – Mining	18,561	-	18,859	9,053
Plant and Equipment	9,831	-	19,007	30,191
Mining Reserves, Leases and Development Assets	68	-	97	-
Plant under Construction	311	-	252	-
Intangibles				
Software	38	-	373	-
Exploration and Evaluation				
Exploration and Evaluation at cost	6,147	-	2,204	1,015
Total	34,956	-	40,792	40,259

¹ Recoverable amount as at 31 July 2021 represents the carrying value of the CGU, post impairment recognised of \$40.3m. The total cumulative impairment recognised against the CGU is \$151m.

Additional considerations

The QLD Coal Mining Operations CGU has existing long term take or pay agreements for port and water supply. In respect of the water agreement, should the remaining water licence approval for Stage 3 ultimately not be granted and the operations be placed into long-term care and maintenance or otherwise abandoned or disposed, an onerous contract may need to be recognised if the unavoidable costs of the contract cannot be mitigated. The take or pay agreement for rail that was in place in the prior comparative period expired in December 2021, refer Note 15(c).

14. IMPAIRMENT OF ASSETS (CONTINUED)

B. ASSESSMENT OF RECOVERABLE AMOUNT (CONTINUED)

(i) QLD COAL MINING OPERATIONS CGU (CONTINUED)

The QLD Coal Mining Operations CGU is a customer of the Port Operations CGU of the Group. As such in the event that the mining operations at NAC03 do not recommence, this may be relevant to the recoverable value of the Port Operations CGU and will be a factor in any future impairment considerations. Whilst at 31 July 2022 no indicators of impairment had been identified with respect to the Port Operations CGU, as the CGU includes an allocation of Goodwill the recoverable value of the Port Operations CGU is required to be compared to its carrying value on an annual basis in accordance with Australian Accounting Standards, as outlined in (B)(ii).

The Carrying Value of the Port Operation CGU assets is set out below:

	2022 \$000	2021 \$000
Property, Plant and Equipment		
Land and Buildings	1,388	1,466
Plant and Equipment	70,214	74,835
Right-of-Use Assets	57,486	54,513
Port Development	9,839	10,348
Plant under Construction	-	50
Intangibles		
Software	31	54
Goodwill	5,595	5,595
Total Carrying Value	144,553	146,861

(ii) GOODWILL

Goodwill relates to the acquisition of Queensland Bulk Handling Pty Ltd (Port Operations), \$5,595,000, (2021: \$5,595,000).

Port Operations

The recoverable amount of the Port Operations CGU has been determined based on a VIU calculation. This calculation uses a discounted cash flow model. The future cashflows have been discounted using a post-tax discount rate of 9.5 per cent (2021: 9.5 per cent). At 31 July 2022 the recoverable amount was assessed to be greater than the carrying value for this CGU and as such no impairment charge was recognised for the 2022 financial year (2021: NIL). The Port Operations CGU is part of the Group's Coal Mining QLD segment.

(iii) COAL EXPLORATION AND EVALUATION ASSETS

The recoverable amount of the assets has historically been determined based on a FVLCD calculation underpinned by a resource multiple. A resource multiple is considered the appropriate valuation methodology for an exploration asset of this type as it represents the price paid for the resources in market transactions for exploration tenures. The Group determined that a resource multiple of \$0.03 (31 July 2021: \$0.03) be ascribed to the JORC resources.

Impairment indicators were identified for the Yamala Coal Project resulting in the recognition of an impairment charge of \$4,898,000. No other impairment indicators were identified during the period ended 31 July 2022 in the Statement of Comprehensive Income (2021: \$1,618,000).

The Carrying Value and Impairment Charge calculated is outlined below:

	2022		2021	
	Carrying Value \$000	Impairment Charge \$000	Carrying Value \$000	Impairment Charge \$000
North Surat Coal Project				
Exploration and Evaluation	25,952	-	25,530	233
Property, Plant and Equipment	8,685	-	8,797	1,385
Yamala Coal Project				
Exploration and Evaluation	-	4,989	4,989	-
Total	34,637	4,989	39,316	1,618

14. IMPAIRMENTS OF ASSETS (CONTINUED)

B. ASSESSMENT OF RECOVERABLE AMOUNT (CONTINUED)

CRITICAL JUDGEMENTS AND ESTIMATES

The determination of FVLCD and VIU requires the Directors to make estimates and assumptions about the expected long-term commodity prices, production timing and probabilities, tonnages and recovery rates, foreign exchange rates, operating costs, reserve and resource estimates (refer to Note 11), closure costs and discount rates. Estimates in respect of the timing of project expansions and the cost to complete asset construction are also critical to determining the recoverable amounts for CGUs. The fair value measurements used in these calculations are based on non-observable market data which are considered Level 3 in the fair value hierarchy.

In determining a comparable resource multiple, judgement is involved in determining the appropriate discount to apply to the resource multiple. The resource multiple is considered Level 3 in the fair value hierarchy due to this judgement, which uses non-observable market data, rather than quoted prices to determine the discount.

The above judgements, estimates and assumptions are subject to risk and uncertainty and may change as new information becomes available. In particular, the increasing global focus on climate change and associated policy and regulatory risk may impact some of the above judgements, estimates and assumptions. In particular future supply and demand for fossil fuels impacted by legislation and or regulation to a lower carbon economy may impact the commodity prices the Company receives for its products in global energy markets and the commercial viability of its exploration and evaluation assets. Such changes may result in additional impairment indicators for the Company's assets and CGUs in the future. In the event the recoverable amount of assets is impacted by changes in these, the carrying amount of the assets may be further impaired with the impact recognised in the Statement of Comprehensive Income.

15. PROVISIONS

ACCOUNTING POLICY

Provisions are measured at the present value of expected future cash outflows with future cash outflows reassessed on a regular basis. The present value is determined using an appropriate discount rate. The obligations include profiling, stabilisation and revegetation of the completed area, with cost estimates based on current statutory requirements and current technology.

Short-Term Employee Benefit Obligations	Liabilities for wages and salaries, including non-monetary benefits, annual leave, vesting sick leave and redundancies expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period. These are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.
Other Long-Term Employee Benefit Obligations	The liability for long service leave and annual leave which is not expected to be settled within 12 months of balance date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on a high-quality corporate bonds rate with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.
Restoration, Rehabilitation and Environmental Expenditure	Provisions are raised for restoration and rehabilitation expenditure as soon as an obligation exists, with the cost being charged to the Statement of Comprehensive Income in respect of ongoing rehabilitation. Where the obligation relates to decommissioning of assets and restoring the sites on which they are located, the costs are carried forward in the value of the asset and amortised over its useful life.
Onerous contracts	A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected new cost of continuing with the contract.
Other provisions including legal claims	The Group recognises a provision when: a) it has a present obligation, b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and c) a reliable estimate can be made of the amount to settle the obligation. If the Group has a present obligation arising from past events but d) it is possible rather than probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or e) the amount of the obligation cannot be measured with sufficient reliability, the Group discloses a contingent liability.

Notes to the Financial Statements
for the year ended 31 July 2022

15. PROVISIONS (CONTINUED)

	Employee Benefits \$000	Restoration / Rehabilitation \$000	Onerous Contracts \$000	Total \$000
2022				
Current	25,734	6,099	-	31,833
Non-Current	7,590	158,771	-	166,361
	33,324	164,870	-	198,194
2021				
Current	36,630	326	16,477	53,433
Non-Current	6,976	267,633	-	274,609
	43,606	267,959	16,477	328,042

A. EMPLOYEE BENEFITS

	2022 \$000	2021 \$000
Current long service leave obligations expected to be settled after 12 months	7,932	11,138

The current provision for employee benefits includes accrued annual leave, vested sick leave and long service leave for all unconditional settlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payment in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience the Group does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months.

B. MINING RESTORATION AND REHABILITATION

	Notes	2022 \$000	2021 \$000
<i>Movements</i>			
Balance at 1 August		267,959	249,056
Provision Capitalised		(52,714)	3,490
Disposal – Lenton	10b	(50,327)	-
Provision charged / (released) to Profit or Loss		(4,389)	11,517
Charged to Profit or Loss - unwinding of discount	20(d)	4,341	3,896
Balance at 31 July		164,870	267,959

C. ONEROUS CONTRACTS

At 31 July 2022, the provision for the onerous take or pay rail contract as a result of the ramp down of its QLD Mining operations was unwound as the contract ended in December 2021.

D. LIQUIDATION PROCESSES

The Directors of the Company's subsidiaries, Northern Energy Corporation Limited (NEC) and Colton Coal Pty Ltd (Colton Coal), placed the companies into voluntary administration on 17 October 2018. The companies were subsequently placed into liquidation by creditors at a meeting on 26 July 2019. The Liquidators commenced proceedings in the Supreme Court of New South Wales on 26 March 2021 against the Company, associated subsidiary companies and former directors and officers of NEC and Colton. The claims made by the Liquidators include that NEC and Colton were trading whilst insolvent. The Liquidators estimate the total value of the alleged claims to be approximately \$175,000,000 plus interest and costs.

- On 26 August 2021, the Liquidators filed and served an Amended Statement of Claim joining Wiggins Island Coal Export Terminal Pty Limited as a plaintiff to the proceedings;
- The parties have exchanged evidence;
- Discovery of documents is substantively completed but remains ongoing;
- The Court has set down the matter for hearing to commence on 13 February 2023 with a six-week period reserved; and
- The Group denies the claims made by the Liquidators and intends to vigorously defend the proceedings.

The Company has considered its position and has determined that no provision is required to be made as at 31 July 2022. The Company recognises legal expenses as incurred. The Group incurred Liquidation related expenses including legal expenses of \$9,823,000 during the year ending 31 July 2022 (\$2,620,000 31 July 2021).

15. PROVISIONS (CONTINUED)

SIGNIFICANT ESTIMATE – DETERMINATION OF RESERVES ESTIMATES, REHABILITATION COSTS AND ONEROUS CONTRACTS

REHABILITATION

Provision is made for rehabilitation, restoration and environmental costs when the obligation arises, based on the net present value of estimated future costs. The ultimate cost of rehabilitation and restoration is uncertain, and management uses its judgment and experience to provide for these costs over the life of the operations.

The Group makes estimates about the future cost of rehabilitating tenements which are currently disturbed, based on legislative requirements and current costs. There are policy change risks in particular with the growing global focus on climate change which may impact on rehabilitation obligations. Cost estimates take into account past experience and expectations of future events that are expected to alter past experiences. Any changes to legislative requirements could have a significant impact on the expenditure required to restore these areas.

The estimation of reserves and resources are also a key judgement that affects the timing of the payment of closedown and restoration costs as detailed in Note 11.

ONEROUS CONTRACTS

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected new cost of continuing with the contract.

16. CASH AND CASH EQUIVALENTS

ACCOUNTING POLICY

Cash and Cash Equivalents include Cash at Bank and on Hand, Deposits Held at Call with Financial Institutions and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, excluding Funds on Deposit for which there is no short-term identified use in the operating cash flows of the Group.

	2022 \$000	2021 \$000
Cash at bank and on hand	715,714	424,663

A. CASH AT BANK AND ON HAND

Cash at Bank and on Hand includes deposits for which there is a short-term identified use in the operating cash flows of the Group and attracts interest at rates between 0 per cent and 0.6 per cent (2021 - 0 per cent and 0.6 per cent).

B. RISK EXPOSURE

Information about the Group's exposure to foreign exchange risk and credit risk is detailed in Note 24.

17. TERM DEPOSITS

ACCOUNTING POLICY

Investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Investments are carried at amortised cost.

	2022 \$000	2021 \$000
Term Deposits	100,000	-

Following the Company's strong accumulation of cash and equivalents in the year, a Term Deposit for \$100.0 million was placed in July 2022 for a period of 12 months.

18. EQUITY INVESTMENTS

ACCOUNTING POLICY

The Group classifies its Financial Assets as either subsequently measured at fair value (FV) or amortised cost and the classification is determined by the Group's business model for managing the Financial Assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded through Profit or Loss or OCI. For Equity Investments the Group must make an irrevocable election on initial recognition to account for any Equity Investment at FVOCI. At initial recognition the Group measures a Financial Asset at its fair value plus transaction costs attributable to the acquisition (where the asset is not FVTPL). Transaction costs for Financial Assets that are FVTPL are expensed in the Statement of Comprehensive Income.

	2022 \$000	2021 \$000
Listed Equity Securities	490	229
Un-Listed Equity Securities	94,483	-
Total Equity Securities	94,973	229

An irrevocable election has been made to classify existing Equity Investments held by the Group at FVOCI.

Malabar Resources Limited

The Company, through a wholly owned subsidiary, has acquired, with a settlement date of 27 July 2022, a 15 per cent interest in Malabar Resources Limited (Malabar) for a total investment of \$94.4 million. Malabar is an unlisted public company whose flagship asset is the Maxwell Mine, an underground metallurgical coal project located 10kms south-west of Muswellbrook in the Hunter Valley. Construction of the project commenced in May 2022.

The Company's investment in Malabar:

- Aligns with the Company's strategy to invest its surplus cash into coal assets that are low on the cost curve with long life approvals;
- Adds meaningful equity tonnes at an attractive entry price investing alongside well-respected founders who have a strong track record of developing coal projects and companies;
- Diversifies the Company's asset base by providing exposure to metallurgical coal mined by low impact, underground methods;
- Facilitates delivery of a project with strong technical and operational foundations and the ability to unlock value with the use of significant established infrastructure; and
- Provides attractive investment returns over the life of the project with additional upside return opportunities from diversified enterprises including exploration and agricultural assets and the future development of an approved 25MW solar farm.

The Company's investment in Malabar Resources was pursuant to an equity raising conducted by Malabar Resources in which the Company acquired 75,530,455 ordinary shares at \$1.25 per share funded from existing cash (paid 27 July 2022).

The investment in Malabar Resources is classified as a Financial Asset and the Group has made an irrevocable election to account for the equity investment at fair value through other comprehensive income.

The Company considered the nature of its investment in Malabar Resources and assessed whether it has significant influence over the entity. The determination of the existence of significant influence requires judgement, having regard to a number of factors. Based on its shareholding and board composition, the Company determined that it does not have significant influence over Malabar Resources.

19. UNEARNED REVENUE

ACCOUNTING POLICY

Unearned Revenue relates to the advance consideration received from customers for contractual obligations, e.g., transfer of goods or services. Revenue is recognised over the period during which the service or performance obligation is delivered.

	2022 \$000	2021 \$000
Current Liabilities		
Unearned revenue	906	-
Total Current	906	-
Non-Current		
Unearned revenue	2,844	-
Total Non-Current	2,844	-
Total Unearned Revenue	3,750	-

Unearned revenue represents the revenue received in advance in relation to the sale of gas.

20. BORROWINGS

ACCOUNTING POLICY

Borrowings comprise Interest-Bearing Loans and Lease Liabilities, net of Finance Costs. Refer to each sub-section which follows for details of the Group's accounting policies on Interest-Bearing Loans (Secured and Unsecured), Leases Liabilities and Finance Income and Expense.

	2022 \$000	2021 \$000
Current Liabilities		
Lease Liabilities	10,690	10,066
Secured loan	-	953
Total Current	10,690	11,019
Non-Current Liabilities		
Lease Liabilities	86,590	90,585
Secured Loan ¹	-	307,101
Unsecured Convertible Notes ²	191,241	189,193
Total Non-Current	277,831	586,879
Total Borrowings	288,521	597,898

¹ Net of transaction costs capitalised \$NIL (2021: \$2,898,000).

² Net of transaction costs capitalised.

Details of the Group's exposure to risks arising from current and non-current borrowing are set out below.

A. INTEREST-BEARING LOANS

ACCOUNTING POLICY

Interest-Bearing Loans are initially recognised at fair value, net of any transactions costs incurred and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Comprehensive Income over the term of the liability using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the term of the facility to which it relates.

Interest-Bearing Loans are classified as Current Liabilities to the extent that the Group has no unconditional right to defer settlement of the liability for at least 12 months after the balance date.

On issuance of Convertible Notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible note. This amount is carried as a Non-Current Liability on an amortised basis until extinguished on conversion or redemption. The increase in liability due to the passage of time is recognised as a Finance Cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in Contributed Equity, net of transaction cost. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the Convertible Note based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

Notes to the Financial Statements for the year ended 31 July 2022

20. BORROWINGS (CONTINUED)

(i) SECURED LOANS

	2022 \$000	2021 \$000
Current Liabilities	-	953
Non-Current Liabilities	-	307,101
Total	-	308,054

FINANCING ACTIVITIES DURING THE PERIOD

The \$600,000,000 drawable amortising facility was cancelled by the Group prior to 31 July 2022. The \$300,000,000 credit support facility remains in place.

SECURED LIABILITIES AND ASSETS PLEDGED AS SECURITY

Lenders under the Secured Loan Facility have been granted a registered security interest over all assets held by the Group (with the exception of excluded subsidiaries). The excluded subsidiaries include the following controlled subsidiaries Bridgeport Energy Pty Limited, Bridgeport Eromanga Pty Ltd, Bridgeport (Cooper Basin) Pty Ltd, Bridgeport (QLD) Pty Ltd, Bridgeport Surat Basin Pty Ltd, Oilwells Inc of Kentucky and Oilwells Sole Risk Pty Ltd as well as previously controlled subsidiaries NEC and Colton. Lessors hold first rights in respect of leased assets.

(ii) UNSECURED CONVERTIBLE NOTES

On 2 July 2021, the Company issued Convertible Notes (Notes) with an aggregate principal amount of \$200,000,000. There has been no movement in the number of these Notes since the issue date.

The Notes are convertible at the option of the Noteholders into Ordinary Shares based on an initial conversion price of \$2.10 per share at any time on or after 12 August 2021 up to the date falling five business days prior to the final maturity date, 2 July 2026. The Noteholder has the option to require the Company to redeem all or some of the Noteholder's Notes on 2 July 2024 for an amount equal to 100 per cent of the principal amount of the Notes plus any accrued but unpaid interest. Any Notes not converted will be redeemed on 2 July 2026 at the principal amount of the Notes plus any accrued but unpaid interest.

The Notes carry interest at a rate of 2.75 per cent per annum which is payable semi-annually in arrears on 2 July and 2 January. Total interest paid during the 2022 financial year period was \$5,500,000 (2021: NIL).

The net proceeds from the Notes, after deducting all the related costs and expenses, were \$195,202,000. The proceeds were recorded in Cash and Cash Equivalents at 31 July 2021.

The fair value of the liability component of the Notes was estimated at the issuance date using an equivalent market interest rate of a similar bond. The net proceeds received from the issuance of the Notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity of the Group, as follows:

	2022 \$000	2021 \$000
Convertible Notes - Initial Recognition of Components		
Nominal Value of Convertible Notes issued	-	200,000
Equity Component of the Convertible Notes ¹	-	(6,610)
Transaction Fees ¹	-	(4,798)
At Inception	-	188,592
Liability Component		
Opening Balance	189,193	188,592
Repayment	(5,500)	-
Interest on Convertible Notes	7,548	601
Unsecured Non-Current Liabilities	191,241	189,193

¹ Transaction costs are proportionately allocated, with \$4,635,000 allocated to the liability component and \$163,000 to the equity component on initial recognition.

No Notes converted to Ordinary Shares during the 2022 financial year. The number of Ordinary Shares into which the Notes may convert at 31 July 2022 is 106,746,372 (2021: 95,238,095). The movement relates to changes in the conversion price made by the Company in accordance with the conditions of the Note into ordinary shares in New Hope Corporation Limited.

20. BORROWINGS (CONTINUED)

B. LEASE LIABILITIES

ACCOUNTING POLICY

Lease Liabilities are recognised, measured, presented and disclosed in accordance with *AASB 16 Leases (AASB 16)*. The Group presents Right-of-Use assets in Property, Plant and Equipment and Lease Liabilities in Borrowings in the Statement of Financial Position.

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a Right-of-Use Asset and a corresponding Lease Liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, which takes into account any extensions that are likely to be enacted, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Lease Liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable under residual value guarantees; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Lease Liability is subsequently measured by increasing the carrying amount to reflect interest on the Lease Liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the Right-of-Use Asset, or is recorded in the Statement of Comprehensive Income if the carrying amount of the Right-of-Use Asset has been reduced to zero.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the Statement of Comprehensive Income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are comprised of IT equipment and small items of office furniture.

The Group leases property, including office buildings and port facilities, and plant and equipment. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions.

Notes to the Financial Statements for the year ended 31 July 2022

20. BORROWINGS (CONTINUED)

B. LEASE LIABILITIES (CONTINUED)

The maturity profile of Lease Liabilities recognised at the end of the Financial Year is:

	2022 \$000	2021 \$000
Lease Liabilities are payable as follows:		
Within One Year	15,157	14,398
Later than One Year but not later than Five Years	45,737	52,195
Later than Five Years	75,079	73,072
Minimum Lease Payments	135,973	139,665
Future Finance Charges	(38,693)	(39,014)
Total Lease Liability	97,280	100,651

The present value of Lease Liabilities is as follows:

Within One Year	10,690	10,066
Later than One Year but not later than Five Years	32,738	38,977
Later than Five Years	53,852	51,608
Total Lease Liability	97,280	100,651

Amounts recognised in the Statement of Comprehensive Income during the financial year:

Depreciation Expense on Right-of-Use Assets	7,888	9,256
Impairment of Right-of-Use Assets	-	2,136
Interest Expense on Lease Liabilities	4,421	5,173
Expense relating to Short-Term Leases ¹	129	516
Expense relating to Leases of Low-Value Assets ¹	-	51
Total Expense for Leases recognised in the Statement of Comprehensive Income	12,438	17,132

¹ Amounts recognised within the Statement of Comprehensive Income as Cost of Sales

SECURED LIABILITY

Lease Liabilities are effectively secured as the rights to the leased assets recognised in the Consolidated Financial Statements revert to the lessor in the event of default.

C. MOVEMENTS IN INTEREST-BEARING LOANS AND LEASE LIABILITIES

Details of the Group's exposure to risks arising from current and non-current borrowings are set out below:

Changes Arising in Liabilities from Financing Activities	2022 \$000	Cash Flows \$000	Non-Cash Changes ¹ \$000	2022 \$000
Lease Liabilities	100,651	(10,161)	6,790	97,280
Secured Loans	308,054	(310,130)	2,076	-
Unsecured Convertible Notes	189,193	(5,500)	7,548	191,241
Total Liabilities from Financing Activities	597,898	(325,791)	16,414	288,521

Changes Arising in Liabilities from Financing Activities	2021 \$000	Cash Flows \$000	Non-Cash Changes ¹ \$000	2021 \$000
Lease Liabilities	83,145	(13,876)	31,382	100,651
Secured Loans	355,952	(50,000)	2,102	308,054
Unsecured Convertible Notes	-	195,702	(6,509)	189,193
Total Liabilities from Financing Activities	439,097	131,826	26,975	597,898

¹ Total non-cash change in Lease Liabilities during the 2022 financial year includes \$6,631,000 related to a remeasurement of leases during the year. In the 2021 financial year, total non-cash changes included \$37,085,000 of new leases recognised and a reduction of \$4,723,000 related to a remeasurement of leases during the year.

The fair value of Interest-Bearing Liabilities materially approximates their respective carrying values as at 31 July 2022.

20. BORROWINGS (CONTINUED)

D. FINANCE INCOME AND EXPENSE

ACCOUNTING POLICY

Finance Income comprises Interest Income on funds invested. Interest Income is recognised as it accrues, using the effective interest method.

Finance Expenses comprise Interest Expense on Interest-Bearing Liabilities, Unwinding of the Discount on Provisions, Interest Expense in relation to Leases. All Finance Expenses are recognised as expenses in the period in which they are incurred unless they relate to the construction of a qualifying asset and are then capitalised. Qualifying Assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

	2022 \$000	2021 \$000
Recognised in the Statement of Comprehensive Income		
Interest Income	1,644	85
Finance Income	1,644	85
Interest on Drawn Secured Loan	(1,553)	(10,681)
Amortisation of Transaction Costs on Secured Loan	(1,346)	(2,076)
Commitment Fees on Secured Loan	(6,115)	(2,275)
Interest on Unsecured Convertible Notes	(7,548)	(601)
Interest Expense on Lease Liabilities	(4,421)	(5,173)
Unwinding of Discount on Provisions	(4,341)	(3,896)
Other Financing Costs	(1,406)	(1,973)
Financing Expenses	(26,730)	(26,675)

E. CONTINGENT LIABILITIES

Details and estimates of maximum amounts of Contingent Liabilities for which no provision is included in the accounts are as follows:

	2022 \$000	2021 \$000
The Bankers of the Consolidated Entity have issued undertakings and guarantees to the Department of Natural Resources and Mines, Statutory Power Authorities, and various other entities.	14,686	14,132
No losses are anticipated in respect of any of the above Contingent Liabilities.		
The Parent Company has given secured guarantees in respect of:		
(i) Mining Restoration and Rehabilitation	158,374	102,091
The liability has been recognised by the Group in relation to its rehabilitation obligations.		
(ii) Statutory body suppliers, financiers and various other entities	14,686	14,132

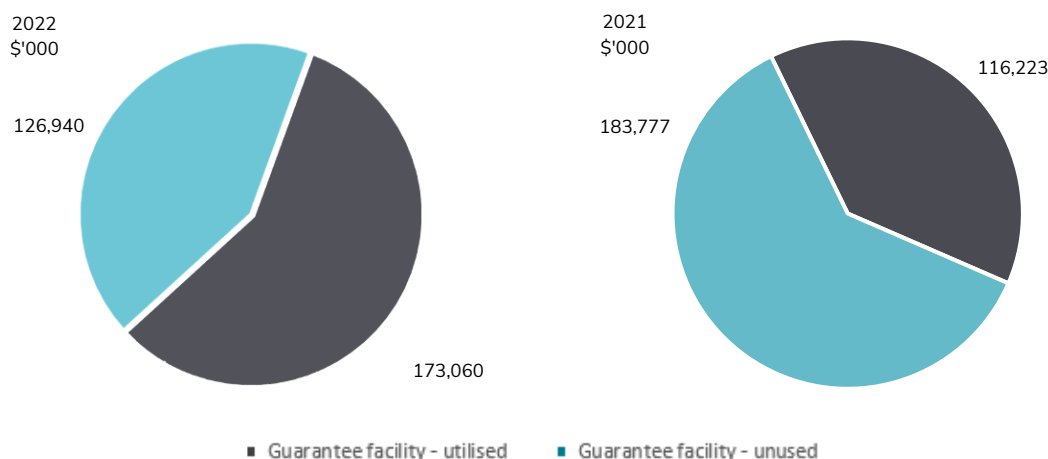
With the exception of the Financial Guarantee Liability of \$2.5 million recognised in relation to Lenton (Refer Note 10B), no liabilities were recognised by the Consolidated Entity in relation to these guarantees as no losses are foreseen on these Contingent Liabilities.

Other than the above and the matters set out in Note 10(b) and Note 15(d) there are no other contingent liabilities for the Group at 31 July 2022 (2021: NIL).

20. BORROWINGS (CONTINUED)

F. LINES OF CREDIT

Unrestricted access was available at 31 July 2022 to the following lines of credit available of \$300,000,000 (2021: \$300,000,000).



21. DERIVATIVE FINANCIAL INSTRUMENTS

ACCOUNTING POLICY

COMMODITY HEDGING AND FORWARD FOREIGN EXCHANGE CONTRACTS

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates derivatives as hedges of highly probable forecast transactions (Cash Flow Hedges).

At the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as a Cash Flow Hedge is recognised in the Hedging Reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Income.

Amounts accumulated in Equity are recycled in the Statement of Comprehensive Income in the periods when the hedged item will affect Profit or Loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a Non-Financial Asset (for example, Inventory) or a Non-Financial Liability, the gains and losses previously deferred in Equity are transferred from Equity and included in the measurement of the initial carrying amount of the asset or liability.

When a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Comprehensive Income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in Equity is immediately reclassified to the Statement of Comprehensive Income.

21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	FECs	Cash flow hedges		Total
		FX Options	Commodity Swaps	
	\$'000	\$'000	\$'000	\$'000
2022				
Notional amount	USD 60,000	USD 480,000	USD 722,925	
Carrying amount of the hedging instrument:				
- Assets	-	1,365	-	1,365
- Liabilities	(1,922)	(8,479)	(134,197)	(144,598)
Total carrying amount of the hedging instrument	(1,922)	(7,114)	(134,197)	(143,233)
Change in value of hedging instrument (i)	(11,668)	(7,114)	(134,197)	(152,979)
Change in value of hedged item (i)	11,668	7,114	134,197	152,979
Change in value of the hedging instrument recognised in reserve (ii)	(20,880)	(7,343)	(134,197)	(162,420)
Hedge ineffectiveness recognised in profit or loss (iii)	-	-	-	-
Amount reclassified from hedge reserve to profit or loss	9,212	229		9,441
Balance in cash flow hedge reserve for continuing hedges	(1,922)	(7,114)	(134,197)	(143,233) ^(iv)

Notes

(i) Amounts related to change in value include time value components.

(ii) Hedge effectiveness is the extent to which the changes in fair value of the hedging instrument offsets changes in the fair value of the hedged item.

(iii) Hedge ineffectiveness is the extent to which the changes in the cash flows of the hedging instrument are greater or less than the hedged item. Sources of ineffectiveness include the effect of credit risk on the hedging instrument. A positive number represents a gain in the Profit or Loss.

(iv) The post-tax equivalent of the total balance in cash flow hedge reserve for continuing hedges is A\$(100,263,000)

	2022	2021
	\$000	\$000
Current Assets		
Derivatives - Hedging Instruments	-	9,746
Non-Current Assets		
Derivatives - Hedging Instruments	1,365	-
Total Derivatives Financial Assets	1,365	9,746
	2022	2021
	\$000	\$000
Current Liabilities		
Derivatives - Hedging Instruments	(17,335)	-
Non-Current Liabilities		
Derivatives - Hedging Instruments	(127,263)	-
Total Derivatives Financial Liabilities	(144,598)	-

A. INSTRUMENTS USED BY THE GROUP

New Hope Corporation Limited and certain controlled entities are parties to Derivative Financial Instruments in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates and commodity pricing.

At 31 July 2022, Derivative Financial Instruments represented assets with a fair value of \$1,365,000 (2021 - \$9,746,000) and liabilities of \$144,598,000 (2021 - NIL). At balance date the details of outstanding contracts are:

21. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(i) FOREIGN EXCHANGE CONTRACTS

	Sell US Dollars Buy Australian Dollars		Average Exchange Rate	
	2022 \$000	2021 \$000	2022 rate	2021 rate
MATURITY				
0 to 6 months	60,000	46,319	0.7116	0.5829
6 to 12 months	-	-	-	-
More than 12 months	-	-	-	-
Total Foreign Exchange Contracts	60,000	46,319		

ii) FOREIGN EXCHANGE OPTIONS

	Sell US Dollars Buy Australian Dollars		Average Exchange Rate	
	2022 \$000	2021 \$000	2022 rate	2021 rate
MATURITY				
0 to 6 months	120,000	-	0.7038	-
6 to 12 months	230,000	-	0.7261	-
More than 12 months	130,000	-	0.6700	-
Total Foreign Exchange Options	480,000	-		

iii) COMMODITY SWAPS

	Sell Coal USD Price Buy Coal USD Price		Average Coal USD Price	
	2022 \$000	2021 \$000	2022 Price	2021 Price
MATURITY				
0 to 6 months	60,750	-	\$405.00	-
6 to 12 months	54,675	-	\$405.00	-
More than 12 months	607,500	-	\$405.00	-
Total Commodity Swaps	722,925	-		

B. CREDIT RISK EXPOSURES

Credit risk also arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. A material exposure arises from forward exchange and pricing contracts and the consolidated entity is exposed to loss in the event that counterparties fail to deliver the contracted amount. At 31 July 2022 \$60,000,000 (2021: \$46,319,000) was receivable relating to Forward Foreign Exchange Contracts.

22. DIVIDENDS

ACCOUNTING POLICY

Provision is made for any Dividend declared on or before the end of the Financial Year but not distributed at balance date.

A. ORDINARY DIVIDEND PAID

	2022 \$000	2021 \$000
2021 Final Dividend at 7.00 cents per share - 100% franked (tax rate - 30%) (paid on 9 Nov 2021)	58,265	-
2022 Interim Dividend at 17.00 cents per share - 100% franked (tax rate - 30%) (paid on 4 May 2022)	141,500	33,298
2022 Special Dividend at 13.00 cents per share - 100% franked (tax rate - 30%) (paid on 4 May 2022)	108,207	-
Total Dividends Paid	307,972	33,298

22. DIVIDENDS (CONTINUED)

B. PROPOSED DIVIDENDS

In addition to the above Dividends, the Directors have declared a Final Dividend of 31.0 cents (2021: 7.00) and special dividend of 25.0 cents per share (2021: Nil). The Dividend is fully franked based on Tax paid at 30 per cent. The proposed Dividend expected to be paid on 8 November 2022. The declared Final Dividend has not been recognised as a liability at 31 July 2022 (2021: \$NIL).

C. FRANKED DIVIDENDS

The franked portions of the Final Dividend recommended after 31 July 2022 will be franked out of existing Franking Credits.

	2022 \$000	2021 \$000
Franking Credits available for subsequent financial years based on a tax rate of 30% (2021 - 30%)	389,984	490,626

The above amounts represent the balances of the franking account as at the end of the Financial Year. This includes Franking Debits that arose from the payment of Dividends recognised as a liability at the reporting date and Franking Credits that arose from the receipt of Dividends recognised as Receivables at the reporting date. The impact on the franking account of the Dividend recommended by the Directors after the 2022 financial year end, but not recognised as a liability at 31 July 2022, will result in a reduction in the franking account of \$199,765,700 (2021: \$14,270,000) when paid.

D. DIVIDEND REINVESTMENT PLANS

There were no Dividend Reinvestment Plans in operation at any time during or since the end of the Financial Year (2021: NIL).

23. EQUITY

ACCOUNTING POLICY

Ordinary Shares are classified as Equity. Incremental costs directly attributable to the issue of new shares or options are shown in Equity as a deduction net of tax, from the proceeds. The amounts of any capital returns are applied against Contributed Equity.

A. ORDINARY SHARES

Ordinary Shares entitle the Shareholder to participate in Dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Every Shareholder of Ordinary Shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary Shares have no par value and the Company does not have a limited amount of Authorised Capital.

B. PERFORMANCE RIGHTS

Information relating to the Performance Rights Plan, including details of rights granted, vested and the amount lapsed during the Financial Year and Performance Rights outstanding at the end of the Financial Year, is set out in Note 29.

C. SHARE CAPITAL

	2022 Number of Shares	2022 \$000	2021 Number of Shares	2021 \$000
Issued and Paid-Up Capital	832,357,082	97,536	832,357,082	97,536

D. MOVEMENTS IN SHARE CAPITAL

Date	Details	Number of Shares	Issue Price	\$000
1 August 2021	Opening Balance	832,357,082		97,536
31 July 2022	Balance	832,357,082		97,536
1 August 2020	Opening Balance	831,708,318		96,692
1 August 2020	Vesting of Performance Rights	648,764	\$0.00	-
31 August 2020	Share-Based Payment Transactions	-		844
31 July 2021	Balance	832,357,082		97,536

Notes to the Financial Statements for the year ended 31 July 2022

23. EQUITY (CONTINUED)

E. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to maintain the Company's ability to continue as a going concern, so that they can continue to provide returns for shareholders.

F. RESERVES

	Notes	Capital Profits \$000	Equity Investments \$000	Revaluation \$000	Hedging \$000	Share- Based Payment s \$000	Premium Paid on NCI ¹ \$000	Convertible Notes \$000	Foreign Currency Translation \$000	Total \$000
At 1 August 2021		1,343	(19,817)	27,412	6,822	573	(6,029)	6,610	(24)	16,890
Transfer to Net profit / (Loss) - Gross		-	-	-	9,441	-	-	-	-	9,441
Transfer to Net profit / (Loss) - Deferred Tax		-	-	-	(2,832)	-	-	-	-	(2,832)
Revaluation - Gross		-	261	-	(162,420)	-	-	-	(145)	(162,304)
Revaluation - Deferred Tax		-	-	-	48,726	-	-	-	-	48,726
		1,343	(19,556)	27,412	(100,263)	573	(6,029)	6,610	(169)	(90,079)
<i>Transactions with Owners in their capacity as Owners</i>										
Recognition of equity component ²		-	-	-	-	-	-	-	-	-
Net Movement in Share-Based Payment Reserve	29	-	-	-	-	850	-	-	-	850
Transfer to Contributed Equity	23(d)	-	-	-	-	-	-	-	-	-
At 31 July 2022		1,343	(19,556)	27,412	(100,263)	1,423	(6,029)	6,610	(169)	(89,229)
At 1 August 2020		1,343	(19,854)	27,412	38,334	1,345	(6,029)	-	2	42,553
Transfer to Net profit / (Loss) - Gross		-	-	-	54,957	-	-	-	-	54,957
Transfer to Net profit / (Loss) - Deferred Tax		-	-	-	(16,487)	-	-	-	-	(16,487)
Revaluation - Gross		-	37	-	(99,975)	-	-	-	(26)	(99,964)
Revaluation - Deferred Tax		-	-	-	29,993	-	-	-	-	29,993
		1,343	(19,817)	27,412	6,822	1,345	(6,029)	-	(24)	11,052
<i>Transactions with Owners in their capacity as Owners</i>										
Recognition of equity component ²		-	-	-	-	-	-	6,610	-	6,610
Net Movement in Share-Based Payment Reserve	29	-	-	-	-	72	-	-	-	72
Transfer to Contributed Equity	23(d)	-	-	-	-	(844)	-	-	-	(844)
At 31 July 2021		1,343	(19,817)	27,412	6,822	573	(6,029)	6,610	(24)	16,890

¹ NCI - Non-Controlling Interest.

² Net of transaction costs of \$NIL (2021: \$163,000).

23. EQUITY (CONTINUED)

F. RESERVES (CONTINUED)

NATURE AND PURPOSE OF RESERVES

Capital Profits	This reserve represents amounts allocated from retained profits that were profits of a capital nature.
Equity Investments	Changes in the fair value of Equity Investments are taken to this Reserve. Amounts are recognised in the Statement of Comprehensive Income or transferred to Retained Earnings when the associated assets are sold or impaired.
Revaluation	This Reserve represents the revaluation arising on the fair value uplift of Property, Plant and Equipment on the initial holding of QBH further to the acquisition of the remaining 50 per cent of this company.
Hedging	The Hedging Reserve is used to record the changes in fair value of a hedging instrument in a Cash Flow Hedge that are recognised directly in Equity, as described in Note 21. Amounts are recognised in the Statement of Comprehensive Income when the associated hedged transaction affects the Statement of Comprehensive Income.
Share-Based Payments	The Share-Based Payment Reserve is used to recognise the fair value of Performance Rights issued, but not yet exercised. Fair values at grant date are independently determined using the Black-Scholes options pricing model that takes into account the exercise price, the term of the Performance Right, the impact of dilution, the Share Price at grant date and expected volatility of the underlying share, the expected dividend yield and risk-free interest rate for the term of the Performance Right.
Premium Paid on Non-Controlling Interest Acquisition	The premium paid on Non-Controlling Interest Acquisition is used to recognise any excess paid on the acquisition of a Non-Controlling Interest in a Subsidiary.
Convertible Notes	This reserve represents the equity component of convertible notes (see note 20 A. (ii)).

G. RETAINED PROFITS

	Notes	2022 \$000	2021 \$000
Carrying Amount at Beginning of Year		1,632,187	1,586,135
Net profit / (Loss) after Income Tax		983,009	79,350
Dividends Paid	22(a)	(307,972)	(33,298)
Balance at End of Year		2,307,224	1,632,187

24. FINANCIAL RISK MANAGEMENT

ACCOUNTING POLICY

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses Derivative Financial Instruments such as Foreign Exchange Contracts to hedge certain risk exposures. Derivatives are used exclusively for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and aging analysis for credit risk.

Risk management is carried out in accordance with written policies approved by the Board of Directors. These written policies cover specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of forward exchange contracts and investment of excess liquidity.

Notes to the Financial Statements
for the year ended 31 July 2022

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group holds the following financial instruments:

	Notes	Fair Value through Other Comprehensive Income \$000	Hedging Derivatives \$000	Amortised Cost \$000	Fair Value through Profit & Loss \$000	Total \$000
Financial Assets						
2022						
Cash and Cash Equivalents	16	-	-	715,714	-	715,714
Trade and Other Receivables	7	-	-	97,362	429,359	526,721
Term Deposit	17	-	-	100,000	-	100,000
Equity Investments	18	94,973	-	-	-	94,973
Derivative Financial Instruments	21	-	1,365	-	-	1,365
		94,973	1,365	913,076	429,359	1,438,773
2021						
Cash and Cash Equivalents	16	-	-	424,663	-	424,663
Trade and Other Receivables	7	-	-	100,359	9,216	109,575
Term Deposit	17	-	-	-	-	-
Equity Investments	18	229	-	-	-	229
Derivative Financial Instruments	21	-	9,746	-	-	9,746
		229	9,746	525,022	9,216	544,213
Financial Liabilities						
2022						
Lease Liabilities	20	-	-	97,280	-	97,280
Trade and Other Payables	8	-	-	89,672	4,806	94,478
Secured Loans	20	-	-	-	-	-
Unsecured Loans	20	-	-	191,241	-	191,241
Derivative Financial Instruments	21	-	144,598	-	-	144,598
		-	144,598	378,193	4,806	527,597
2021						
Lease Liabilities	20	-	-	100,651	-	100,651
Trade and Other Payables	8	-	-	78,786	-	78,786
Secured Loans	20	-	-	308,054	-	308,054
Unsecured Loans	20	-	-	189,193	-	189,193
Derivative Financial Instruments	21	-	-	-	-	-
		-	-	676,684	-	676,684

A. MARKET RISK

(i) FOREIGN EXCHANGE RISK

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk arising from currency exposures to the US dollar.

Forward contracts and Options are used to manage foreign exchange risk. Senior management is responsible for managing exposures in each foreign currency by using forward currency contracts and options. Contracts and Options are designated as Cash Flow Hedges. Foreign Exchange Contracts and Options are designated at Group level as hedges of foreign exchange risk on specific future transactions.

The Group's risk management framework is to hedge anticipated transactions (export coal sales) in US dollars for the subsequent year as deemed necessary. All hedges of projected export coal sales qualify as 'highly probable' forecast transactions for hedge accounting purposes. The Group's exposure to foreign currency risk at the reporting date was as follows:

	2022 USD \$000	2021 USD \$000
Cash and Cash Equivalents	2,908	50,768
Trade Receivables	310,833	47,344
Derivatives - Foreign Exchange Forward Contracts ¹	60,000	27,000
Derivatives - Foreign Exchange Options ¹	480,000	-

Notes to the Financial Statements

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Derivatives - Commodity Swaps ¹	722,925	-
Trade Payables	11,049	5,020

¹ Notional amounts.

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

A. MARKET RISK (CONTINUED)

(ii) COMMODITY HEDGE RISK

Commodity hedge contracts are used to manage price risk. Senior management is responsible for managing exposures in pricing by using commodity hedge contracts as deemed necessary. Contracts are designated as Cash Flow Hedges. Commodity price contracts are designated at Group level as hedges of price risk on specific future transactions.

Group sensitivity

Based on the Trade Receivables, Cash and Trade Payables held at 31 July 2022, had the Australian dollar weakened / strengthened by 10 per cent against the US dollar with all other variables held constant, the Group's post-tax profit for the year would have increased / (decreased) by \$33,598,000 / (\$27,490,000) (2021 - \$8,026,000 / (\$9,809,000)), mainly as a result of foreign exchange gains / losses on translation of US dollar receivables and Cash and Cash Equivalents balance as detailed in the above table. The Group's equity as at balance date would have increased / (decreased) by the same amounts.

Based on the forward exchange contracts held at 31 July 2022, had the Australian dollar weakened / strengthened by 10 per cent against the US dollar with all other variables held constant, the Group's equity would have increased / (decreased) by \$10,826,000 / (\$6,472,000) (2021 - \$3,324,000 / (\$4,062,000)). There is no effect on post-tax profits.

Based on the foreign exchange options held at 31 July 2022, had the Australian dollar weakened / strengthened by 10 per cent against the US dollar with all other variables held constant, the Group's equity may be impacted to the extent that the increased / decreased spot rate reaches a level beyond the Protective and the Participation rates.

(iii) PRICE RISK

The Group is exposed to equity securities price risk arising from certain investments held by the Group and classified on the Statement of Financial Position as equity instruments.

The Group's equity investment is publicly traded. The impact of increases / decreases in the financial instrument on the Group's equity as at balance date is \$65,600 / (\$65,600) (2021 - \$31,000 / (\$31,000)). The analysis is based on the assumption that the equity instrument had increased / decreased by 10 per cent with all other variables held constant.

The price risk for unlisted securities is immaterial in terms of the possible impact on total equity. It has therefore not been included in the sensitivity analysis.

(iv) FAIR VALUE INTEREST RATE RISK

Refer to Note 24 (e).

B. CREDIT RISK

Credit risk is managed on a Group basis. Credit risk arises from Cash and Cash Equivalents, Derivative Financial Instruments and Deposits with Banks and Financial Institutions, as well as credit exposure to export and domestic customers, including outstanding receivables and committed transactions. The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The majority of customers, both export and domestic, have long-term relationships with the Group and sales are secured with long-term supply contracts. Sales are secured by letters of credit when deemed appropriate. Derivative counterparties and cash transactions are limited to Financial Institutions with a rating of at least BBB. The Group has policies that limit the maximum amount of credit exposure to any one Financial Institution.

Credit risk further arises in relation to financial guarantees given to certain parties (see Note 26). Such guarantees are only provided in exceptional circumstances and are subject to specific Board approval.

The credit quality of Financial Assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. The table below summarises the assets which are subject to credit risk.

	Notes	2022 \$000	2021 \$000
Trade and Other Receivables		526,721	109,575
Cash at Bank	16	715,714	424,663
Term Deposits		100,000	-
Derivative Financial Instruments	21	1,365	9,746

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

C. LIQUIDITY RISK

Prudent liquidity risk management is adopted through maintaining sufficient cash and marketable securities, the ability to borrow funds from credit providers and to close-out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.

FINANCING ARRANGEMENTS

The Group's only significant external borrowings relate to unsecured convertible notes and leases detailed in Note 20. The maturity of these arrangements is shown as below: -

D. MATURITY OF FINANCIAL LIABILITIES

The maturity groupings of Derivative Financial Instruments are detailed in Note 21.

Trade Payables and Accruals (Note 8) are normally settled within 45 days of recognition. The Group's Borrowings (Note 20) comprise Lease Liabilities and Secured and Unsecured Loans.

The Group's Secured Loan was terminated effective 15 July 2022 prior to its maturity in November 2023.

Lease liabilities are fixed rate leases with a weighted average interest rate of 4.54 per cent (FY21: 4.45 per cent) and are payable over a period of one to 20 years (FY21: 21 years).

Unsecured convertible notes represent the liability component of Convertible Notes (net of transaction costs) with a coupon rate of 2.75 per cent and option premium of 3.5 per cent. Interest is payable semi-annually over a five-year period.

The table below details the contractual cash flows of Lease Liabilities, Unsecured Convertible Notes and Derivative Liabilities.

	0 to 6 Months \$000	6 to 12 Months \$000	1 to 2 Years \$000	2 to 5 Years \$000	After 5 Years \$000	Total \$000	Carrying Amount \$000
2022							
Lease Liabilities	7,665	7,688	13,902	31,551	75,333	136,139	97,278
Unsecured Convertible Notes	2,750	2,750	5,500	211,000	-	222,000	191,241
Derivatives	3,198	14,137	92,403	34,860		144,598	144,598
2021							
Lease Liabilities	7,060	7,338	14,726	37,469	73,072	139,665	100,651
Unsecured Convertible Notes	2,750	2,750	5,500	216,500	-	227,500	189,193

E. CASH FLOW AND FAIR VALUE INTEREST RATE RISK

The Group is exposed to interest rate risk because entities in the Group borrow funds at floating interest rates. This risk of adverse movements in floating interest rates has been considered and at this time is not deemed appropriate to actively mitigate this risk through the use of derivatives or similar products.

Group Sensitivity

The Group is no longer exposed to interest rate risk as the secured loan facilities have been cancelled as at 31 July 2022 (2021: \$4,340,000 / (\$4,340,000)).

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

F. FAIR VALUE MEASUREMENTS

ACCOUNTING POLICY

The fair value of Financial Assets and Financial Liabilities must be estimated for recognition and measurement for disclosure purposes.

The fair value of Financial Instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. The fair value of forward exchange contracts is determined using forward exchange market rates at balance date.

The carrying value less the estimated credit adjustments of Trade Receivables and Payables is assumed to approximate their fair values due to their short-term nature.

The fair value of Financial Assets and Financial Liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- (c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

F. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the Group's assets and liabilities measured and recognised at fair value as at 31 July 2022 and 31 July 2021.

	Level 1 \$000	Level 2 \$000	Total \$000
2022			
Assets			
Derivatives Financial Instruments	-	1,365	1,365
Trade Receivables – Provisionally Priced	-	389,888	389,888
Other Receivables - Lenton	-	39,471	39,471
Equity Investments	490	94,483	94,973
Total Assets	490	525,842	525,697
	Level 1 \$000	Level 2 \$000	Total \$000
Liabilities			
Derivatives Financial Instruments	-	144,598	144,598
Trade Payables -Provisionally Priced	-	4,806	4,806
Total Liabilities	-	149,404	149,404
2021			
Assets			
Derivatives Financial Instruments	-	9,746	9,746
Trade Receivables – Provisionally Priced	-	9,216	9,216
Equity Investments	229	-	229
Total Assets	229	18,962	19,191
Liabilities			
Derivatives Financial Instruments	-	-	-
Total Liabilities	-	-	-

The fair value of financial instruments traded in active markets (such as equity investments) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by New Hope Corporation Limited is the last sale price.

The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

The fair value of trade receivables on provisionally priced sales is determined with reference to market pricing and contractual terms at the reporting date.

25. INTERESTS IN OTHER ENTITIES

A. SUBSIDIARIES

Significant subsidiaries include New Hope Bengalla Pty Ltd and Bridgeport Energy Pty Limited as well as the companies identified in the Deed of Cross Guarantee in Note 31.

B. JOINT ARRANGEMENTS

Accounting Policy

Under *AASB 11 Joint Arrangements*, investments in joint arrangements are classified as either Joint Operations or Joint Ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint Operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of Joint Operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Consolidated Financial Statements under the appropriate headings.

Joint Ventures

Interests in Joint Ventures are accounted for using the equity method, after initially being recognised at cost in the Statement of Financial Position.

Other Unincorporated Arrangements

In some cases, the Group participates in unincorporated arrangements and has rights to its share of the assets and obligations rather than a right to a net return but does not share joint control. In such cases, the Group recognises its share of assets and liabilities; revenue from the sale of its share of the output and its share of any revenue generated from the sale of the output by the unincorporated arrangement and its share of expenses. The Group measures these interests in accordance with the terms of the arrangement, which is usually in proportion to the Group's ownership interest. These amounts are recorded in the Group's Consolidated Financial Statements on the appropriate lines.

Bengalla Joint Venture

New Hope Corporation Limited holds an 80 per cent interest in the Bengalla thermal coal mine in New South Wales. This is an unincorporated Joint Venture that is operated by Bengalla Mining Company Pty Ltd (BMC). BMC is proportionately owned by the participants.

26. COMMITMENTS

A. CAPITAL COMMITMENTS

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	2022 \$000	2021 \$000
Property Plant and Equipment Within One Year	100,141	11,350

B. LEASE COMMITMENTS

(i) NON-CANCELLABLE LEASES AS LESSOR

On 30 May 2021, the Group entered a sub-lease arrangement for its head office building for a period of five years, with an option to extend for a further four years or alternatively with an option to extend until one day prior to the expiry of the head lease on 31 March 2030. This sublease lease arrangement commenced on 18 October 2021, with lease payments receivable monthly and annual rent review escalation clauses included in the lease terms.

C. TAKE OR PAY COMMITMENTS

The Group has purchase obligations in relation to take or pay agreements which are legally binding and enforceable with rail, water and port service providers in respect of operating sites. Refer to Note 14 and 15(c).

27. EVENTS OCCURRING AFTER THE REPORTING PERIOD

New Acland Mining Lease Approval

On 26 August 2022, the Minister for Resources granted the New Acland Mine Stage 3 Mining Leases. The grant of the Mining Leases follows an independent assessment by the Minister for Resources including the consideration of the Land Courts recommendation that the New Acland Stage 3 Mining Leases be granted. The only remaining approval required before mining can begin is the granting of the Associated Water Licence by the Department of Regional Development, Manufacturing and Water.

Convertible Bond Conversion

On 25 August 2022, the Company received a Conversion Notice in relation to holder of the Company's Convertible Notes electing to convert their Notes in accordance with the conditions of the Notes into ordinary shares in New Hope Corporation Limited at the conversion price. The number of ordinary shares that were issued on 6 September 2022 under the Conversion Notice was 106,746.

On 8 September 2022, the Company received a Conversion Notice in relation to holder of the Company's Convertible Notes electing to convert their Notes in accordance with the conditions of the Notes into ordinary shares in New Hope Corporation Limited at the conversion price. The number of ordinary shares that were issued on 14 September 2022 under the Conversion Notice was 426,985.

28. RELATED PARTY TRANSACTIONS

A. PARENT ENTITIES

With the appointment of a new Director, as at 29 July 2022, Washington H. Soul Pattinson and Company Limited (WHSP) no longer held control and is no longer the ultimate Australian parent entity and controlling entity.

Washington H. Soul Pattinson and Company Limited (WHSP) as at 29 July 2022 owned 37.62 per cent (2021 - 36.95 per cent) of the issued ordinary shares of New Hope Corporation Limited, thus has significant influence and will treat New Hope Corporation Limited as an Associate from 30 July 2022 onwards.

B. KEY MANAGEMENT PERSONNEL

(i) DIRECTORS

The following persons were Directors of New Hope Corporation Limited during the Financial Year:

Chairman — Non-Executive

Robert D. Millner

Non-Executive Directors

Todd J. Barlow

Jacqueline E. McGill AO

Thomas C. Millner

Ian M. Williams

Steven R. Boulton

(ii) OTHER KEY MANAGEMENT PERSONNEL

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the Financial Year:

Current Executive KMP

Name	Position	Employer
Robert J. Bishop	Chief Executive Officer	New Hope Corporation Limited
Rebecca S. Rinaldi	Chief Financial Officer	New Hope Corporation Limited
Dominic H. O'Brien	Executive General Manager and Company Secretary	New Hope Corporation Limited

Former Executive KMP

Name	Position	Employer
Reinhold H. Schmidt ¹	Chief Executive Officer	New Hope Corporation Limited

¹ Reinhold H. Schmidt ceased as KMP on 14 January 2022.

28. RELATED PARTY TRANSACTIONS (CONTINUED)

(iii) KEY MANAGEMENT PERSONNEL COMPENSATION

	2022 \$	2021 \$
Short-Term Employee Benefits	3,916,190	4,497,536
Long-Term Employee Benefits	40,698	3,313
Post-Employment Benefits	147,085	154,381
Termination Payment	410,680	919,357
Share-Based Payment	475,707	(184,202)
	4,990,360	5,390,385

C. TRANSACTIONS WITH RELATED PARTIES

	2022 \$	2021 \$
Dividends paid to ultimate Australian controlling entity (WHSP) ¹	115,845,675	13,883,857
Payment for consulting services rendered (Pitt Capital Partners Ltd)	300,000	238

¹ Deconsolidation effective 29 July 2022

Detailed remuneration disclosures can be found in the Remuneration Report on pages 24 to 39.

D. OUTSTANDING BALANCES ARISING FROM SALES / PURCHASES OF GOODS AND SERVICES

There are no outstanding balances arising from sales / purchases of goods and services from related parties at 31 July 2022 (2021: NIL).

E. TERMS AND CONDITIONS

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

F. OTHER TRANSACTIONS OF KEY MANAGEMENT PERSONNEL

R.D. Millner, T.C. Millner and T.J. Barlow are Directors of WHSP, the ultimate parent company of New Hope Corporation Limited and Pitt Capital Partners Limited, up until the effective date of de-consolidation as at 29 July 2022. Pitt Capital Partners Limited acted as financial advisor to the Group for various corporate transactions during the 2022 and 2021 financial years. All transactions were on normal commercial terms.

Directors are required to take all reasonable steps to manage actual, potential or perceived conflicts of interest. Directors are required to consider and notify the Company of any potential or actual conflicts of interest and Related Party transactions. Directors do not participate in any negotiations of transactions with related parties.

G. LOANS TO KEY MANAGEMENT PERSONNEL

No loans have been made available to the Key Management Personnel of the Group.

29. SHARE-BASED PAYMENTS

ACCOUNTING POLICY

Share-based compensation benefits are provided to employees via the New Hope Corporation Limited Employee Performance Rights Share Plan.

The fair value of Performance Rights granted under the New Hope Corporation Limited Employee Performance Rights Share Plan are recognised as an employee benefit expense with a corresponding increase in Equity. The fair value is measured at grant date and recognised over the period during which the employee becomes unconditionally entitled to the Performance Rights. Performance Rights vest at the nominated vesting date upon successful completion of applicable service and performance conditions. Detailed vesting conditions are set out in the Directors' Report.

The fair value of Performance Rights is determined based on the market price of shares at the grant date, with an adjustment made to take into account the vesting period, expected dividends during that period that will not be received by the participants and the probability that the performance conditions will be met. The fair value of Performance Rights at grant date is independently determined using a Black Scholes Monte Carlo simulation valuation approach that takes into account the term of the Performance Right, the vesting criteria, the impact of dilution, the non-tradeable nature of the Performance Right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the Performance Right.

The fair value of the Performance Rights granted is adjusted to reflect the market vesting condition, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of Performance Rights that are expected to become exercisable. At each reporting date, the Group revises its estimate of the number of Performance Rights that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to the original estimates is recognised in profit or loss with a corresponding adjustment to Equity.

Performance Rights are granted under the New Hope Corporation Limited Employee Performance Rights Share Plan (Rights Plan). Membership of the Plan is open to those senior employees and those Directors of New Hope Corporation Limited, its subsidiaries and associated bodies corporate whom the Directors believe have a significant role to play in the continued development of the Group's activities.

Performance Rights are granted for no consideration. Performance Rights will vest and automatically convert to ordinary shares in the Company following the satisfaction of the relevant service and performance conditions. Service and performance conditions applicable to each issue of Performance Rights are determined by the Directors at the time of grant. Total expense arising from rights issued under the Rights Plan during the financial year was \$850,000 (2021: (\$72,000)).

Performance Rights

Set out below is a summary of Performance Rights granted under the LTI plan:

	2022		2021	
	Average Price per Share	Number of Performance Rights	Average Price per Share	Number of Performance Rights
As at 1 August	\$1.995	547,225	\$2.279	1,508,091
Granted during the year	\$5.290	807,337	\$1.400	547,225
Lapsed during the year	-	-	\$1.290	(35,865)
Forfeited during the year	\$0.760	(414,056)	\$1.159	(823,462)
Vested and Exercised during the year	-	-	\$1.290	(648,764)
As at 31 July	\$1.513	940,506	\$1.995	547,225

The weighted average share price at the date of vesting of Performance Rights during the 2022 year was \$NIL (2021: \$1.34).

Performance Rights (LTI) outstanding at the end of the year have the following vesting date and fair value at grant date:

Grant Date	Vesting Date	Value of Performance Right at Grant Date	Performance Rights	
			2022	2021
29 Nov 2020	1 Aug 2024	\$0.76	133,169	547,225
13 Sep 2022	1 Aug 2024	\$3.76	807,337	-
Total			940,506	547,225
Weighted average remaining contractual life of Performance Rights outstanding at end of period			2.0 years	3.0 years

30. PARENT ENTITY DISCLOSURES

ACCOUNTING POLICY

The financial information for the Parent entity, New Hope Corporation Limited, has been prepared on the same basis as the Consolidated Financial Statements, except as set out below.

INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investments in Subsidiaries, Associates and Joint Ventures are accounted for at cost in the Financial Report of New Hope Corporation Limited. Dividends received from Subsidiaries are recognised in the Parent entity's Statement of Comprehensive Income rather than being deducted from the carrying amount of these investments.

A. SUMMARY FINANCIAL INFORMATION

The individual Financial Statements for the Parent entity show the following aggregate amounts:

	2022 \$000	2021 \$000
Statement of Financial Position		
Current Assets	741,067	759,271
Non-Current Assets	409,467	799,281
Total Assets	1,150,534	1,558,552
Current Liabilities	709,300	483,088
Non-Current Liabilities	204,341	507,393
Total Liabilities	913,641	990,481
Shareholders' Equity		
Contributed Equity	97,536	97,536
Reserves		
Share-Based Payment	1,423	573
Other Reserves	6,610	6,610
Retained Earnings	131,324	463,352
Total Equity	236,893	568,071
Loss for the Year	(24,063)	(31,041)
Total Comprehensive Loss		

B. GUARANTEES ENTERED INTO BY PARENT ENTITY

	2022 \$000	2021 \$000
Bank Guarantees issued in relation to rehabilitation, statutory body suppliers and various other entities.	173,060	116,223

The Parent entity has given secured guarantees in respect of mining restoration and rehabilitation. The liability has been recognised in the consolidated accounts of the Parent entity in relation to its rehabilitation obligations however are not recognised in the parent entity Statement of Financial Position. See Note 20(e).

Further guarantees are provided in respect of statutory body suppliers and other various entities with no liability being recognised by the Parent entity as no losses are foreseen on these Contingent Liabilities.

C. CONTINGENT LIABILITIES OF THE PARENT ENTITY

Details and estimates of maximum amounts of Contingent Liabilities for which no provision is included in the accounts, are as follows:

	2022 \$000	2021 \$000
Controlled Entities		
The Bankers of the consolidated entity have issued undertakings and guarantees to the Department of Natural Resources and Mines, Statutory Power Authorities and various other entities.	173,060	116,223

No losses are anticipated in respect of any of the above Contingent Liabilities, except for matters set out in Note 10B.

D. CONTRACTUAL COMMITMENTS FOR THE ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

As at 31 July 2022, the Parent entity had contractual commitments for the acquisition of Property, Plant or Equipment totalling NIL (2021 – NIL).

31. DEED OF CROSS GUARANTEE

New Hope Corporation Limited and each of the wholly-owned subsidiaries set out below (together the Closed Group) are party to a deed of cross guarantee (Deed), as defined in ASIC legislative instrument: 'ASIC Corporations (Wholly-owned Companies) Instrument 2016/785' (previously ASIC Class Order 98/1418 Wholly-owned entities) (ASIC Instrument).

The general effect of the Deed is that each entity in the Closed Group guarantees the payment in full of all debts of other entities in the Closed Group in the event of their winding up.

The purpose of entering into the Deed was so that members of the Closed Group could be eligible to obtain relief from the requirements under the *Corporations Act 2001* to prepare and lodge audited financial reports. As at the end of the year, New Acland Coal Pty. Ltd., Andrew Wright Holdings Pty. Limited, Queensland Bulk Handling Pty Ltd, New Hope Bengalla Pty Ltd and Dexplan Pty Ltd were relying on the relief under the ASIC Instrument.

The following entities are parties to the Deed and part of the Closed Group as at the end of the year: ¹

- New Hope Corporation Limited
- Jeebropilly Collieries Pty. Ltd.
- Acland Pastoral Co. Pty Ltd
- New Oakleigh Coal Pty. Ltd.
- New Acland Coal Pty. Ltd.
- Andrew Wright Holdings Pty. Limited
- Arkdale Pty Ltd
- Queensland Bulk Handling Pty Ltd
- New Hope Bengalla Pty Ltd ²
- Dexplan Pty Ltd ³
- Tivoli Collieries Pty. Ltd. ⁴

As there are no other parties to the Deed that are controlled by New Hope Corporation Limited, the above entities also represent the 'Extended Closed Group' for the purposes of the ASIC Instrument.

¹ New Lenton Coal Pty Ltd ceased to be a member of the Closed Group and a party to the Deed on 1 July 2022 by reason of being the subject of a notice of disposal.

² Added as a party to the Deed under an Assumption Deed dated 21 July 2022.

³ Added as a party to the Deed under an Assumption Deed dated 21 July 2022.

⁴ Added as a party to the Deed under an Assumption Deed dated 21 July 2022.

Notes to the Financial Statements
for the year ended 31 July 2022

31. DEED OF CROSS GUARANTEE (CONTINUED)

A. STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

Set out below is the Statement of Consolidated Comprehensive Income for the year ended 31 July 2022 for the Closed Group:

	2022 \$000	2021 \$000
Revenue from Operations	2,503,471	185,907
Other Income	-	17
	2,503,471	185,924
Expenses		
Cost of Sales	(978,597)	(122,665)
Marketing and Transportation	(80,142)	(107,829)
Administration	(3,287)	(11,429)
Financing Costs	(25,025)	(20,382)
Other Expenses	(9,823)	(2,620)
Impairment of Assets	-	(43,030)
Loss before Income Tax	1,406,597	(122,031)
Income Tax Benefit	(419,185)	36,584
Loss after Income Tax for the Year	987,412	(85,447)
Other Comprehensive Income / (Loss)		
Items to be reclassified to Profit and Loss		
Changes in the fair value of Cash Flow Hedges, net of Tax	(113,694)	18
Transfer to Profit or Loss for Cash Flow Hedges, net of Tax	6,609	8,521
Other Comprehensive Income / (Loss) for the Year, net of Tax	(107,085)	8,539
Total Comprehensive Income / (Loss) for the Year	880,327	(76,908)

Notes to the Financial Statements
for the year ended 31 July 2022

31. DEED OF CROSS GUARANTEE (CONTINUED)

B. Statement of Financial Position

Set out below is a Statement of Financial Position as at 31 July 2022 of the Closed Group:

	2022 \$'000	2021 \$'000
Current assets		
Cash and Cash Equivalents	705,618	395,532
Receivables	473,516	396,394
Derivative Financial Instruments	-	404
Inventories	61,211	32,853
Assets Classified as Held for Sale	-	3,000
Current Tax Assets	-	-
Total Current Assets	1,240,345	828,183
Non-Current Assets		
Receivables	165,191	523,006
Other Financial Assets	152,690	52,620
Property, Plant and Equipment	1,664,616	352,609
Intangible Assets	75,849	6,932
Exploration and Evaluation Assets	6,147	43,897
Deferred Tax Assets	8,273	54,611
Derivative Financial Instruments	1,365	-
Total Non-Current Assets	2,074,131	1,033,675
Total Assets	3,314,476	1,861,858
Current Liabilities		
Trade and Other Payables	89,753	25,503
Borrowings	10,294	4,276
Current Tax Liabilities	379,042	24,528
Provisions	35,491	36,900
Derivative financial instruments	17,335	-
Total Current Liabilities	531,915	91,207
Non-Current Liabilities		
Borrowings	279,980	560,865
Provisions	138,906	130,824
Derivative financial instruments	127,263	-
Total Non-Current Liabilities	546,149	691,689
Total Liabilities	1,078,064	782,896
Net Assets	2,236,412	1,078,962
Equity		
Contributed Equity	97,536	97,536
Reserves	(63,996)	35,701
Retained Earnings	2,202,872	945,725
Total Equity	2,236,412	1,078,962

Notes to the Financial Statements for the year ended 31 July 2022

32. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the Parent company, its related practices and non-related audit firms:

A. DELOITTE AND RELATED NETWORK FIRMS

	2022 \$000	2021 \$000
Audit or Review of Financial Reports:		
Group	641,000	538,669
Subsidiaries and Joint Operations	264,233	127,667
	905,233	666,336
Other assurance and agreed upon procedures under other legislation or contractual arrangements		
Group	10,000	105,000
	10,000	105,000
Other Services		
Other Advisory Services	442,285	51,500
	442,285	51,500
Total	1,357,518	822,836

33. OTHER ACCOUNTING POLICIES

A. FOREIGN CURRENCY TRANSLATION

(i) FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the Financial Statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The Consolidated Financial Statements are presented in Australian dollars, which is New Hope Corporation Limited's functional and presentation currency.

(ii) TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Profit or Loss. They are deferred in Equity if they relate to qualifying Cash Flow Hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Translation differences on non-monetary items, such as Equity Instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss on the instrument. Translation differences on non-monetary items are included in the fair value reserve in Equity.

(iii) GROUP COMPANIES

The results and financial position of all foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
- Income and expenses for each Statement of Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in Other Comprehensive Income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of Borrowings and other Financial Instruments designated as hedges of such Investments, are recognised in Other Comprehensive Income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the Statement of Comprehensive Income, as part of the gain or loss on sale.

33. OTHER ACCOUNTING POLICIES (CONTINUED)

B. GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

C. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application, are effective for annual periods beginning after 1 August 2021:

(i) AMENDMENTS TO IAS 1 – CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The potential effects on adoption of the amendment are yet to be determined.

(ii) ANNUAL IMPROVEMENTS TO IFRS STANDARDS 2018–2020

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted. The Group has commenced its consideration of the potential effects on adoption of the Annual Improvement. The potential effects on adoption of the annual improvement are yet to be determined.

Directors' Declaration

In the Directors' opinion:

- (d) the financial statements and notes set out on pages 43 to 98 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with *Accounting Standards*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 July 2022 and of their performance, for the financial year ended on that date
- (e) there are reasonable grounds to believe that the Company will be able to pay its debts, as and when they become due and payable.

The Basis of preparation on page 47 confirms that the financial statements also comply with *International Financial Reporting Standards* as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

At the date of this declaration, the Company is within the class of companies affected by *ASIC Class Order 98/1418*. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee. In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in Note 31 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

This declaration is made in accordance with a resolution of the Directors.



R.D. MILLNER

Director

Sydney, 19 September 2022

Independent Auditor's Report to the Members of New Hope Corporation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of New Hope Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 July 2022, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 July 2022 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p>Carrying value of property plant and equipment, intangible assets and exploration and evaluation assets.</p> <p>Refer to notes 11, 12, 13 and 14 of the financial statements.</p> <p>At 31 July 2022 the Group's consolidated statement of financial position included property, plant and equipment (PPE) of \$1,756 million and intangible assets of \$72 million. The Group also had exploration and evaluation assets (E&E) of \$71 million.</p> <p>As disclosed in note 14, the Group performed an impairment indicator assessment across all cash-generating units ("CGUs") to which PPE and intangible assets belong, including the Queensland Coal Mining CGU which includes New Acland Stage 3 that has been subject to delays in approvals.</p> <p>An impairment assessment was also performed on the Queensland Port operations CGU to which \$6m goodwill has been allocated comparing the carrying value of the CGU to its recoverable amount.</p> <p>The assessment for indicators of impairment and estimation of a CGU's recoverable amount involves judgement and includes consideration of a number of factors including, but not limited to forecast demand and commodity prices, mineral reserves and resources, discount rates and the regulatory environment.</p> <p>The Group concluded that no impairment indicators were present in relation to PPE and intangible assets, and that no impairment was identified in relation to the Queensland Port Operations CGU.</p> <p>With respect to E&E assets, the assessment for impairment indicators includes, but is not limited to, judgements in relation to future commercial viability of exploration tenements, potential for successful development, the risk of expiration of exploration rights without renewal and planned expenditure for further exploration.</p> <p>As disclosed in note 14, the Group identified an impairment loss of \$5million in relation to E&E assets.</p>	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining an understanding of management's process and policies in relation to performing impairment indicator assessments; • Understanding the key controls management have in place for identifying impairment indicators; • Evaluating management's identification of CGUs; • Evaluating management's impairment indicators assessment including: <ul style="list-style-type: none"> ○ Challenging the reasonableness of management's key market related assumptions including forecast demand, commodity prices, discount rates and long-term inflation rates against external data with support from our internal valuation specialists; ○ Challenging the impact of the regulatory environment on the remaining approvals required in respect of New Acland Stage 3; and ○ Agreeing resources and reserves for the CGUs to the latest approved resources and reserve statements. • Assessing management's process for determining the recoverable amount of the CGU to which goodwill has been allocated including challenging the cashflows and cross checking to implied industry multiples. • Evaluating management's assessment of indicators of impairment for E&E assets including: <ul style="list-style-type: none"> ○ Confirming that the Group has a continuing right to explore each area of interest and where such rights may expire in the near future, that the Group intends to renew those rights; ○ Assessing management's intention and strategy in relation to continued exploration and evaluation activities for each relevant area of interest; ○ Assessing whether exploration activities in each area of interest have not led to the discovery of commercially viable quantities of mineral resources and the Group's intention to continue activities in those areas; and ○ Reviewing approved budgets in relation to exploration and evaluation activity. • Assessing the appropriateness of the disclosures in notes 11, 12, 13 and 14 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Shareholder Information and 2022 Coal Resources and Reserves, which we obtained prior to the date of this auditor's report, and also includes the following information which will be included in the Group's annual report (but does not include the financial report and our auditor's report thereon): Chairman's Review, Chief Executive Officer's Review and Tax Contribution Report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Review, Chief Executive Officer's Review and Tax Contribution Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 24 to 39 of the Directors' Report for the year ended 31 July 2022.

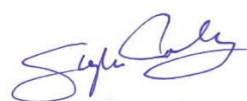
In our opinion, the Remuneration Report of New Hope Corporation Limited, for the year ended 31 July 2022, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



Stephen Tarling

Partner

Chartered Accountants

Brisbane, 19 September 2022

Shareholder Information

ORDINARY SHAREHOLDINGS

As at 15 September 2022 there were 12,850 holders of ordinary shares in the Company.

Voting entitlement is one vote per fully paid ordinary share.

Range of Units - Ordinary Shares	Number of shareholders	Fully paid ¹ ordinary shares	Number of performance rights holders	Performance rights
1 - 1,000	3,930	2,005,322	-	-
1,001 - 5,000	5,095	14,504,651	-	-
5,001 - 10,000	2,519	19,181,719	-	-
10,001 - 100,000	2,753	75,144,289	-	-
100,001 and over	209	721,521,101	4	940,506
	14,506	832,357,082	4	940,506
Holding less than a marketable parcel ¹	418	11,284		

¹ Information as at 31st August 2022.

The names of substantial shareholders as disclosed in substantial shareholder notices received by the Company:

Shareholder	Number of shares	%
Washington H Soul Pattinson and Company Limited	331,696,418	39.85%

20 largest shareholders as disclosed on the share register as at 15 September 2022

Washington H Soul Pattinson and Company Limited	313,096,418	37.59%
J P Morgan Nominees Australia Pty Limited	93,737,917	11.25%
Citicorp Nominees Pty Limited	59,304,032	7.12%
HSBC Custody Nominees (Australia) Limited	57,996,530	6.96%
National Nominees Limited	37,593,665	4.51%
BNP Paribas Noms Pty Ltd <DRP>	27,722,130	3.33%
BKI Investment Company Limited	12,950,952	1.55%
Farjoy Pty Ltd	8,700,000	1.04%
BNP Paribas Nominees Pty Ltd <IB Au Noms Retail Client DRP>	7,164,730	0.86%
Bond Street Custodians Limited <P03V7 - D78629 A/C>	6,533,450	0.78%
BNP Paribas Nominees Pty Ltd <GLOBAL MARKETS DRP>	5,965,372	0.72%
Neweconomy com au Nominees PTY Limited <900 ACCOUNT>	5,354,229	0.64%
HSBC Custody Nominees (Australia) Limited – GSCO ECA	3,871,834	0.46%
HSBC Custody Nominees (Australia) Limited – A/C2	3,847,289	0.46%
Bond Street Custodians Limited <LAMAM - D05019 A/C>	3,660,933	0.44%
Quotidian No2 Pty Ltd	2,939,800	0.35%
National Nominees Limited <N A/C>	2,800,220	0.34%
JS Millner Holdings Pty Limited	2,629,197	0.32%
Citicorp Nominees Pty Limited <COLONIAL FIRST STATE INV A/C>	2,609,279	0.31%
National Nominees Limited <DB A/C>	2,105,205	0.25%
	660,583,182	79.31%

Unquoted equity securities	Number on issue	Number of holders
Rights issued under the New Hope Corporation Limited Employee Performance Rights Share Plan to take up ordinary shares	940,506	4
Convertible Notes ¹	-	-

¹ No Convertible Notes were converted to Ordinary Shares during the 2022 financial year. Convertible Notes do not carry a right to vote.

DIRECTORS

Robert D. Millner

Chairman

Todd J. Barlow

Non Executive Director

Jacqueline E. McGill AO

Non Executive Director

Thomas C. Millner

Non Executive Director

Ian M. Williams

Non Executive Director

Steven R. Boulton

Non Executive Director

COMPANY OFFICERS

Robert J. Bishop

Chief Executive Officer

Rebecca S. Rinaldi

Chief Financial Officer

Dominic H. O'Brien

Executive General Manager & Company Secretary

AUDITORS

Deloitte Touche Tohmatsu

Level 23, Riverside Centre

123 Eagle Street

Brisbane QLD 4000

PRINCIPAL ADMINISTRATION & REGISTERED OFFICE

Level 16, 175 Eagle Street
Brisbane QLD 4000

Telephone : (07) 3418 0500

Facsimile : (07) 3418 0355

WEBSITE ADDRESS

www.newhopegroup.com.au



SHARE REGISTER

Computershare Investor Services Pty Limited

Level 1, 200 Mary Street
Brisbane QLD 4000

Telephone : 1300 552 270

Website : www.computershare.com



ASX CODE: NHC

Coal Resources and Reserves

2022 COAL RESOURCES AND RESERVES

New Hope Group are pleased to announce the 2022 update of Coal Resources and Reserves, in accordance with the JORC Code 2012.

Key updates from the previous reporting period are:

- The Bengalla Resource and Reserves estimate utilises updated geological model data, along with the current extents of mining.
- The New Acland Resource and Reserves volumes (tonnes) are relatively unchanged from 2021, as there has been limited mining undertaken in the area over the period.
- A new geological model for the Elimatta project has been utilised.
- Burton and Lenton deposits were sold in 2022 and previously reported resources have been removed.
- The tenements associated with the Yamala project have been relinquished and previously reported resources removed, after a detailed review and decision by the joint venture parties.

Coal Resources and Reserves are stated as at 31st May 2022.

COAL RESOURCES

		Coal Resources as at 31st May 2022 (Million Tonnes) (Coal Resources are Inclusive of the Reserves Reported Below)				
Deposit	Status	Inferred	Indicated	Measured	2022 Total	2021 Total
New Acland	Mine	16	193	285	494	494
Bengalla ¹	Mine	24	176	161	361	381
Elimatta	Exploration	43	86	110	239	286
Collingwood	Exploration	94	139	43	276	276
Taroom	Exploration	122	338	-	460	460
Woori	Exploration	42	67	-	109	109
Burton ²	Mine	-	-	-	-	32
Lenton ²	Exploration	-	-	-	-	380
Yamala ³	Exploration	-	-	-	-	237
Total		341	999	599	1,939	2,655

Notes on Resources:

- 1 Figures shown are 100 per cent of total Resources. New Hope Group share is 80 per cent. The Resource number includes 76 Mt of Underground Resource.
- 2 Burton and Lenton sold in 2022. New Hope Group share was 90 per cent.
- 3 Yamala exploration project fully surrendered in March 2022 as agreed by all Joint Venture parties. New Hope Group Share was 70 per cent.

JORC DECLARATION-COAL RESOURCES

The estimates of Coal Resources reported herein, have been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012). These resources are inclusive of the Reserves Statement and are as at 31/05/2022 unless otherwise stated. The updated resources for Bengalla and Elimatta are based on information compiled by New Hope Group geologists. New Acland, Collingwood, Taroom and Woori have been re-quoted from the 2021 New Hope Group annual report.

The resource estimates are based on information reviewed by Ms Carrie Schuler, who is the Competent Person for coal resources and a full-time employee of the company. Ms Schuler has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken, to qualify as Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves'. Ms Schuler consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Coal Resources and Reserves

JORC DECLARATION-COAL RESOURCES (CONTINUED)

COAL RESERVES

Deposit	Status	Coal Reserves as at 31st May 2022 (Million Tonnes)					
		Recoverable Reserves			Marketable Reserves ⁴		
		Probable	Proved	Total 2022	Total 2021	Probable	Proved
New Acland ¹	Mine	121	245	366	366	66	134
Lenton ²	Exploration	-	-	-	35	-	-
Elimatta	Exploration	26	86	112	119	16	56
Bengalla ³	Mine	45	138	183	196	34	111
Taroom	Exploration	207		207	207	130	
Total		399	469	868	923	246	301

Notes on Reserves:

- 1 260Mt of Recoverable Reserves require additional approvals beyond Acland Stage 3.
- 2 Lenton was sold in 2022. New Hope Group share was 90%.
- 3 Figures shown are 100% of total Reserves. New Hope Group share is 80%.
- 4 Marketable Reserves are based on modelled wash plant yields, and for operating mines have been correlated to reconciled data.
- 5 Changes for Elimatta relative to 2021 relate to a geological model revision including re-correlation of the seams.

JORC DECLARATION – COAL RESERVES

The information in this Coal Reserves Statement is based on information compiled by Mr Brett Domrow, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Brett Domrow is a full-time employee of the company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Brett Domrow consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.