Annual Report
2021

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This report includes forward-looking statements relating to future events and expectations.

While these statements reflect expectations at the date of this publication they are by their nature not certain and are subject to known and unknown risks.

Whitehaven makes no representation, assurance or guidance as to the accuracy or likelihood of fulfilling any such forward-looking statements (whether express or implied) and, except as required by applicable regulations or law, Whitehaven does not undertake to publically update such forward-looking statements.

About us

Whitehaven Coal is proud to be the leading Australian producer of premium-quality coal. We are the dominant player in Australia's high-quality Gunnedah Coal Basin.

We help power developed and emerging economies in Asia where there is strong and growing demand for our product, particularly for use in high-efficiency, low-emissions coal-fired power stations.

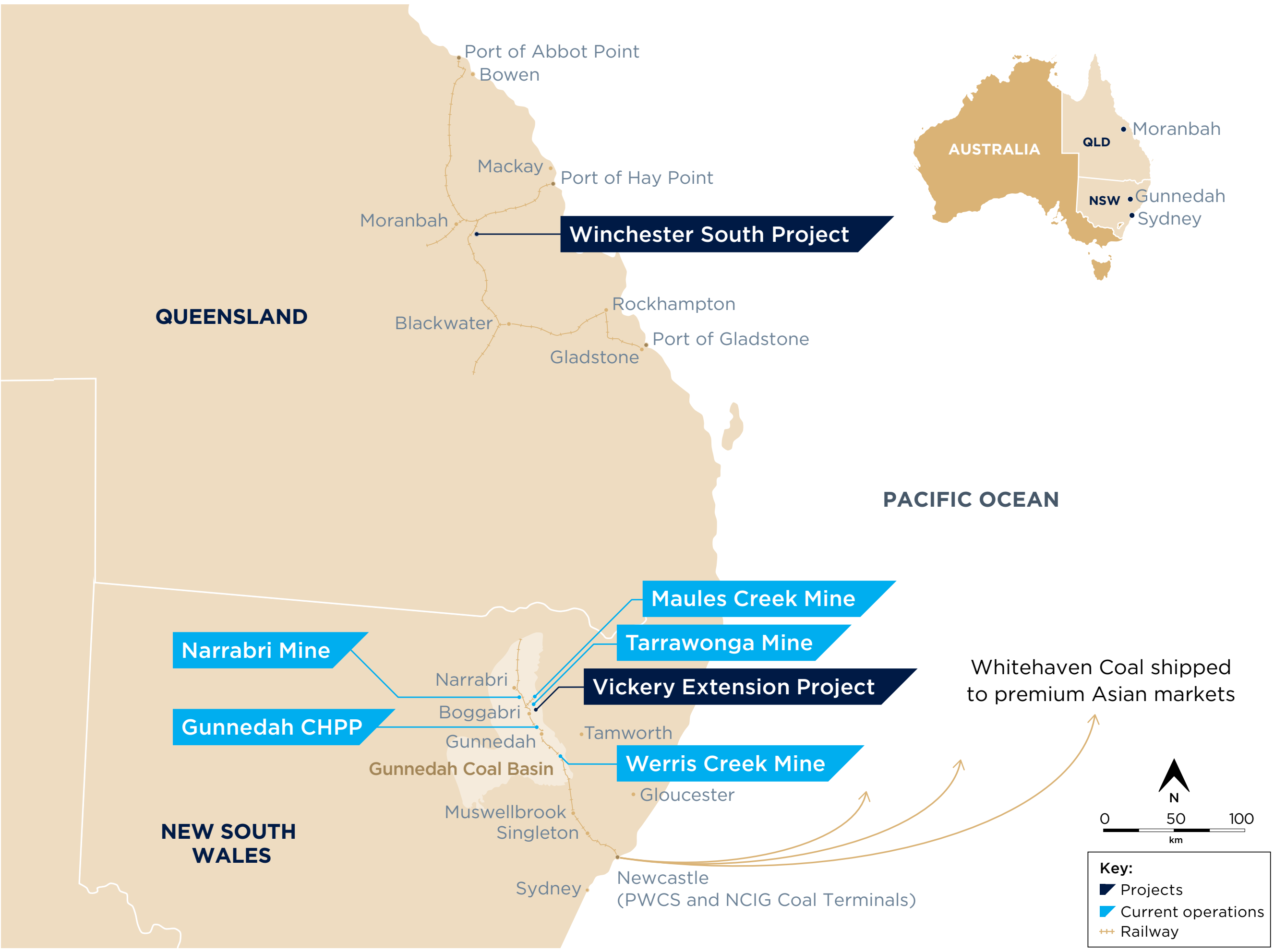
Our purpose as a company is to support and sustain regional communities by exporting high-quality thermal and metallurgical coal from Australia to the world. North West NSW is the focus of our capital investment and workforce presence.

We operate four mines (three open cut and one large underground mine) in the Gunnedah Coal Basin of NSW. Our operating assets are complemented by two high-quality, near-term development assets: Vickery, near Gunnedah, and Winchester South, in Queensland's Bowen Basin. Over our more than 20-year history, including 14 years as a publicly-listed entity on the Australian Securities Exchange (ASX), we have developed a growing reputation for excellence in project delivery, safe operation, and targeted investment in the local economy and community.

We are proudly local, and around 75% of our 2,500-strong workforce lives in the local communities around our mine sites. We believe in helping communities grow, ensuring the benefits flowing from our operations are seen and felt locally.

Learn more about our Purpose, Vision and Principles at

whitehavencoal.com.au/our-business



Our strategy

Our vision is to be the benchmark coal investment on the ASX.

Our strategy is to own and sustainably operate large, lower-cost mines producing a mix of high-CV thermal coal and premium semi-soft coking coal, and to increase our share of the growing market for these products in our region.

Our levers to achieve this strategy are focused on six areas

Premium products for premium markets	We produce a premium coal thermal product – high-energy, low-ash, low-sulphur – used in high-efficiency, low emissions (HELE) coal-fired power stations. In addition, we are rebalancing our portfolio by increasing our production volumes of metallurgical coal in response to global demand.
Grow and improve our portfolio of quality assets	As our smaller mines reach their end-of-life, we are transitioning towards a portfolio of large scale, long-life assets to build greater efficiencies and productivity gains. This transition is supported by Whitehaven having one of the most robust mine development pipelines in Australia. Further gains will be realised through our investment in technologically advanced equipment for large-scale operations.
Recruit and retain top talent	We are committed to skills development and building a high-performance culture.
Disciplined deployment of capital	In maintaining a high-quality, large scale, cost-efficient and long-life asset base, we are able to manage fluctuations in the commodities price cycle. We aim to remain lowly geared as this allows us to stay nimble.
Embed sustainability in everything we do	In our decision making, we ask ourselves: Does this decision strengthen our sustainability by (i) building a strong, long-life business, (ii) operating responsibly, (iii) supporting regional growth?
Proactively manage stakeholder expectations	We aim to have free-flowing and transparent lines of communications with stakeholders.

Learn more about how our strategy informs the way we create value in a sustainable way on page 7 of our **2021 Sustainability Report**

FY21 in review

Financial headlines

For FY21 Whitehaven Coal reported a net loss after tax (NLAT) before significant items of $87.3 million compared to a net profit after tax (NPAT) of $30.0 million in the prior corresponding period (pcp). The key factor that contributed to the FY21 NLAT was the decrease in the EBITDA margin on sales of produced coal from $21/t in FY20 to $14/t in FY21. This was mainly due to a $9/t decrease in average realised prices from $104/t in FY20 to $95/t in FY21, principally driven by the movement in the average AUD:USD exchange rate (0.75 in FY21 vs 0.67 in FY20).

The company recognised significant expenses totalling $650.0 million (FY20: nil). These relate to asset impairments which were allocated to Narrabri due predominantly to the reduction in JORC reserves, Werris Creek due to revisions to its mine plan and adopting conservative price assumptions which reflect uncertainties in coal markets, and rail intangible assets no longer expected to be utilised. This resulted in a net loss after tax of $543.9 million.

Whitehaven's stated dividend policy is 20% to 50% of net profit after tax. As the company reported a net loss after tax before significant items of $87.3m the Board has not declared a dividend.

$1,557.0m
Revenue
Down 10% from $1,721.6m in FY20

$204.5m
Statutory EBITDA
Down 33% from $306.0m in FY20

$87.3m
Net loss after tax before significant items
Compared to a $30.0m profit in FY20

$74/t
Unit cost
In line with FY20 unit costs of $75/t

$169.5m
Cash generated from operations
Down 11% from $189.9m in FY20

$808.5m
Net debt as at 30 June 2021

Operational headlines

Equity ROM coal production for FY21 was 16.5Mt, in line with the pcp, with Maules Creek reporting record production, Gunnedah open cut mines slightly above FY20 and Narrabri underground longwall mine production significantly down on FY20 as a result of geological challenges encountered during the year.

Equity coal sales, including purchased coal, were 16.4Mt, 3% below FY20 due to a decrease in sales of purchased coal.

Equity own metallurgical coal sales were 15% of the total of FY21 sales of produced coal, below FY20 of 17%.

Consolidated equity production and sales

16,476kt
ROM coal production
In line with FY20

13,692kt
Saleable coal production
Down 8% from 14,511kt in FY20

14,425kt
Sales of produced coal
In line with FY20

2,007kt
Sales of purchased coal
Down 16% from 2,376kt in FY20

16,432kt
Total coal sales
Down 3% from 16,887kt in FY20

2,704kt
Coal stocks at period end
Down 12% from 3,074kt in FY20

Sustainability headlines

For Whitehaven, sustainability is about how our financial, physical and human capital combine to deliver positive outcomes through our entire value chain to our diverse stakeholders at home and abroad. We deliver value to customers, our workforce, shareholders, local communities and suppliers by developing and safely and responsibly operating high-quality, cost-efficient, long-life coal assets.

Whitehaven acknowledges that our operations and consumption of coal generates greenhouse gas emissions. In order to manage climate-related risks we continue to assess our business against decarbonisation pathways and disclose financial risks against the Task Force on Climate-related Financial Disclosures (TCFD) framework.

Approx. 75%
of workforce based in regional areas

$344.7m
spent with local suppliers

5.86
TRIFR

$210.5m
wages paid

9%
of workforce identifies as Aboriginal and/ or Torres Strait Islander

267ha
of land rehabilitated

Chairman's introduction

Dear shareholders,

This year presented a unique set of challenges for our business as Australia and other nations sought to navigate the way out of the COVID-19 pandemic.

The world grappled with uncertainty about the pace and nature of the post-COVID recovery. At times markets were volatile, and this was especially true for coal markets, which saw cyclical lows replaced by near-record highs in the space of just 12 months.

In the second half of FY21, global industrial activity started to pick up with a corresponding increase in demand for our product. Pleasingly, this demand has continued to intensify, while at the same time in Australia we have been forced to implement tough new measures to control the spread of COVID-19.

Since the start of the pandemic, our operations have not recorded a single case of COVID-19. Among other things, this is a reflection of the strict health and safety protocols we have been observing at our site for nearly two years now.

Our vigilance has supported continuity of operations and helped us meet growing demand from our customers in Asia. As a champion for regional Australia, I am also incredibly proud of the major role we have been able to play for our host communities, with $344.7 million spent with local suppliers last year and $210.5 million paid in wages to our predominantly local workforce.

I want to commend Managing Director and CEO, Paul Flynn, and the newly-configured management team for their efforts in leading our people and our business through these uniquely challenging circumstances.

Against this backdrop, it has been great to see a range of efficiency and organisational improvement initiatives begin to bear fruit. This is especially true in relation to our largest asset, Maules Creek, which achieved record ROM production and demonstrated consistent and predictable performance.

We have also seen increased rigour in regard to safety and environmental compliance, supported by an increasingly proactive working relationship with various regulators. This year the Board has approved an additional environmental metric to the Executive Short-Term Incentive scheme, to ensure remuneration outcomes are linked even more explicitly to performance in this crucial area.

Responding to the challenge of climate change continues to preoccupy governments and policymakers globally.

Understandably, there is increasing interest from our stakeholders about what role Whitehaven can play in a lower carbon future. Since the release of the company's first Sustainability Report in FY19, management has increased its investment in analysis and communication in this space. The challenge of addressing climate change is incredibly complex and changes to global energy trends will occur over decades, not years. In a more carbon-conscious world that will need more energy to support growth, we see a role for high-quality coal being used in tandem with advanced generation technology to deliver improved emissions outcomes. I encourage you to read more on our perspectives in detail in the FY21 Sustainability Report, and welcome your continued engagement with me, my fellow Directors as well as the Executive team on these matters.

Our perspective on the continuing demand for high-quality coal in Asia underpin the investment thesis behind our growth projects. Vickery and Winchester South will see Whitehaven's portfolio weighted more strongly to the demand for metallurgical coal in South and Southeast Asia. During the year both projects continued to progress in line with the Board's cautious approach to capital allocation.

No dividends were declared in FY21 but historic highs in coal prices foreshadow a return to dividend paying status in the near future. I would like to take this opportunity to thank all our shareholders for their continued support and assure them of a future for their company that is full of promise and potential.

The Hon. Mark Vaile, AO
Chairman

Managing Director and CEO's introduction

Dear shareholders,

I am pleased to present Whitehaven Coal's Annual Report for 2021.

FY21 was very much a year of highs and lows both operationally and in terms of factors outside our control. COVID-19 continued to present challenges for coal markets and at home. First and foremost, I want to acknowledge the way in which our people have navigated these challenges with great resilience and flexibility, ensuring we kept our operations ticking over and our workforce and host communities safe.

Looking back over the last 12 months, coal markets were as dynamic as they have ever been. While we saw cyclical lows in pricing, towards the end of the year coal prices reached historic highs as the global economic recovery picked up pace amid continuing tightness in supply. During the cyclical lows our operations maintained production, ensuring our people had security of employment and the company was not reliant on government support.

Operationally, while we had our hands full putting the more difficult geological conditions at Narrabri behind us, we also saw our largest mine, Maules Creek, achieve record annual ROM production of 12.7Mt. This is a clear indication of the operational discipline and consistency we have been striving to achieve.

Across the Group, our ROM production of 20.6Mt was in line with the prior year. Positively, while also contending with port and logistics disruption, COVID-19 and other challenges, we managed to contain costs and chart our way through some difficult market conditions. It was a great team effort by our people.

For FY21 we recorded underlying EBITDA of $204.5 million, a decrease of 33% on the prior year, reflecting the impact of a strengthening Australian dollar and geological challenges at Narrabri affecting production and coal quality. We recognised significant pre-tax expenses totalling $650 million, relating to asset impairments that primarily reflect optimisation plans at our Narrabri and Werris Creek Mines. For FY21 we reported a net loss after tax of $543.9 million.

As one of Whitehaven's STRIVE principles, safety means our people, workplaces and communities come first. During FY21, our Gunnedah coal handling plant and Rocglen site, now in the rehabilitation phase, achieved recordable injury free records of 3,000 days. Our Total Recordable Injury Frequency Rate (TRIFR) at 30 June 2021 was 5.86. While this is an increase compared to FY20, we continue to observe a decrease in this metric across the longer term.

Our ongoing investment in people and systems in the environmental performance and compliance areas demonstrates the value we place on environmental management and its relationship to our social licence to operate. The integration of our Health, Safety & Environment function, established in early FY21, is already delivering positive outcomes around compliance culture and adherence to clear systems and processes.

During FY21 we reached milestones on each of our development projects. The Vickery Extension Project received its state-based approval, while the Narrabri Stage 3 Extension Project and the Winchester South Project – our first development in Queensland – are both progressing well through their respective planning processes.

Looking ahead, our focus is on maintaining solid production performance and optimising our coal product offering to make the most of the incredibly strong seaborne coal price environment. This will ensure we can achieve our goal of retiring debt in the near term and returning value to shareholders.

On behalf of management, I would like to thank our workforce, suppliers and joint venture partners for their contribution throughout the year, as well as the Board of Directors for its guidance. I extend my thanks to all shareholders for your ongoing support and engagement, and look forward to a successful FY22.

Paul Flynn
Managing Director and CEO

Resources and Reserves

Whitehaven Coal Limited – Coal Resources – August 2021

Tenement		Measured Resource (A)	Indicated Resource (B)	Measured + Indicated (A + B)	Inferred Resource (C)	Competent Person	Report Date
Maules Creek Open Cut*	CL375 AUTH346 ML1701 ML1719	359	174	**533**	44	1	Mar-21
Narrabri North Underground**	ML1609	132	150	**282**	-	2	Mar-21
Narrabri South Underground**	EL6243	144	169	**313**	8	2	Mar-21
Tarrawonga Open Cut	EL5967 ML1579 ML1685 ML1693	34	18	**52**	13	3	Mar-21
Tarrawonga Underground	EL5967 ML1579 ML1685 ML1693	10	15	**25**	14	3	Apr-14
Werris Creek Open Cut	ML1563 ML1672	6.5	0.7	**7.2**	-	3	Mar-21
Rocglen Open Cut	ML1620	2	3	**6**	0.2	3	Mar-19
Rocglen Underground	ML1620	-	3	**3**	1	3	Mar-15
Vickery Open Cut	CL316 EL4699 EL5831 EL7407 EL8224 ML1464 ML1471 ML1718	230	165	**395**	110	2	Jul-15
Vickery Underground		-	95	**95**	135	2	Jul-15
Winchester South	MDL 183	175	490	**665**	435	4	Dec-20
Gunnedah Open Cut	ML1624 EL5183 CCL701	7	47	**54**	89	3	Jun-14
Gunnedah Underground	ML1624 EL5183 CCL701	2	138	**140**	24	3	Jun-14
Bonshaw Open Cut	EL6450 EL6587	-	4	**4**	7	3	Jun-14
Ferndale Open Cut	EL7430	103	135	**238**	134	3	Jan-13
Ferndale Underground	EL7430	-	-	**-**	73	3	Jan-13
Oaklands North Open Cut	EL6861	110	260	**370**	580	3	Jun-14
Pearl Creek Open Cut***	EPC862	-	15	**15**	33	3	Aug-20
Total Coal Resources		**1315**	**1882**	**3197**	**1700**		

1. Darryl Stevenson, 2. Jorham Contrerasn, 3. Benjamin Thompson, 4. Troy Turner.
* Maules Creek Joint Venture - Whitehaven owns 75% share.
** Narrabri Joint Venture - Whitehaven owns 77.5% share.
*** Dingo Joint Venture - Whitehaven owns 70% share.
# The Coal Resources for active mining areas are current to the pit surface as at the report date.

Whitehaven Coal Limited – Coal Reserves – August 2021

		Recoverable Reserves			Marketable Reserves			Competent Person	Report
Tenement		**Proved**	**Probable**	**Total**	**Proved**	**Probable**	**Total**		**Date**
Maules Creek Open Cut*	CL375 AUTH346	320	120	**440**	290	100	**390**	1	Mar-21
Narrabri North Underground**	ML1609	68	4	**72**	67	4	**71**	2	Mar-21
Narrabri South Underground**	EL6243	92	5	**97**	90	5	**96**	2	Mar-21
Tarrawonga Open Cut	EL5967 ML1579 ML1685 ML1693	22	10	**32**	18	8	**27**	1	Mar-21
Werris Creek Open Cut	ML1563 ML1672	5.1	0.2	**5.4**	5.1	0.2	**5.4**	1	Mar-21
Vickery Open Cut	CL316 EL4699 EL7407	-	200	**200**	-	178	**178**	1	Mar-15
Winchester South	MDL 183	140	210	**350**	100	110	**210**	1	Dec-20
Rocglen Open Cut	ML1620	-	-	**-**	-	-	**-**	1	Note
TOTAL COAL RESERVES		**647**	**549**	**1196**	**570**	**405**	**977**		

1. Doug Sillar, 2. Michael Barker.

* Maules Creek Joint Venture - Whitehaven owns 75% share. Recoverable Reserves for the Maules Creek open cut mine include approximately 40Mt of coal located in an area identified in the mine's project approvals as a vegetated buffer corridor between the mine and the neighbouring Boggabri mine. These project approvals require a suitable alternate corridor to be approved prior to mining of the coal in this corridor. The company is progressing work on potential alternatives to this corridor in conjunction with the owners of the Boggabri mine.

** Narrabri Joint Venture - Whitehaven owns 77.5% share.

The Coal Reserves for active mining areas are current as at report date.

Coal Reserves are quoted as a subset of Coal Resources.

Marketable Reserves are based on geological modeling of the anticipated yield from Recoverable Reserves.

Note: Figures reported are rounded which may result in small tabulation errors.

Information in this report that relates to Coal Resources and Coal Reserves is based on and accurately reflects reports prepared by the competent person named beside the respective information. Darryl Stevenson, Jorham Contrerasn and Benjamin Thompson are all geologists with Whitehaven Coal. Troy Turner is a full time employee of Xenith Consulting Pty Ltd. Doug Sillar is a full time employee of RPM Advisory Services Pty Ltd. Michael Barker is a full time employee of Palaris Australia Ltd.

Named competent persons consent to the inclusion of material in the form and context in which it appears. All competent persons named are Members of the Australasian Institute of Mining and Metallurgy and/or The Australian Institute of Geoscientists. They have the relevant experience in relation to reporting on mineralisation to qualify as competent persons as defined in the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 edition).

Directors' Report

For the year ended 30 June 2021

The Directors present their report together with the consolidated financial report of Whitehaven Coal Limited ('the Company' or 'Whitehaven'), being the Company, its subsidiaries and the Group's interest in joint operations for the year ended 30 June 2021 and the auditor's report thereon.

1. Principal activities

The principal activity of Whitehaven Coal Limited and its controlled entities (the 'Group') during the period was the development and operation of coal mines in New South Wales and Queensland.

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year that have not been noted in the review of operations.

2. Directors and Executives

2 (a) Directors

The Directors of the Company at any time during or since the end of the financial year are:

The Hon. Mark Vaile AO

Chairman

Non-Executive Director

Appointed: 3 May 2012

As Deputy Prime Minister of Australia and Leader of the National Party from 2005 to 2007, Mark established an extensive network of contacts throughout Australia and East Asia. His focus at home was with regional Australia and particularly northern NSW. As one of Australia's longest serving Trade Ministers from 1999 until 2006, Mark led negotiations which resulted in Free Trade Agreements being concluded with the United States of America, Singapore and Thailand, as well as launching negotiations with China, Japan and ASEAN.

Importantly, early in his ministerial career as the Minister for Transport and Regional Services, Mark was instrumental in the establishment of the ARTC, which operates the Hunter Valley rail network.

Mark brings significant experience as a Company Director having been Chairman of Aston Resources, CBD Energy Limited and SmartTrans Limited, a former independent Director on the board of Virgin Australia Holdings Limited and former Director Trustee of HostPlus Superfund. Mark is currently a Director of ServCorp Limited, which is listed on the ASX (since June 2011), Stamford Land Corp, which is listed on the Singapore Stock Exchange, and Chairman of Palisade Regional Infrastructure Fund.

Former ASX-listed directorships in the last three years:
Director, Virgin Australia Holdings Limited (September 2008 – December 2018)

2. Directors and Executives *(cont.)*

2 (a) Directors *(cont.)*

John Conde AO

BSc, BE (Electrical) (Hons), MBA (Dist)

Deputy Chairman

Non-Executive Director

Appointed: 3 May 2007

John has over 30 years of broad based commercial experience across a number of industries, including the energy sector, and was Chairman of the company prior to the merger with Aston Resources. John is Chairman of Cooper Energy Limited (since February 2013), the Dexus Wholesale Property Fund and the McGrath Foundation, as well as President of the Commonwealth Remuneration Tribunal. He was Chairman of Bupa Australia and New Zealand, the Sydney Symphony Orchestra, Ausgrid (formerly Energy Australia) and Destination NSW. He was also formerly Chairman and Managing Director of Broadcast Investment Holdings, as well as a Non-Executive Director of BHP Billiton Limited, Excel Coal Limited and Dexus Property Group.

Former ASX-listed directorships in the last three years: Director, Dexus Property Group (April 2009 – September 2020)

Dr Julie Beeby

BSc (Hons I), PhD (Physical Chemistry), MBA, FAICD, FTSE

Non-Executive Director

Appointed: 17 July 2015

Julie has more than 25 years' experience in the minerals and petroleum industries in Australia, including major Australian and US resources companies, and as Chief Executive Officer of the ASX-listed coal seam gas producer WestSide Corporation Ltd. Julie has technical, operations and strategy expertise and has held senior and executive positions in coal mining, mining services and coal seam gas, after commencing her career in coal and mineral processing research. Julie was formerly the Chairman of the Queensland Electricity Transmission Corporation Limited, and Non-Executive Director of Gloucester Coal Limited, OzMinerals Limited, CRC Mining, Queensland Resources Council and Australian Coal Research. Currently, Julie is a Non-Executive director of Tasmanian Networks Pty Limited.

Former ASX-listed directorships in the last three years: Nil

Paul Flynn

BComm, FCA

Managing Director

Appointed: 25 March 2013

Previously Non-Executive Director

Appointed: 3 May 2012

Paul has extensive experience in the mining, infrastructure, construction and energy sectors gained through 20 years as a professional advisor at Ernst & Young. Paul was formerly Chief Executive Officer and Managing Director of the Tinkler Group and was instrumental in the merger of Whitehaven Coal with Aston Resources. Paul joined the Board of Whitehaven on 3 May 2012 and assumed the role of Managing Director and CEO on 27 March 2013. Prior to joining the Tinkler Group, Paul was the managing partner of Ernst & Young's Sydney office and a member of its Oceania executive team. As a partner for over eight years, Paul managed many of the firm's largest mining and energy clients across Australia, Asia, South and North America. Paul has also fulfilled various leadership roles with large corporations on secondment, including as the CFO of a top 50 listed company.

Former ASX-listed directorships in the last three years: Nil

Fiona Robertson

MA (Oxon), FAICD, MAusIMM

Non-Executive Director

Appointed:
16 February 2018

Fiona has a corporate finance background, with more than 20 years' experience as CFO of ASX-listed emerging and mid-tier mining and oil and gas companies, preceded by 14 years with Chase Manhattan Bank in London, New York and Sydney in corporate banking, credit risk management and mining finance roles. Previous Non-Executive Directorships include ASX-listed oil and gas producer, Drillsearch Energy Limited, where she chaired the Audit & Risk Committee and Heron Resources Limited. Currently Fiona is a Non-Executive Director of Bellevue Gold Limited and 29Metals Limited (since May 2021).

Former ASX-listed directorships in the last three years:
Heron Resources Limited (April 2015 – July 2020)

Lindsay Ward

BAppSc (Hons I), GradDip (Mgt), FAICD

Non-Executive Director

Appointed :
15 February 2019

Lindsay has more than 30 years' experience across industries including mining, exploration, mineral processing, ports management, rail haulage, power generation, gas transmission, transport and logistics. Having started his career in the mining industry, Lindsay has held a wide range of leadership and operational roles. He is currently CEO of Palisade Integrated Management Services, which has nine diverse infrastructure assets under management. Prior to this, he was the Managing Director of Dart Mining, a Melbourne-based exploration company, and a Non-Executive Director of Metro Mining Limited. Lindsay also has extensive mining experience, having worked with BHP Australia Coal (Bowen Basin – Queensland), Camberwell Coal (Hunter Valley – NSW) and Yallourn Energy (Latrobe Valley – Victoria) in various mine engineering and senior leadership roles, including Mine Manager and General Manager. Lindsay is a Fellow of the Australian Institute of Company Directors and is an experienced Director of both listed and unlisted companies.

Former ASX-listed directorships in the last three years:
Director, Metro Mining Limited (October 2011 – February 2019)

Raymond Zage

BSc Finance

Non-Executive Director

Appointed:
27 August 2013

Raymond is the founder and CEO of Tiga Investments Pte Ltd. He is also senior advisor to Farallon Capital Management, L.L.C., one of the largest alternative asset managers in the world, an independent Non-Executive Director of Toshiba Corporation (listed on the Tokyo Stock Exchange), a Non-Executive Director of PT Lippo Karawaci Tbk (listed on the Indonesian Stock Exchange), and on the Board of Commissioners of Indonesian company Gojek. Raymond has been involved in investments throughout Asia in various industries, including financial services, infrastructure, manufacturing, energy and real estate. Previously, Raymond was the Managing Director and CEO of Farallon Capital Asia, and prior to that he worked in the investment banking division of Goldman, Sachs & Co. in Singapore, New York and Los Angeles.

Former ASX-listed directorships in the last three years: Nil

2. Directors and Executives *(cont.)*

2 (b) Senior Executives

Paul Flynn —
Managing Director and Chief Executive Officer

Refer to details set out in section 2(a) Directors on page 10.

Kevin Ball —
Chief Financial Officer
BComm, CA

Appointed Chief Financial Officer of Whitehaven Coal in October 2013, Kevin Ball has over 25 years' experience working in the mineral and energy industry across coal, oil and gas, and in complex consulting practices.

A finance graduate of the University of New South Wales, Kevin is a Chartered Accountant, having spent 11 years with Ernst & Young at the commencement of his career, predominantly in EY's natural resources group. Kevin has a graduate Diploma in Geoscience (Mineral Economics) from Macquarie University.

Timothy Burt —
General Counsel and Company Secretary
B.Ec, LLB (Hons) LLM

Timothy joined Whitehaven as General Counsel and Company Secretary in July 2009. He has more than 20 years' experience in legal, secretarial and governance roles across a range of industries for ASX-listed companies. Prior to joining Whitehaven, Timothy held senior roles at the ASX-listed companies Boral Limited, UGL Limited and Australian National Industries Limited. He holds a Master of Laws from the University of Sydney.

Daniel Cram —
Executive General Manager – People and Culture
BComm, M IR

Daniel joined Whitehaven in March 2021 and was appointed Executive General Manager – People and Culture in June 2021. Daniel has 25 years' experience as a HR professional, including more than a decade leading large resourcing, remuneration, workplace relations and organisational culture functions for a range of publicly-listed companies. Most recently, Daniel ran his own consultancy firm, specialising in human resources, employee relations and remuneration strategy, mergers and acquisitions and change management. Prior to this, Daniel spent over a decade in senior human resources roles at AGL Energy covering the industrial aspects of that business, including its power generation assets and coal mining operations.

Ian Humphris —
Executive General Manager – Operations
BE Mining (Hons)

Appointed Executive General Manager – Operations in April 2020, Ian is a mining engineer with more than 20 years' experience in the Australian resources sector, with a diverse and deep background across open cut and underground operations. Ian was most recently Vice President – Health, Safety and Environment at Peabody Energy Australia. Prior to this, he fulfilled a broad range of senior roles covering many aspects of Peabody Energy's business, including managing the company's open cut operations, supply chain and infrastructure assets. Ian began his career in resources as a mining engineer in various Queensland mines before transferring to the New South Wales coalfields and working in senior roles for a number of mine owners and for the mining services provider, Thiess.

Michael van Maanen —
Executive General Manager – Corporate, Government and Community Affairs
BA (Hons)

Michael has nearly 20 years' experience across corporate communications and public policy roles in both the government and private sectors. He was appointed Executive General Manager – Corporate, Government and Community Affairs in May 2018. Prior to joining Whitehaven, Michael was a founding partner of Newgate Communications and led the firm's mining and resources practice group. Michael was previously a ministerial advisor in the Howard Government and worked in a range of national security policy roles for the Departments of the Prime Minister and Cabinet, Foreign Affairs and Trade and Defence.

2. Directors and Executives *(cont.)*

2 (b) Senior Executives *(cont.)*

Jason Nunn —
Executive General Manager – Marketing and Logistics
BEng (Hons), MEMB

Jason was appointed Executive General Manager – Marketing and Logistics in December 2020. Before joining the marketing team at Whitehaven Coal in 2014, Jason held a range of roles in the resources sector, primarily in the coal industry, across research, production and commercial functions at Yancoal, White Energy and BHP Billiton in Australia and the Netherlands. Jason holds a Bachelor of Engineering (Chemical) and Master of Environmental Management and Business from the University of Newcastle.

Mark Stevens —
Executive General Manager – Project Delivery
BSc (Hons), MSc, MBA

Mark joined Whitehaven as Executive General Manager – Project Delivery in January 2020. Mark has more than 30 years of Australian and international experience in project management and delivery across infrastructure, coal, and oil and gas. A qualified mining engineer, Mark has successfully delivered projects across all phases, from concept to completion, with a combined capital cost in the billions, most recently for the Australian Rail Track Corporation's Inland Rail project and prior to that, for Santos GLNG.

Sarah Withell —
Executive General Manager – Health, Safety and Environment
BSc, MEngSc

Sarah joined Whitehaven as Executive General Manager – Health, Safety and Environment in July 2020. Sarah has more than 20 years' experience in the mining and resources sector with a proven track record of delivering major mining approvals, effective safety and governance systems, and excellent HSEC performance. Sarah has held senior positions across open cut and underground operations in both NSW and Queensland. Most recently, Sarah led the HSE function for BHP's NSW Energy Coal and BMC division, and has also held roles at Coal & Allied and Peabody.

Scott Knights —
Executive General Manager – Marketing and Logistics
BEcons (Hons)

Scott was appointed Executive General Manager – Marketing and Logistics in August 2014. Prior to joining Whitehaven he was Vice President – Sales, Marketing and Logistics for Peabody Energy Australia. Scott has over 25 years of experience in a wide range of commercial roles, including marketing, sales, logistics, management and business strategy in the commodities sector. He has worked for Peabody Energy, Rio Tinto, PwC and Renison Goldfields Consolidated.

Scott left Whitehaven in December 2020.

Leigh Martin —
Executive General Manager – People and Culture
BA (Psych & Sociology), Grad Cert HRM, MMgt Leadership, MSc (Psych)

Appointed Executive General Manager – People and Culture in January 2020, Leigh joined Whitehaven from Broadspectrum, where she managed capability and culture across a complex workforce of 14,000 on a range of major projects and infrastructure assets. Leigh has also held roles across HR, talent and organisational development both domestically and internationally at UGL, BHP, Tabcorp and the Queensland Government.

Leigh left Whitehaven in March 2021.

2. Directors and Executives *(cont.)*

2 (c) Directors' interests

The following table lists each Director's relevant Company-issued shares and options, as notified by the Directors to the Australian Securities Exchange in accordance with section 205G(1) of the *Corporations Act 2001* (Cth), at the date of this report.

	Ordinary shares
Mark Vaile	1,509,317
John Conde	708,620
Julie Beeby	85,000
Paul Flynn[1]	1,630,607
Fiona Robertson	75,395
Lindsay Ward	77,500
Ray Zage	10,583,134

1 Mr Flynn held 292,444 Company-issued options as at the date of this report.

2 (d) Directors' meetings

The following are the number of Directors' meetings (including meetings of committees of Directors) and the number of meetings each Director attended during the financial year.

Director	Directors' Meetings		Audit & Risk Management Committee Meetings		Remuneration Committee Meetings		Health, Safety, Environment & Community Committee Meetings		Governance & Nominations Committee Meetings	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**	**A**	**B**
Mark Vaile	14	14	6	6	7	7	-	-	1	1
John Conde	14	14	6	6	7	7	-	-	1	1
Julie Beeby	14	14	-	-	-	-	4	4	1	1
Paul Flynn	14	14	-	-	-	-	-	-	-	-
Fiona Robertson	14	14	6	6	-	-	4	4	-	-
Lindsay Ward	14	14	-	-	7	7	4	4	-	-
Ray Zage	14	14	-	-	-	-	-	-	-	-

A – Number of meetings held during the time the Director held office during the year.
B – Number of meetings the Director attended.

3. Other

3 (a) Dividends

Paid during the year

There were no dividends paid to shareholders during the year ended 30 June 2021 (2020: $312,197,000).

Declared after end of year

The Directors resolved not to pay a final dividend with respect to the year ended 30 June 2021.

3 (b) Share options

Shares issued on exercise of options

During the reporting period no options were exercised.

Unissued shares under options

At the date of this report there were 830,531 unissued ordinary shares of the Company under options. Refer to note 5.5 of the financial statements for further details of the options outstanding.

3 (c) Indemnification and insurance of officers

Indemnification

The Company has agreed to indemnify, to the fullest extent permitted by law, all current and former Directors of the Company against liabilities that may arise from their position as Directors of the Company and its controlled entities. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

During the financial year the Company paid premiums in respect of Directors' and officers' liability and legal expenses insurance contracts. Such insurance contracts insure persons who are or have been Directors or officers of the Company or its controlled entities against certain liabilities (subject to certain exclusions).

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

3 (d) Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

3 (e) Rounding

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and dated 24 March 2016 and, in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

4. Operating and financial review

Financial headlines

- Net loss after tax before significant items of $87.3 million
- EBITDA of $204.5 million, a decrease of 33%
- Operating cash flows of $138.8 million, a decrease of 5%
- Net debt of $808.5 million at 30 June 2021

The following table summarises the key reconciling items between the Group's EBITDA and its (loss)/profit before tax.

	FY21	FY20
Whitehaven Coal Limited – Consolidated	**$ million**	**$ million**
Revenue	1,557.0	1,721.6
Net (loss)/profit after tax before significant items	**(87.3)**	**30.0**
Significant item – Impairment of assets after tax (refer to note 2.2 Significant items)	(456.6)	-
Net (loss)/profit after tax	**(543.9)**	**30.0**
EBITDA	**204.5**	**306.0**
Net interest expense (refer to note 5.2 Finance income and expense)	(45.6)	(36.0)
Other financial expenses	(16.4)	(3.1)
Depreciation and amortisation	(260.7)	(224.6)
Significant item – impairment of assets	(650.0)	-
(Loss)/profit before tax	(768.2)	42.3

Review of financial performance

Whitehaven delivered a strong safety performance with a TRIFR of 5.86 at 30 June 2021, well below the NSW coal mining average of 13.41.

In FY21, Whitehaven recognised significant expenses totalling $650.0 million (FY20: nil). The significant expenses relate to asset impairments which were allocated to Narrabri due predominantly to the reduction in JORC reserves, Werris Creek due to revisions to its mine plan, adopting conservative price assumptions that reflect uncertainties in coal markets, and rail intangible assets no longer expected to be utilised. Refer to note 2.2 of the financial statements for more information.

The FY21 net loss after tax (NLAT) before significant items of $87.3 million compared to a net profit after tax (NPAT) of $30.0 million in the prior corresponding period. The key factors that contributed to the FY21 NLAT include:

- A decrease in the EBITDA margin on sales of produced coal from $21/t in FY20 to $14/t in FY21
  - An $9/t decrease in average realised prices from $104/t in FY20 to $95/t in FY21 principally driven by the movement in the average AUD:USD exchange rate (0.75 vs 0.67 in FY20).
  - FOB unit costs of $74/t were below FY20 unit costs of $75/t, with improved production performance and lower unit costs at Maules Creek largely offset by higher unit costs at Narrabri.
- Sales of produced coal of 14.4Mt were broadly in line with the prior corresponding period but fell short of expectations. This was a result of ROM production performance during the year:
  - Maules Creek equity ROM production increased by 18% from 8.0Mt in FY20 to 9.5Mt in FY21. The increase reflects improvements in productivity as labour turnover moderated, leading to an improvement in overall skill levels. FY20 was adversely impacted by dust and smoke haze events which did not recur in FY21.
  - The improvement at Maules Creek was offset by the 34% decline in equity ROM production at Narrabri from 4.7Mt in FY20 to 3.1Mt in FY21. The decrease in production was a result of encountering unplanned faults and other geological challenges in longwall panel 109 which slowed mining production rates and caused damage to longwall and coal clearance equipment.

  - FY21 Gunnedah open cuts equity ROM production of 3.8Mt was largely in line with the 3.9Mt produced in FY20.
- Sales volumes were also impacted by storm damage to one of NCIG's two shiploaders in November 2020. NCIG operated at reduced capacity for the balance of the year. Periods of high seas constrained vessel movements in Q4 FY21, resulting in a higher than normal number of loading delays across all coal terminals.
- Depreciation and amortisation expenses increased by $36.1 million to $260.7 million in FY21. The increase was principally driven by depreciation associated with capitalised major rebuilds on the excavator and haul truck fleet.
- Financial expenses increased by $22.9 million from $39.1 million in FY20 to $62.0 million in FY21. The increase was primarily due to higher interest on the senior bank debt facility due to a higher average drawn balance during the year, and higher amortisation of finance facility upfront costs due to the refinance of the senior bank debt facility in the prior financial year.
- An income tax benefit of $224.3 million in FY21, in line with the historical effective tax rate of approximately 30%.

Gross revenue decreased by $164.6 million to $1,557.0 million in FY21. The decrease was driven predominantly by a decrease in average realised prices from $104/t in FY20 to $95/t in FY21. The key drivers of the decrease in realised prices during the period are as follows:

- The AUD:USD exchange rate strengthened to an average of 0.75 in FY21 from 0.67 in FY20.
- The Group realised an average price of US$68/t for its thermal coal sales in FY21, a discount of US$11/t relative to the gc NEWC index (FY20: realised average price of US$66/t, a US$1/t premium to the gc NEWC index). The discount to the gc NEWC index was driven by:
  - The price realised by Whitehaven has lagged the increase in the gc NEWC index, as a portion of Whitehaven's thermal coal sales are priced referencing prior periods.
  - While most thermal coal sales are priced with reference to the gc NEWC index, there are portions of thermal coal sales that are priced with reference to non-gc NEWC 6000 CV pricing structures. Price differentials between the gc NEWC index and the API5 index widened significantly during the year. Whitehaven was more exposed to this market in FY21 as a result of fault-affected coal from the Narrabri mine.
- The gc NEWC index price averaged US$79/t for thermal coal in FY21, US$14/t above the average of US$65/t in FY20:
  - The COVID-19 related softening in coal prices in late FY20 continued in the early part of FY21 with prices reaching historical lows of US$49/t in August 2020. Since that time coal prices have staged a strong recovery with the gc NEWC index reaching US$132/t in late June 2021. The recent increase in coal prices reflects strong demand for high quality energy in a supply constrained market.
- The Group realised an average price of US$85/t in FY21 for its sales of metallurgical coal products, down from US$89/t in FY20. The realised price reflects a combination of sales under quarterly benchmark linked and index-based contract pricing structures.
- Equity own metallurgical coal sales were 15% of total FY21 sales (FY20: 17%).
- Sales of produced coal of 14.4Mt were broadly consistent with sales of 14.3Mt in FY20 (excluding Sunnyside). This is in line with the equity ROM production result.

FOB costs of $74/t in FY21 were largely in line with the $75/t in FY20. Unit costs were impacted by the following factors:

Maules Creek

- Equipment utilisation improved relative to FY20 as a result of fewer production interruptions associated with labour shortages and the dust and haze events that adversely impacted the mine in FY20.
- Equipment productivity rates improved in FY21 due to the commencement of in-pit dumping and the consequent reduction in average haul distance and elevation. Improving average skill levels, as a result of a focus on training, also contributed.

Narrabri

- Geological challenges at Narrabri in Q2 FY21 which continued for the remainder of FY21, resulting in inconsistent production performance. This contributed to increased unit costs:
  - Lower recovery of fixed costs due to lower ROM production.
  - Incremental costs incurred as a result of the geological challenges experienced during mining panel 109, including repairs and maintenance on the longwall.

Other

- Costs increased at Tarrawonga due to a strategy of increased washing to increase the availability of high CV coal to mitigate the coal quality impacts arising at Narrabri and to minimise exposure to the low CV market.
- A reduction in the $A cost of diesel used in production and coal transportation.

4. Operating and financial review *(cont.)*

Review of financial performance *(cont.)*

- Below expectation ROM production performance led to:
  - Under-utilised logistics costs as a result of ROM production levels being below the Group's installed infrastructure capacity.
  - Lower recovery rates of fixed overhead costs.
- Above run-rate demurrage costs.

Cash flows and capital management

	FY21	FY20
Cash flow summary	**$ million**	**$ million**
Operating cash flows	138.8	146.4
Investing cash flows	(103.6)	(268.0)
Financing cash flows	(46.7)	108.8
Cash at the end of the period	**95.2**	**106.8**

Capital management	**30 June 2021**	**30 June 2020**
Net debt[1]	808.5	787.5
Undrawn syndicated facility	312.0	362.0
Gearing ratio[1,2] (%)	23%	20%

1 Calculated in accordance with the senior facility covenant requirements and therefore excludes lease liabilities recognised under AASB 16 Leases of $88,987,000 (2020: $130,313,000).
2 Net Debt/(Net Debt plus Equity).

Whitehaven holds a strong capital base to maintain investor, creditor and debt market confidence and ensure the business is well positioned to support attractive future opportunities.

Operating cash flows

Operating cash flows of $138.8 million decreased by $7.6 million or 5% relative to FY20. This was largely driven by the decline in the EBITDA result, which was principally the result of the decline in realised coal prices from A$104/t in FY20 to A$95/t in FY21.

Operating cash flows were also impacted by expenditure on rehabilitation activities at Rocglen and Sunnyside, and the refund of corporate taxation. In addition, there were timing-related impacts associated with investment in Narrabri development, overburden in advance and working capital.

Investing cash flows

Investing cash outflows during FY21 of $103.6m were $164.4 million lower than the prior corresponding period as the company focussed on a disciplined approach to capital expenditure in a challenging coal price environment.

Capital expenditure was limited to essential items and focussed on sustaining capital at the existing operations ($34 million) and major overhauls at the open cut operations ($27 million). There was aggregate expenditure of $24 million on growth projects (Vickery, Winchester South, Narrabri Stage 3 and AHS) and payment of $16 million of deferred consideration in respect of the acquisition of EDF's interest in the Narrabri mine. Narrabri mains development was minimised during the year.

The reduction in investing cash outflows in FY21 was also a result of one-off expenditure incurred in FY20, which included the acquisition of the fleet to underpin the expansion of Tarrawonga ($75.4 million), replacement of hydraulic cylinders at Narrabri ($16.5 million), and security of water supply ($19.3 million).

Throughout the cycle, Whitehaven has continued to allocate sustaining capital to each of its mines to maintain safe and productive operations.

Financing cash flows and capital management

Net cash used in financing activities during FY21 was $46.7 million, largely comprised of the following:

- Payment of lease liabilities ($82.7 million), partially offset by
- Net proceeds from borrowings ($50.0 million).

Net debt at 30 June 2021 was $808.5 million, a minor increase of $21.0 million from 30 June 2020, while gearing of 23% was above gearing of 20% at 30 June 2020.

Available liquidity of $407.2 million at 30 June 2021 was comprised of undrawn capacity of $312.0 million under the senior bank facility at 30 June 2021 together with cash balances of $95.2 million.

Review of operations

Safety

The TRIFR increased to 5.86 at the end of June 2021 from 4.13 at the end of June 2020. Our Gunnedah CHPP and Rocglen operations both achieved recordable injury free records of 3,000 days during 2021. The Company is committed to achieving zero harm to its people and the environment, and management is striving for better safety performance across all operations.

Production, sales and coal stocks

Whitehaven share (000t)	FY21	FY20	Movement
ROM Coal Production	16,476	16,632	(1%)
Saleable Coal Production	13,692	14,841	(8%)
Sales of Produced Coal	14,425	14,511	(1%)
Sales of Purchased Coal	2,007	2,376	(16%)
Total Coal Sales	16,432	16,887	(3%)
Coal Stocks at Year End	2,704	3,074	(12%)

Note: The prior corresponding period in the above table includes saleable coal production and sales of produced coal from Sunnyside of 174kt and 232kt respectively. Tonnages in the table above are presented on an equity basis. Production tables and associated commentary set out in the mine-by-mine analysis are presented on a managed (100%) basis.

FY21 ROM coal production and sales volumes were in line with FY20, while saleable coal production was down. The key features for the period include:

- Maules Creek delivering record production, the Gunnedah open cut mines were broadly in line with FY20 while Narrabri was significantly below FY20.
- Saleable production was down on FY20 due to ROM coal production being weighted to the second half of the year.
- Sales of produced coal of 14.4Mt were in line with FY20 as the drawdown of stocks at the beginning of the year supported sales. While sales volumes were in line with FY20, they were lower than expected due to the production performance at Narrabri and port congestion linked to the NCIG coal loader outage. Further details of the outage are included in the Infrastructure section.
- Equity coal stocks at 30 June 2021 were 2.7Mt, a 12% decrease compared to 30 June 2020 of 3.1Mt, reflecting the drawdown of stock at Narrabri to support sales while managing production constraints as a result of geological challenges.

Maules Creek

Ownership: Whitehaven 75% and Operator, ICRA MC Pty Ltd (an entity associated with Itochu Corporation) 15%, J-Power Australia Pty Ltd 10%

Maules Creek 100% (000t)	FY21	FY20	Movement
ROM Coal Production	12,664	10,726	18%
Saleable Coal Production	9,340	8,190	14%
Sales of Produced Coal	9,606	7,906	22%
Coal Stocks at Year End	2,316	1,976	17%

Note: Tonnages in the above table are presented on a managed basis.

Maules Creek ROM production increased by 18% to 12.7Mt (FY20: 10.7Mt), an annual production record. During the year the lower seams of the coal reserve were accessed and pit floor was reached. This has allowed for the commencement of in-pit dumping of overburden.

Saleable coal production of 9.3Mt was 14% above the prior corresponding period, with managed sales of produced coal of 9.6Mt, 22% above the prior corresponding period. This increase in saleable production and sales reflects the record annual ROM production.

4. Operating and financial review *(cont.)*

Review of operations *(cont.)*

Coal stocks of 2.3Mt at the end of the period were 17% above the prior corresponding period, reflecting the record annual ROM production levels weighted to the second half and some of the designated June sales volumes being pushed into Q1 FY22.

Equity metallurgical sales of semi-soft coking coal were 1.0Mt, or 14%, of sales volume in FY21 (FY20: 1.1Mt, or 19%).

The development of the overburden autonomous haulage system (AHS) at Maules Creek is progressing. During FY21 one AHS fleet was operating. Ultimately, the full implementation fleet of AHS for overburden movement is expected to include 5 manned EX8000 excavators and up to 45 AHS EH5000 trucks.

Narrabri

Ownership: Whitehaven 77.5% and Operator, J-Power 7.5%, Upper Horn Investments Limited 7.5%, Daewoo International Corporation and Korea Resources Corporation 7.5%

Narrabri Mine 100% (000t)	FY21	FY20	Movement
ROM Coal Production	4,059	6,111	(34%)
Saleable Coal Production	3,985	6,547	(39%)
Sales of Produced Coal	4,541	6,215	(27%)
Coal Stocks at Year End	210	793	(74%)

Note: Tonnages in the above table are presented on a managed basis.

Narrabri ROM production decreased by 34% to 4.1Mt (FY20: 6.1Mt). The decrease in ROM production was a result of geological challenges in panel 109 first encountered in Q2 FY21, which resulted in reduced productivity and increased out-of-seam coal dilution. With ongoing geological challenges and associated equipment damage, key components of the longwall were required to be overhauled mid-panel which resulted in additional downtime.

FY21 saleable coal production of 4.0Mt was 39% below FY20, with sales of produced coal of 4.5Mt, 27% below FY20. The decrease in saleable production and sales reflects reduced ROM production, with sales partially supported by the drawdown of opening coal stocks. Coal stocks of 0.2Mt were down 74% relative to 30 June 2020.

The next longwall move from panel 109 to 110 is scheduled for Q2 FY22.

Gunnedah open cut mines

Ownership: Werris Creek Whitehaven 100%, Rocglen Whitehaven 100%, Tarrawonga Whitehaven 100%, Sunnyside Whitehaven 100%

Open Cuts 100% (000t)	FY21	FY20	Movement
ROM Coal Production	3,832	3,851	-
Saleable Coal Production	3,599	3,624	(1%)
Sales of Produced Coal	3,628	3,690	(2%)
Coal Stocks at Year End	804	978	(18%)

Note: Tonnages in the above table include the discontinued Sunnyside and Rocglen mines that have both transitioned into rehabilitation.

Gunnedah open cut mines consist of Tarrawonga mine and Werris Creek mine. The combined ROM production of the two mines for the year was 3.8Mt, which is in line with FY20. Saleable coal production of 3.6Mt and sales of produced coal of 3.6Mt were also in line with FY20 and reflect the consistent ROM production performance.

Coal stocks for the end of the period were 0.8mt, an 18% decrease relative to 30 June 2020, reflecting the sell down of Werris Creek stocks in early FY21.

Rocglen and Sunnyside mines transitioned into rehabilitation in early FY20. Rehabilitation at these mines is on schedule.

Development projects

Vickery

Ownership: Whitehaven 100%

Open cut and underground mining at Vickery was previously undertaken by Rio Tinto between 1991 and 1998.

The Vickery Coal Project was approved in September 2014 to produce up to 4.5Mt ROM coal per annum. Works necessary to maintain the current approval in good standing have been completed and the existing approval for the Vickery Coal Project will expire in September 2034.

The Vickery Extension Project seeks consent to increase the approved Vickery Coal Project to operate an up to 10Mtpa open cut metallurgical and thermal coal mine, with on-site processing and rail infrastructure. On 12 August 2020, the NSW Independent Planning Commission (IPC) approved the project. The project is now being reviewed by the Federal Department of Agriculture, Water and the Environment (DAWE) for Environment Protection and Biodiversity Conservation (EPBC) approval.

On 27 May 2021, the Federal Court dismissed an injunction application seeking to restrain the Federal Environment Minister from issuing the Project with an *EPBC Act (Cth)* approval. The Court also found the Minister has a duty to take reasonable care to avoid causing personal injury or death to children ordinarily residing in Australia arising from emissions of CO2 when making their determination under the *EPBC Act (Cth)* in relation to the project. A declaration to this effect was made by the Federal Court on 8 July 2021.

The decision of the Federal Court does not prevent the Minister from determining the project. The deadline for the Minister's decision has been extended to 30 August this year, by which time we expect a determination.

There are broader potential implications of the judgement for greenhouse gas-emitting projects as a precedent and, with this is mind, we note the Minister has filed, on behalf of the federal government, an appeal to the Full Federal Court against the decision, which we welcome. We are aware the government is seeking to have this appeal dealt with on an expedited basis. The appeal proceedings do not prevent the Minister from discharging her statutory decision making role.

Progress on design work for the CHPP, rail spur and other site infrastructure continued.

Draft management plans, including those required for Secondary Approval such as water, noise, air quality, cultural heritage and traffic management, continue to be refined based on the conditions of approval handed down by the IPC and will be further updated once conditions of approval of EPBC have been received.

Winchester South

Ownership: Whitehaven 100%

The proposed Winchester South open cut metallurgical coal mine is located in Queensland's Bowen Basin. The project continues to progress through the Queensland Government's Coordinated Project approval process. The next step in this process is Public Notification of the draft Environmental Impact Statement (EIS), expected to commence shortly. This process allows for public consultation and comment. Whitehaven continues to work closely with its key stakeholders.

On 16 December 2020 Whitehaven Coal released its maiden Reserves Statement for the project and an associated update to the project's Coal Resources in accordance with the JORC Code (2012). The project resources estimate was upgraded to 1,100Mt from 530Mt, which includes 665Mt of measured and indicated resources. The project maiden reserves estimate is 350Mt, with marketable reserves of 210Mt.

Whitehaven has completed the pre-feasibility report and the project will now move into the feasibility phase.

Narrabri Stage 3 Extension

Ownership: Whitehaven 77.5%

The project seeks to convert Narrabri's adjacent Exploration Licence into a Mining Lease and use the existing portals, CHPP, rail loop and associated infrastructure to extract, process and export high energy thermal coal and Pulverised Coal Injection (PCI) coal products using the longwall mining method. The project involves extending the longwall panels planned for the mining lease south of the current main roads into the contiguous Narrabri South Exploration Licence area, to extend the approved life of the mine to beyond 2040.

Whitehaven submitted the Stage 3 Extension Project Environmental Impact Statement (EIS) to the NSW Department of Planning, Industry and Environment (DPIE) in November in 2020. The EIS was on public exhibition for 6 weeks and received 63 positive responses, 16 comments and 3 negative responses. DPIE requested Whitehaven to prepare a response to submission report to address the outcomes of the public exhibition. Whitehaven submitted this report on 31 May 2021 to DPIE and it was made public on 2 June 2021. The next step will be with the DPIE to prepare an Assessment Report.

Exploration

Whitehaven maintains several exploration and potential development projects in Queensland and NSW. These are early stage projects where activity and spend is undertaken to keep the tenements in good standing.

4. Operating and financial review *(cont.)*

Infrastructure

Rail track capacity

Whitehaven contracts its below rail capacity from the Australian Rail Track Corporation (ARTC). Improved operating efficiencies, including increased train running speeds, have reduced operating costs throughout the year and will provide low capital cost expansion options for Whitehaven in the future.

Whitehaven continues to actively engage with the ARTC on maintenance and operational tasks to ensure long-term rail logistics costs are optimised.

Rail haulage capacity

Whitehaven has capacity within its two long-term rail haulage contracts for all current NSW based mine production plans, including the ramp up production profile from the Vickery Extension Project. Efficiency projects which commenced in conjunction with our rail haulage operators and on our mine sites during FY21 have provided cost benefits for Whitehaven and released capacity for other producers to utilise.

Whitehaven has a pipeline of improvement projects with our rail haulage providers that will be progressed through FY22.

Port capacity

Whitehaven exports coal through the Port of Newcastle using the two export terminal providers PWCS and NCIG.

In mid-November one of NCIG's two shiploaders was damaged as a result of a storm. Since the storm NCIG operated at reduced capacity using one shiploader.

Prior to the storm, Whitehaven had ~23Mtpa capacity (managed) across both export terminals. As NCIG downgraded its capacity, Whitehaven was able to secure all capacity requirements to meet shipments. NCIG and Whitehaven maintain insurance policies that address increased costs arising from the damage to the shiploader. Whitehaven and NCIG are working with insurers to finalise the claim.

A number of weather events throughout the second half of the year adversely impacted port throughput and increased vessel queues at the Port.

Queensland

Whitehaven continues to refine infrastructure and logistics options for the Winchester South Project.

We will continue to work with the infrastructure owners in Queensland to ensure an efficient logistics solution for the project.

Events subsequent to reporting date

In the interval between the end of the financial year and the date of this report 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 significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years, other than the following:

Subsequent to the end of the financial period, the Group repaid $178 million of debt drawn under the senior bank facility.

Outlook and likely developments

Thermal and Metallurgical Coal Outlook

Coal prices across both metallurgical and thermal segments have increased significantly from the lows experienced in mid-2020. The gc NEWC Index has more than tripled from the low of US$49/t in August 2020, to US$170/t for August 2021, while the API5 index is approaching its all-time high at approximately US$97/t. Spreads between gc NEWC and API5 indices have exceeded the record high of ~US$65/t in August 2021. Tendering from Asia-based customers remains active with increasing interest by customers to secure coal for CY22. Similarly the PLV HCC Index has more than doubled from lows of US$101/t in December 2020, and lifted other components of the metallurgical coal complex. Semi-soft coking coal has recovered to US$152/t, however at this level high CV thermal remains a more attractive option.

Availability of high CV thermal remains tight due to the strong demand from end users and coal producers/traders for coal blending with lower CV coal. Strong China coal demand, supported by increased economic activity and challenges in expanding domestic China coal production, compounded by China's ban on Australian coal, have modified coal flows in the seaborne market and elevated seaborne coal prices to record levels.

On the supply side, there have been numerous disruptions recently. Indonesia has experienced heavy rainfall and equipment availability issues impacting production. Russian and South African exports have been impacted by rail and other logistical issues while Colombia has faced industrial action at Cerrejon in addition to the closure of Prodeco. Wildfires have also interrupted supply out of Canada and the USA and Australian supply has experienced weather events and logistics issues such as the outage of the NCIG shiploader.

All high quality, high CV thermal coal supply remains tight; prices are forecast to remain strong through CY21, CY22 and CY23. There are indications that China may cut steel production in the second half of CY21 which may cause metallurgical coal prices to soften.

Risks relating to Whitehaven's future prospects

Whitehaven operates in the coal sector. There are many factors, both specific to Whitehaven and to the coal industry in general, that may individually or in combination, affect the future operating and financial performance of the Group, its prospects and/or the value of Whitehaven. Many of the circumstances giving rise to these risks are beyond the control of Whitehaven's Directors and its management. The major risks believed to be associated with investment in Whitehaven are as follows.

Volatility in Coal Prices

The Company's future financial performance will be impacted by future coal prices. Factors which affect coal prices include the outcome of future sales contract negotiations, general economic activity, industrial production levels, changes in foreign exchange rates, changes in coal demand, changes in the supply of seaborne coal, changes in international freight rates and the cost of substitutes for coal. The Company does not currently hedge against coal price volatility.

Foreign Currency Risk

As the Company's sales are predominately denominated in US dollars, adverse fluctuations in the USD:AUD exchange rate may negatively impact the Group's financial position.

The Company uses forward exchange contracts to hedge some of this currency risk in accordance with a hedging policy approved by the Board of Directors.

Acquisitions and Commercial Transactions

Acquisitions and commercial transactions undertaken with the objective of growing the Company's portfolio of assets are subject to a number of risks which may impact the ability to deliver anticipated value. Risks associated with acquisitions include:

– Operational performance of acquired assets not meeting expectations
– Anticipated synergies or cost savings delayed or not achieved
– Adverse market reaction to proposed transactions
– The imposition of unfavourable or unforeseen conditions, obligations or liabilities.

Whitehaven's commercial processes are designed to reduce the likelihood of these risks materialising as a result of a commercial transaction.

Capital Requirement Risk

There is a risk that insufficient liquidity or the inability to access funding on acceptable terms may impact ongoing operations and growth opportunities.

Whitehaven manages liquidity risk by holding a prudent level of available cash, maintaining adequate committed credit facilities which have been provided by a diverse panel of Australian and international banks, and refinancing committed credit facilities well before they become current liabilities.

Whitehaven had $407.2 million in liquidity (cash and undrawn facilities) available as at 30 June 2021.

Capital Allocation and Development Risks

There is a risk that circumstances (including unforeseen circumstances) may cause delays to project development, exploration milestones or other operating factors, resulting in the receipt of revenue at a date later than expected. Additionally, the construction of new projects/expansion by the Company may exceed the currently envisaged timeframe or cost for a variety of reasons outside of the control of the Company.

Missed opportunities to invest or a failure to effectively allocate capital or achieve expected return from assets may also lead to a failure to achieve expected commercial objectives.

Operating Risks

The Company's coal mining operations are subject to operating risks that could impact the amount of coal produced at its coal mines, delay coal deliveries or increase the cost of mining for varying lengths of time. Such difficulties include weather and natural disasters, unexpected maintenance or technical problems, failure of key equipment, higher than expected rehabilitation costs, industrial action, labour shortages and higher than expected labour costs.

Geological uncertainty is also an inherent operational risk which could result in pit wall failures or rock falls, mine collapse, cave-ins or other failures to mine infrastructure.

The Company has in place a framework for the management of operational risks and a comprehensive group insurance program which provides insurance coverage for a number of these operating risks.

Water Security

Water is critical to Whitehaven's mining operations as it is used for various purposes, including dust suppression and coal washing. Whitehaven's ability to access water may be impacted by a number of factors, including drought, changes in government policy and regulation, and scarcity of supply. The inability to access sufficient water may

4. Operating and financial review *(cont.)*

Risks relating to Whitehaven's future prospects *(cont.)*

negatively impact on Whitehaven's costs, future production and financial performance.

Whitehaven regularly monitors the water balance at each of its sites and investigates opportunities to minimise water usage and secure alternate, reliable water sources to build resilience against water availability risks.

Infrastructure Risks

Coal produced from Whitehaven's mining operations is transported to customers by a combination of rail and ship. A number of factors could disrupt these transport services, including a failure of infrastructure providers to increase capacity in order to meet future export requirements.

Rail and port capacity is obtained predominantly through long-term contract arrangements which include take-or-pay provisions which require payments to be made irrespective of whether the service is used. In the event utilised capacity is below contracted capacity, there is a risk Whitehaven will be required to pay take-or-pay charges for capacity which is not used. Whitehaven seeks to align these take-or-pay infrastructure obligations with the Company's forecasted future production.

Geology Risks

There are inherent risks associated with estimating Coal Resources and Reserves, including subjective judgements and determinations as to coal quality, geological conditions, tonnage and strip ratio. The Company's Resource and Reserve estimates are determined by suitably qualified competent persons in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Cyber Risk

Whitehaven's operations are supported by a robust information technology security framework and back-up data infrastructure. However, computer viruses, unauthorised access, cyber-attack and other similar disruptions may threaten the security of information and impact operational systems. The Company manages this risk by continuing to invest in systems to prevent such attacks and undertaking staff training programs.

Counterparty Risk

The Company deals with a number of counterparties, including joint venture partners, suppliers and customers. Counterparty risks include:

- Non-supply or changes to the quality of key inputs which may impact costs and production at operations
- Failure to reach agreement with joint venture partners which could impact the Company's ability to optimise value from its projects
- Failure of customers to perform against long-term take-or-pay agreements.

Counterparty risk is assessed prior to entry into any new arrangements and, if necessary, appropriate risk control mechanisms are put in place. Whitehaven proactively engages with its counterparties to manage instances of non-supply and quality control and to ensure alignment of expectations.

Environment and Safety Risks and Licence to Operate

A range of health, safety and environmental risks exist with coal mining activities. Accidents, environmental incidents and real or perceived threats to the environment or the amenity of local communities could result in a loss of the Company's social licence to operate, leading to delays, disruption or the shutdown of operations. Potential environmental and safety risks include equipment failure, human errors in underground operations, vehicle and mining equipment interactions in open cut operations, roof fall hazards in underground operations and spontaneous combustion risks.

The Company engages with a number of different stakeholders in the communities within which it operates. Stakeholder related risks include:

- The requirement to comply with the *Native Title Act 1993 (Cth)* which can delay the grant of mining tenements and impact the timing of exploration, development and production operations
- The ability to reach agreement with local landholders in relation to acquisition and/or access terms which may delay the timing of project development
- Notwithstanding the contributions made to the communities within which the Company operates, local communities may become dissatisfied with the impact of operations or oppose new development projects. There is also the possibility of anti-coal activism targeted towards the Company's projects.

Whitehaven has a comprehensive environmental, health and safety management system to mitigate the risk of incidents and to ensure compliance with environmental and safety laws. The Company also has a dedicated community relations team that engage with local communities to ensure that community issues are understood and addressed appropriately.

Further details in relation to how the Company engages effectively with the communities in which we operate and steps which the Company takes to maintain its social licence to operate will be provided in the Company's 2021 Sustainability Report to be released later this year.

Environmental Regulation

The coal sector is subject to a broad range of environmental laws, regulations and standards, including in relation to greenhouse gas emissions. Evolving regulation and standards could result in increased costs, regulatory action, litigation or, in extreme cases, threaten the viability of an operation.

Whitehaven actively monitors legislative and regulatory developments and engages appropriately with legislative and regulatory bodies to manage this risk.

Climate change risk

The physical and non-physical impacts of climate change are interlinked with multiple other risks and may affect the Company's assets, production and the markets where its products are sold. These impacts may include severity and frequency of weather patterns, policy and regulatory change and coal demand responses. Further details in relation to climate change risks will be provided in the Company's 2021 Sustainability Report.

The International Energy Agency (IEA) has outlined under its Stated Policies Scenario (which assumes that all of the Nationally Determined Commitments (NDCs) as provided by countries after the 2015 Paris COP21 meeting are met in full) that coal demand in Whitehaven's key export market, Asia, will remain stable until at least 2040. The IEA regularly makes projections about world coal demand based on various future scenarios for energy development. The Stated Policies Scenario is the IEA's dominant scenario in its most recent World Energy Outlook (2020). Alternate scenarios and further details are available at: https://webstore.iea.org/world-energy-outlook.

Covid-19 Risk

As with most businesses around the world, the COVID-19 pandemic has presented a range of health, commercial and financial risks to Whitehaven. This includes risk to continuity of operations, and potential disruptions to the movement of goods and people. Since before the pandemic emerged in Australia, we have been carefully planning to ensure continuity of supply of inputs, and have taken a range of steps – including direct advocacy to key government and other stakeholders – to ensure our workforce is ready to respond to the pandemic and is not adversely impacted by domestic border restrictions, limiting the operational impacts we have experienced. Whitehaven, and the resources sector more broadly, has so far demonstrated its resilience in the face of COVID-19. It has been widely acknowledged that the comprehensive suite of measures adopted across the resources sector quickly became the model for others to emulate. The development and rapid implementation of our response plan kept our people safe and supported continuity of production and employment. More broadly the experience of responding to COVID-19 has validated the robustness of our WHS systems and procedures and ensured our preparedness to manage any future emerging risks of this nature.

The exceptional circumstances stemming from the pandemic have resulted in uncertainty surrounding public health and the global economy, including impacts on energy and industrial markets. Short-term demand for both metallurgical and thermal coal contracted as a result of measures employed in many countries to slow the spread of the virus, however, demand has rebounded significantly from the lows. Despite uncertainties surrounding the economic outlook, the fundamentals of our business model remain robust. Throughout the pandemic, our portfolio of coal products has remained sought after and well sold under long-term contracts to the cornerstone high-energy, low-impurity coal markets of Japan, Korea and Taiwan, as well as emerging markets in developing Southeast Asian nations. In contrast, lower-energy and/or higher-impurity coal basins globally have traditionally been the first to exit the seaborne coal market during times of declining demand, and this was borne out during the first half of CY21. We expect our customer nations to capitalise on their installed and planned coal-fired power generation to underpin their economic recoveries when the threat of the pandemic is either eliminated or managed. Whitehaven actively monitors and responds to all factors with potential to impact global supply and demand for our products.

5. Auditor independence and non-audit services

5 (a) Auditor's independence declaration

The auditor's independence declaration forms part of the Directors' report for the financial year ended 30 June 2021. It is set out on page 29.

5 (b) Non-audit services

During the year Ernst & Young, the Company's auditor, did not perform any other services in addition to their statutory duties.

The Board considered the non-audit services provided during the prior year by the auditor and, in accordance with written advice provided by resolution of the Audit and Risk Management Committee, were satisfied that the provision of those non-audit services by the auditor was compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001 (Cth)* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company and were reviewed by the Audit & Risk Management Committee to ensure they did not impact the integrity and objectivity of the auditor
- The non-audit services provided did not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid or payable to the auditor of the Company, Ernst & Young, and their related practices for non-audit services provided during the year are set out below:

	Consolidated 2021	Consolidated 2020
In AUD	**$**	**$**
Non-audit services		
Ernst & Young		
Taxation compliance services	-	30,000
Other non-audit services	-	32,994
	-	**62,994**

Auditor’s independence declaration

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Auditor's independence declaration to the directors of Whitehaven Coal Limited

As lead auditor for the audit of the financial report of Whitehaven Coal Limited for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Whitehaven Coal Limited and the entities it controlled during the financial year.

Ernst & Young

Scott Jarrett
Partner
26 August 2021

2021 Remuneration Report

(Audited)

Summary

On behalf of the Board, we are pleased to introduce Whitehaven Coal's Remuneration Report for the financial year ended 30 June 2021 (FY21) for which we seek your support at our Annual General Meeting (AGM) in October. We have received consistently strong shareholder support for our Remuneration Report; more than 97% of votes cast at last year's AGM were in favour of the resolution to approve our 2020 Remuneration Report.

Our objective is to provide a Remuneration Report containing the key elements that are important to our shareholders and to present that information in a concise manner. This includes details of realised remuneration outcomes for our Key Management Personnel (KMP) for FY21 and performance against the Short-Term Incentive (STI) Key Performance Indicators (KPIs) and Long-Term Incentive (LTI) performance conditions.

Our executive remuneration framework is designed to be aligned to shareholder interests while operating to incentivise and reward senior executives to execute our strategy to build a portfolio of assets that is cost-competitive, and to develop and operate that portfolio of assets in a safe and sustainable way.

Whitehaven's performance in FY21

FY21 was a mixed year for both the coal market and for Whitehaven's operations.

The single biggest influence on Whitehaven's earnings for the year was the exchange rate of the Australian dollar against the US dollar. As global seaborne coal prices are US dollar denominated the significant strengthening of the Australian dollar compared to the previous year saw our revenue decrease. This was partially offset by the coal price recovery in Q2 FY21 from multi-year lows in early 2020, driven principally by the global economic recovery from COVID-19. Australian high CV thermal coal seaborne exports benefitted from supply disruptions in Colombia, Australia and Indonesia.

At an operational level Whitehaven's largest mine, Maules Creek, reported record ROM production of 12.7Mt, while at the Company's underground mine, Narrabri, performance was impacted significantly by unexpected geological issues. At a Group level, managed ROM production of 20.6Mt was in line with the prior year.

These factors, along with the recovery of the Newcastle 6000CV coal price and the company's strong sales and marketing teams, resulted in a reported EBITDA of $204.5m.

Remuneration outcomes for FY21

As with other mining organisations, Whitehaven's earnings are heavily dependent on commodity (i.e. coal) prices. As global seaborne coal prices and foreign exchange rates are not in the control of Whitehaven management, remuneration outcomes are assessed using a combination of earnings outcomes and mining fundamentals: production, overburden management, safety, environmental management, costs and long-term sustainability.

While the organisation faced a number of unforeseen challenges during FY21, the fundamentals of the company remain strong, as evidenced by the record annual production at our largest mine, Maules Creek. We are well placed to execute our long-term strategy and deliver key long-term projects, which will impact shareholder value positively.

Against this backdrop, FY21 remuneration outcomes are detailed below:

– FY21 STI outcomes were assessed between 53.3% - 57.5% of the maximum possible award.
– LTI awards tested at 30 June 2021: Tranche 2 of the 2017 TSR award, Tranche 1 of the 2018 TSR Award and 2018 Costs Hurdle Award were assessed at the conclusion of FY21. All these awards failed to achieve gateway and therefore none vested, lapsing in full.

Further details of the FY21 STI and LTI awards that were tested in 2021 are set out later in this report in sections 4.1 and 4.2 respectively.

Changes to remuneration framework for FY22

The Board continues to consider Executive KMP remuneration in the context of our strategy, relevant benchmarks and retaining and appropriately rewarding our leadership team.

Following FY20, where the current Executive KMP received no fixed remuneration adjustment, the organisation commissioned an external salary benchmarking exercise (through remuneration consultants Mercer) to assess current KMP salaries against our competitors in the mining and industrial sectors. As a result of this review, the fixed remuneration for the Executive General Manager (EGM) Operations, Ian Humphris, will be increased to $700,000 (+7.7%), the Managing Director and CEO, Paul Flynn, to 1,560,500 (+2.0%) and for the Chief Financial Officer (CFO), Kevin Ball, to $728,000 (+2.0%). These increases ensure Executive KMP salaries remain competitive.

There were several changes to the remuneration framework in FY21, which received strong shareholder support at our 2020 Annual General Meeting, as well as personnel changes within the Executive KMP. There will be no material changes to the STI and LTI structures implemented in FY21.

Non-Executive Directors' fees

There was no increase to Non-Executive Director fees in the year, nor is any proposed for FY22. There is no proposal to change the maximum aggregate Directors' fees pool.

We thank the Executive KMP and their teams for their continued commitment and contribution to Whitehaven.

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1. Introduction

This Remuneration Report forms part of the Directors' Report.

In accordance with Section 308 (3C) of the *Corporations Act 2001 (Cth)*, the external auditors, Ernst & Young, have audited this Remuneration Report.

This report details the remuneration and fees during FY21 of the Key Management Personnel (KMP) of the Company, who are listed in the table below. For the remainder of this Remuneration Report, the KMP are referred to as either Executive KMP or Non-Executive Directors.

1.1. Key Management Personnel for FY21

The table below shows Non-Executive KMP during FY21.

Name	Role held during FY21	Committee positions held
Non-Executive Directors		
The Hon. Mark Vaile AO	Chairman and Non-Executive Director	Chairman of Governance & Nomination Committee Member of Audit & Risk Management Committee Member of Remuneration Committee
John Conde AO	Deputy Chairman and Non-Executive Director	Chairman of Remuneration Committee Member of Audit & Risk Management Committee Member of Governance & Nomination Committee
Dr Julie Beeby	Non-Executive Director	Chairman of Health, Safety, Environment & Community Committee Member of Governance & Nomination Committee
Fiona Robertson	Non-Executive Director	Chairman of Audit & Risk Management Committee Member of Health, Safety, Environment & Community Committee
Lindsay Ward	Non-Executive Director	Member of Health, Safety, Environment & Community Committee Member of Remuneration Committee
Raymond Zage	Non-Executive Director	Nil

Whitehaven has reviewed which executives are KMP for the purposes of the Remuneration Report. It has been determined that the KMP are the MD/CEO, the CFO and the EGM Operations. As a result, the EGM People and Culture, EGM Corporate, Government and Community Affairs, EGM Project Delivery, EGM Marketing and Logistics, and the General Counsel and Company Secretary ceased to be KMP as at 30 June 2020. This is a change from the FY20 Report. No other executives were considered to carry the requisite authority and responsibility for planning, directing and controlling the activities of Whitehaven to be KMP.

The table below shows Executive KMP during FY21:

Executive KMP	Role held during FY21	Dates
Paul Flynn	Managing Director and Chief Executive Officer (CEO)	Full year
Kevin Ball	Chief Financial Officer (CFO)	Full year
Ian Humphris	Executive General Manager (EGM) – Operations	Full year

1.1. Summary of Company performance

Company performance for the last five years

A snapshot of key Company statutory performance for the past five financial years is set out below:

	2021	2020	2019	2018	2017
Revenue ($m)	1,557.0	1,721.6	2,487.9	2,257.4	1,773.2
Statutory EBITDA ($m)[1]	204.5	306.0	1,001.2	1,002.2	714.2
Net (loss)/profit after tax ($m)[1]	(543.9)	30.0	527.9	524.5	405.4
Share price at year end (dollars per share)	$1.94	$1.43	$3.66	$5.78	$2.87[2]
Basic EPS (cents per share)	(54.6)	3.0	53.5	53.1	41.2
Diluted EPS (cents per share)	(54.6)	3.0	52.4	52.1	40.7
Shareholder distributions paid (cents per share)	-	1.5	47	33	-
Total Reportable Injury Frequency Rate (TRIFR)	5.9	4.1	6.2	6.9	7.4
Environmental Enforcement Action Frequency Rate (EEAFR)[3]	0.2	3.9	1.9	2.1	4.2
Saleable production (Mt)	16.9	18.4	19.8	20.9	20.8

1 Statutory EBITDA and net profit after tax for FY18 has been restated for the adoption of AASB 16 Leases. Statutory EBITDA and net profit after tax for FY17 has not been restated for the adoption of AASB 16 Leases.
2 The opening share price for 2017 was $1.08.
3 An Environmental Enforcement Action is defined as a warning letter, an official caution, an order, a penalty or a prosecution. Where a single piece of enforcement correspondence notes a breach of more than one approval or licence condition, each breach is counted separately.

1.2. How do remuneration outcomes align to FY21 performance?

Component	Principles	Outcome
Fixed Remuneration (TFR)	Total fixed remuneration set with reference to market benchmarking and individual performance	After having successfully navigated the economic impacts of COVID-19, the KMP have ensured that the fundamentals of the organisation remain sound. This is evidenced by record annual production at our largest mine, Maules Creek, and approvals progressing in our key growth projects in Vickery, Narrabri Stage 3 and Winchester South. This makes the organisation well positioned for the future, especially with strengthening coal prices. Following FY20, where the current Executive KMP received no fixed remuneration adjustment, the organisation commissioned an external salary benchmarking exercise through Mercer. As with many commodity based organisations, Whitehaven's share price (and consequently market capitalisation) is highly dependent on the price of coal. Due to this, careful consideration was given when selecting a benchmarking peer group to ensure volatility in market capitalisation does not impact benchmarking outcomes. In addition, Whitehaven is mindful of the difficulties of attracting top Executives to coal mining organisations due to evolving ESG related concerns. As an outcome of this exercise, the fixed remuneration for the EGM Operations, Ian Humphris will be increased to $700,000 (+7.7%). There will be no change to Mr Humphris incentives. Mr Humphris joined the organisation in April 2020, and has demonstrated strong performance during this time. Fixed remuneration increase for the MD & CEO and the CFO will be capped at 2.0%.
STI	Reflects the performance of management during the performance period, relative to performance conditions set at the start of FY21	The Executive KMP STI outcomes were between 53.3% - 57.5% of the maximum possible STI. In relation to STI performance metrics: stretch STI outcomes were achieved across environmental STI metrics, gateway outcomes in the case of financial and production STI metrics, and no STI awarded for the safety metric. See section 4.1 for more details on STI outcomes.
LTI	Reflects long-term overall Company performance and the delivery of value to shareholders over the performance period	The LTI awards granted under the 2017 (TSR Tranche 2) and 2018 (TSR Tranche 1 and Costs Hurdle Award) LTI plans reached the end of their respective performance periods and were tested after 30 June 2021. The LTI awards granted under the 2017 (TSR Tranche 2) and 2018 (TSR Tranche 1) LTI plans failed to satisfy their respective performance conditions and therefore lapsed in full. The Costs Hurdle Gateway and the Costs Hurdle Target were set in 2018. Actual costs for FY21 of $74/t exceeded the Costs Hurdle Gateway and the 2018 Costs Hurdle Award lapsed in full. See section 4.2 for more details on the LTI outcomes for FY21.

1. Introduction *(cont.)*

1.3. Executive KMP realised remuneration outcomes

As set out in section 1.3, the Remuneration Committee is of the view that while the Company and the Executive KMP have had a challenging year with the continued impact of COVID-19 on the global economy and while there have been several unforeseen issues that arose during the year, the Executive KMP have continued to execute successfully the Group's long-term strategy. The table below gives shareholders a better understanding of the actual remuneration outcomes for Executive KMP in FY21. It includes:

- Fixed remuneration earned in FY21
- STI earned in respect of FY21 performance (including the cash component payable in September 2021 and the deferred component awarded in equity, which may vest and become exercisable in later years)
- LTI that reached the end of its performance period in FY21, including the impact of share price growth between the grant date and the test date
- Any non-monetary benefits provided to Executive KMP in FY21 (including fringe benefits).

While not in a form in accordance with accounting standards, the amounts disclosed in the table may be helpful for shareholders, as they demonstrate the link between Company performance and remuneration outcomes for Executive KMP for FY21, as summarised in section 1.3.

For further details on STI and LTI outcomes for FY21 refer to sections 4.1 and 4.2 respectively.

Name	FY	TFR[1]	STI[2] cash	Severance	Total cash	STI[3] shares	FY21 deferred equity STI [4]	LTI[5] vested at face value of award	Other[6]	Total remuneration	Vested LTI[7] share price growth	Total including share price growth
Paul Flynn	**2021**	1,530,000	509,490	-	2,039,490	-	509,490	-	12,900	2,561,880	-	2,561,880
	2020	1,530,000	-	-	1,530,000	267,750	267,750	217,079	12,900	2,295,479	59,541	2,355,020
Kevin Ball	**2021**	714,000	166,434	-	880,434	-	166,433	-	-	1,046,867	-	1,046,867
	2020	714,000	-	-	714,000	87,465	87,465	78,581	-	967,511	21,554	989,065
Ian Humphris	**2021**	650,000	163,637	-	813,637	-	163,635	-	12,900	990,172	-	990,172
	2020[8]	152,732	-	-	152,732	18,710	18,710	-	-	190,152	-	190,152

Note: for role held by Executive KMP during FY21 refer to section 1.1.

1 Total fixed remuneration (TFR) comprises base salary and superannuation.
2 STI represents the amount of cash STI that each Executive KMP will be paid in September 2021 based on FY21 performance. Refer to sections 3.3 and section 4.1 for further details.
3 The Executive KMP received ordinary Whitehaven Coal Limited shares in lieu of the cash component of the FY20 STI entitlement.
4 Deferred equity STI refers to the amount of STI deferred into rights that are subject to further service conditions. The STI is expected to be issued at a volume weighted average price (VWAP) of $1.96. It is expected that rights issued under the STI will vest and become exercisable in two equal tranches following the completion of FY22 and FY23. Refer to section 3.3 for further details.
5 LTI represents LTI awards made in 2017 and 2018 (FY20: 2016 and 2017) for which the test period ended during the financial year and which have vested. The amounts shown are the face value of the awards at grant. Refer to section 4.2 for further details.
6 Other includes parking, motor vehicle benefits and other similar items.
7 LTI share price growth is the amount of the LTI award delivered by an increase between the face value VWAP used for the award that was granted and the VWAP of a share at the award test date for those awards which vested. LTI outcomes are explained further in section 4.2 of this report.
8 Ian Humphris was appointed as an Executive KMP member on 6 April 2020.

2. Remuneration governance

This section describes the roles and responsibilities of the Board, Remuneration Committee and external remuneration advisers when making remuneration decisions. It also provides an overview of the principles and policies that underpin the Company's remuneration framework.

Remuneration governance framework

Board

The Board maintains overall responsibility for the remuneration policy and is responsible for ensuring that the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders.

Delegation and oversight

Recommendations and reporting

Remuneration Committee

The Board has established a Remuneration Committee, whose role is to:

- review and approve the remuneration of the Executive KMP
- review and approve the remuneration policies and practices for the Group generally, including incentive plans and other benefits
- review and make recommendations to the Board regarding the remuneration of Non-Executive Directors.

The Remuneration Committee has a formal charter, which sets out its roles and responsibilities, composition structure and membership requirements. A copy of this charter can be viewed on Whitehaven's website.

Further information regarding the Remuneration Committee's role, responsibilities and membership is set out in the Company's Corporate Governance Statement.

External advice

From time to time, the Remuneration Committee seeks and considers advice from external advisors who are engaged by and report directly to the Remuneration Committee. Any advice received from independent advisors is used as a guide and is not a substitute for thorough consideration by the Committee.

During FY21 the Remuneration Committee engaged PwC as remuneration consultants to provide assistance with the review and redesign of the company's Long-Term Incentive (LTI) plan. No 'remuneration recommendations' as defined in the *Corporations Act 2001 (Cth)* were made or supplied by PwC.

In addition, the organisation commissioned Mercer as Remuneration Consultants to provide salary benchmarking data for KMP roles. Mercer did not provide any remuneration recommendations in relation to any KMP remuneration levels, as defined in the *Corporations Act 2001 (Cth)*.

No other remuneration recommendations were obtained during FY21 as defined under the *Corporations Act 2001 (Cth)*.

Remuneration principles

The following principles underpin the Company's remuneration framework:

- Remuneration is comparable and competitive within our comparator group in order to attract and retain skilled executives.
- Short and long-term incentives are aligned with the interests of the Company and its shareholders.
- Structures are equitable and reinforce relevant Company policies, such as ensuring a focus on a safe working environment for all employees and on compliance with environmental approval conditions.
- Reward outcomes are aligned with performance with a significant portion of pay deemed 'at risk' based on challenging KPIs that are linked to the creation of sustainable shareholder returns.

3. Remuneration framework

The Company's Executive KMP remuneration framework is based on a set of core principles and comprises both fixed and at-risk remuneration components. This section details the components of the Executive KMP remuneration framework for FY21.

3.1. Summary of Executive KMP remuneration components in FY21

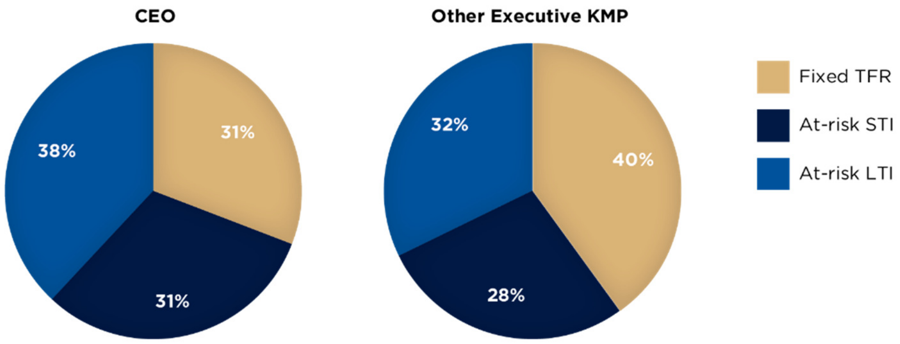
The table below summarises how the core remuneration principles and remuneration framework were applied during FY21. The different components of Executive KMP remuneration mentioned below are described in greater detail in sections 3.2, 3.3 and 3.4.

Attract and retain skilled executives	Structures are equitable and reinforce relevant Company policies	Incentives are challenging and linked to the creation of sustainable shareholder returns	Incentives are aligned with the long-term interests of the Company and its shareholders
Fixed remuneration (TFR)	**At-risk STI**		**At-risk LTI**
Cash		**Equity**	
– includes salary and superannuation	– 50% of STI is delivered as cash	– 50% of STI is deferred into rights to receive shares in the Company subject to meeting service-based vesting conditions (with vesting periods of 12 and 24 months)	– provides the Remuneration Committee with the flexibility to determine the nature, terms and conditions of the grant each year
– reviewed annually by the Remuneration Committee	– determined based on a mix of financial and non-financial performance conditions	– ability of the Remuneration Committee to reduce the number of deferred equity instruments that vest if subsequent events show such a reduction to be appropriate (clawback)	– operated in FY21 as an award of 100% of performance rights
– benchmarked against peer companies	– STI opportunity is set between 70% and 100% of TFR for target performance and between 87.5% and 125% of TFR for stretch performance		– the face value of the LTI opportunity is currently set between 80% and 120% of TFR
– set based on individual performance and experience			– vesting is subject to three independent performance hurdles: Relative TSR, Costs Target and Strategic Objectives. The Strategic Objectives hurdle also requires a minimum level of absolute TSR performance.

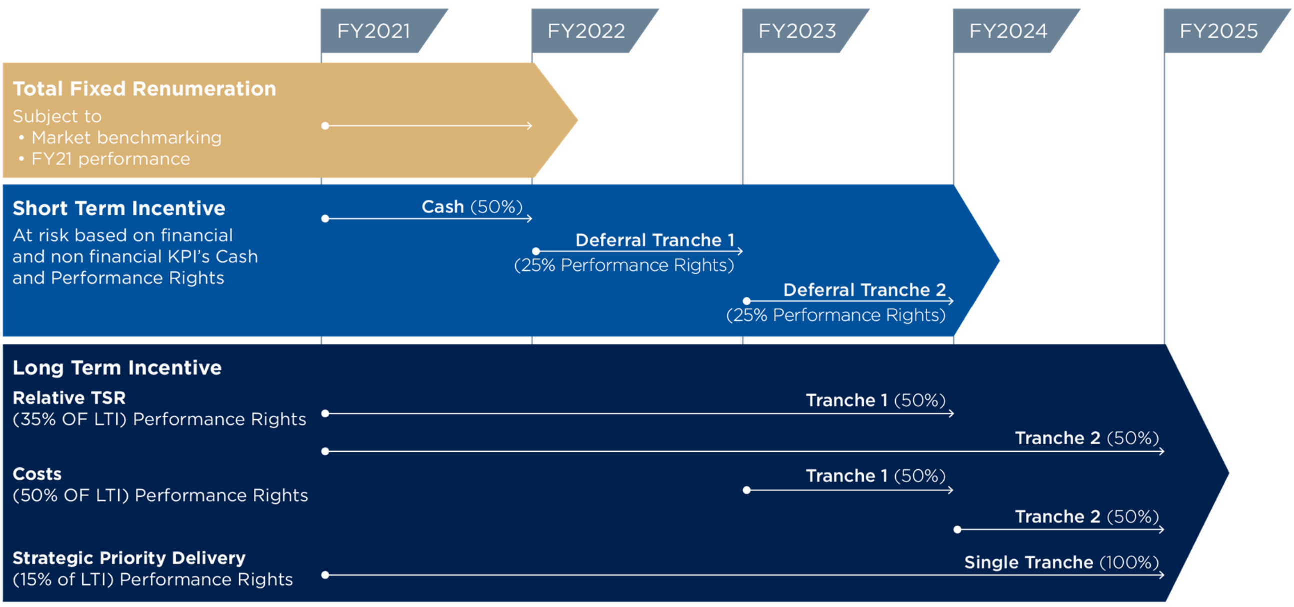
Mix and timing of Executive KMP remuneration

Executive KMP remuneration is delivered as a mix of fixed and at-risk remuneration. At-risk remuneration can be earned through STI and LTI. It is delivered to Executive KMP over multi-year timeframes to create a layered retention effect and encourage sustained performance.

The graphs below illustrate the remuneration mix for Executive KMP for FY21 (assuming target performance for at-risk components):



The diagram below shows the timing for determining and delivering Executive KMP remuneration for FY21:



3. Remuneration framework *(cont.)*

3.1 Summary of Executive KMP remuneration components in FY21 *(cont.)*

Benchmarking total remuneration

While benchmarking is a useful starting point, it is only one input the Board uses to determine total remuneration for Executive KMP. Actual market positioning for each individual is an outcome of multiple factors such as internal relativities, experience, tenure in role, individual performance and retention considerations.

Remuneration is benchmarked against an appropriate market comparator group adopted by the Board. The Board considers company size, complexity and business challenges when it builds its remuneration comparator group.

The market comparator group consists of Australian listed companies, which have been identified as relevant competitors of Whitehaven that operate in similar business environments. As with many commodity-based organisations, Whitehaven's share price (and consequently market capitalisation) is highly dependent on the price of coal. Due to this, careful consideration is given when selecting organisations against which the Executive KMP are benchmarked, to ensure volatility in market capitalisation does not impact benchmarking outcomes. In addition, Whitehaven is mindful of the difficulties of attracting top Executives to coal mining organisations due to evolving ESG-related concerns. Current salaries for the KMP are appropriate with reference to market benchmarking and the broader economic climate.

The Board's objective for executive remuneration is to meet the market so as to attract and retain a leading management team while observing appropriate restraint.

3.2. Fixed remuneration

Fixed remuneration received by Executive KMP is subject to approval by the Remuneration Committee. Fixed remuneration is comprised of base salary and superannuation. In line with Company policy and executives' service agreements, remuneration levels are reviewed annually having regard to market benchmarking and individual performance.

Fixed remuneration will typically be positioned between the 50th and 75th percentile of the market comparator group adopted by the Board.

3.3. STI awards and structure for FY21

The organisation completed a review of the terms for the STI plan for FY21. A number of changes were introduced to drive the performance based remuneration philosophy, and performance conditions were refined to drive outcomes on key organisation metrics. Key changes include:

- Individual performance was removed as a standalone KPI within the performance scorecard, instead acting as an overlay to drive final STI awards. Boundaries were developed whereby the KMP may only achieve an STI award greater than the formulaic scorecard outcome in cases of exceptionally strong performance relative to their individual performance goals, while lower than expected performance results in a reduction in STI award. Assessment of individual KMP performance was completed by the Board and Remuneration Committee at the conclusion of FY21.
- Introduction of the Environmental Critical Control Verification (CCV) metric, which measures the percentage of controls (i.e. specific initiatives aimed at reinforcing environmental governance and compliance) the organisation completed during FY21. The controls are required to be completed under the organisation's Environmental Risk Assessment. They are reviewed and refreshed annually.
- Introduction of the overburden metric to ensure a sustainable balance is achieved between ROM production (in the case of above ground mines) and overburden removal.

The terms of the STI that applied during FY21 were as follows:

Feature	Description
Performance period	12 month performance period from 1 July 2020 to 30 June 2021
Form of delivery, vesting and exercise	The STI for FY21 is delivered 50% in cash in September 2021 and 50% in deferred rights that are granted in or around October 2021, which on exercise entitle the recipient to receive one ordinary share in the Company for each deferred right that vests. Half of the deferred rights vest and become exercisable following completion of FY22, while the other half will vest and become exercisable following the completion of FY23, subject to meeting service conditions. Vested deferred rights that have not been exercised by August 2031 will automatically be exercised. No amount is payable on vesting or exercise of deferred rights.
STI Opportunity	CEO: target 100% of TFR and stretch 125% of TFR Other Executive KMP: target 70% of TFR and stretch 87.5% of TFR
Calculation of STI award	The value of STI awards is calculated as follows. **Value of STI Award** = TFR X Target Opportunity X Level of KPI result
Performance conditions and KPI weighting	Whitehaven has chosen performance conditions that link to our strategy and motivate outperformance of annual business plans. The Board set target KPIs at the commencement of FY21. The table below summarises the KPIs that were adopted as performance conditions in FY21, and the applicable weighting of each performance condition:

KPI	Executive KMP
Safety (TRIFR)	20%
Environmental Enforcement (EEAFR)	10%
Environment Controls	10%
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	10%
FOB cost per tonne (equity basis)	25%
ROM production (managed basis)	12.5%
Overburden (mbcm)	12.5%

3.4. LTI awards and structure for FY21

As the organisation is exploring and progressing a number of key projects (e.g. Vickery, Narrabri Stage 3 extension and Winchester South) that will directly impact long-term value, a review of the LTI plan was completed to ensure alignment between long-term organisation goals and the LTI plan. As a result of the review, the following changes were made to the LTI plan, which were approved in the 2020 Annual General Meeting:

- TSR Award weighting reduced from 50% to 35%. There is a small number of pure coal organisations in the ASX 200, meaning there is limited ability for an industry-based peer group. Consequently, the peer group has been broadened to compare against the S&P ASX 100, which better reflects our investor interests.
- Costs unchanged at 50% of the Award. The Board has set the entry point as the first quartile of Wood MacKenzie data of Australian industry outcomes for comparable mines (i.e. haul distance adjusted) as the target for LTI Costs Hurdle. This allows for the rail freight differential between Whitehaven and our peers due to the location of Whitehaven mines. Consistent with prior years, the Board intends only to reward performance that is consistent with shareholder expectations. The Board may, where it is appropriate to do so, recalibrate the LTI Cost Hurdle to take account of structural changes in the Company's asset portfolio or other circumstances that were not reasonably foreseeable at the time of grant, for example a strategic decision taken to produce higher quality coal at higher cost in order to increase financial returns for shareholders.
- Strategic Priority Delivery (SPD) Awards metric introduced for the FY21 LTI. The SPD Award has a performance period of four years and represents 15% of the total LTI Award. The organisation is currently planning for a number of key long-term projects that will directly impact shareholder value; this measure will drive a focus on the efficient delivery of those projects. Objectives under the SPD Award are determined annually by the Board and due to their commercially sensitive nature, will be disclosed retrospectively in the Remuneration Report in the year of vesting.

3. Remuneration framework *(cont.)*

3.4 LTI awards and structure for FY21 *(cont.)*

To ensure the SPD Awards are linked to the broader shareholder experience, the organisation must achieve positive TSR performance over the performance period, prior to any Board assessment of vesting outcomes for the SPD Awards.

These changes did not alter the total reward opportunity for Executive KMPs but rather reallocated the overall LTI opportunity across three elements instead of two.

The terms of the LTI grant made during FY21 to Executive KMP were as follows:

Feature	Description
Form of delivery, vesting and exercise	LTI Awards granted in FY21 were provided in the form of performance rights, being rights to receive one ordinary share in the Company for each performance right that vests on meeting the relevant performance conditions. Vested deferred rights that have not been exercised by October 2030 will automatically be exercised. No amount is payable on vesting or exercising of deferred rights.
LTI Opportunity	CEO: 120% of TFR Other Executive KMP: 80% of TFR
Performance period	**TSR Awards (35%):** divided into two equal tranches capable of vesting and becoming exercisable after three and four year performance periods respectively, beginning on 1 July 2020. **Costs Hurdle Awards (50%):** FOB cost per tonne achieved for the year ended 30 June 2023 with the Costs Hurdle Awards being tested at that time. Half the awards will be capable of vesting and becoming exercisable after the end of the performance period. The remaining half of any awards that vest will be subject to deferral for a further year before becoming exercisable. **Strategic Priority Delivery Awards (15%)**: single tranche measured over a four year performance period, capable of vesting following 30 June 2024.

Performance conditions	**Component**	**Details**	**Reason the performance condition was chosen**
	TSR Award	35% of the award is subject to a relative total shareholder return (TSR) performance hurdle (TSR Hurdle) which compares the TSR performance of the Company with the TSR performance of a peer group of companies operating in the S&P ASX 100 index.	This measure allows for an objective external assessment of the shareholder value created by the Company relative to other large organisations over a sustained period.
	Costs Hurdle Award	50% of the award is subject to the Company achieving a cost per tonne target (Costs Hurdle Target) that will position the company competitively on the then current cost curve. The Board has set the entry point as the first quartile of Wood MacKenzie data of Australian industry outcomes for comparable mines (i.e. haul distance adjusted) as the target for the Costs Hurdle. A Costs Hurdle Gateway also applies to ensure that a base level of cost control is achieved before any of the Costs Hurdle Award is capable of vesting. The Board intends only to reward performance that is consistent with shareholder expectations. The Board may, where it is appropriate to do so, recalibrate the LTI Cost Hurdle to take account of structural changes in the Company's asset portfolio or other circumstances that were not reasonably foreseeable at the time of grant, for example a strategic decision taken to produce higher quality coal at higher cost in order to increase financial returns for shareholders.	This measure is aligned to the Company's objective to be positioned competitively against Australian coal producers in relation to costs of production when measured on the then current coal industry cost curve. Competitive costs protect and preserve shareholder value in difficult times and support enhanced returns when the commodity cycle recovers. The cost curve is normalised to account for the northern location of Whitehaven's mines, which results in additional rail costs for the organisation.
	Strategic Priority Delivery Award	15% of the award is subject to company achievement toward key strategic priorities, assessed by the Board.	This measure is designed to align senior employees to the efficient and effective delivery of long-term projects that directly impact shareholder value. The additional 'gateway' test (of positive TSR) will ensure any award is only considered after growth is achieved in shareholder value over the relevant performance period.

Calculation of LTI award

The value of LTI awards and the number of performance rights granted is calculated as follows:

TFR X Target Opportunity = Value of LTI Award ÷ VWAP of performance right = Number of performance rights granted

TSR Awards: the TSR of the Company for the FY21 LTI grant is measured as a percentile ranking compared to the comparator group of listed entities in the S&P ASX 100 index over the relevant performance period of the tranche.

Costs Hurdle Awards: testing will occur following the completion of FY23 based on the average costs achieved on a Company-wide basis over the 12 month period from 1 July 2022 to 30 June 2023.

Strategic Priority Delivery Awards: these will be assessed by the Board following conclusion of the four year performance period (i.e. 30 June 2024).

Vesting schedule

TSR Awards

Performance level	Outcome as a % of target opportunity
75th percentile or above	100% of the TSR Awards will vest
Between 50th and 75th percentile	Vesting will occur on a pro rata straight line basis between 50% and 100%
At 50th percentile	50% of the TSR Awards will vest
Below 50th percentile	0% TSR Awards will vest

Costs Hurdle Awards

The Board has set the entry point as the first quartile of Wood MacKenzie data of Australian industry outcomes for comparable mines (i.e. haul distance adjusted) as the target for the Costs Hurdle. As evidenced during the past three years, the Board will ensure that the Company does not overlook shareholder value enhancing opportunities even if these opportunities are higher-cost mining operations. Notwithstanding the vesting schedule below, the Board retains discretion to lapse any or all of the Costs Hurdle Awards if the Board considers that vesting would be inappropriate in light of the intent and purpose of the target. Full vesting will occur only if the Board is satisfied performance meets or exceeds the Costs Hurdle Target as set out below. The Costs Hurdle Awards will lapse in full if the Costs Hurdle Gateway is not achieved. The Board may, where it is appropriate to do so, recalibrate the Gateway and Target to take account of structural changes in the Company's asset portfolio (such as mergers, acquisitions and divestments) or exceptional circumstances that were not reasonably foreseeable at the time of grant, for example a strategic decision taken to produce higher quality coal at higher cost in order to increase financial returns for shareholders.

Performance level	Outcome as a % of target opportunity
Target or lower	100% of the Costs Hurdle Awards will vest
Between Gateway and Target	Vesting will occur on a pro rata straight line basis between 50% and 100%
Gateway	50% of the Costs Hurdle Awards will vest
Above Gateway	0% Costs Hurdle Awards will vest

Strategic Priority Delivery Awards

Subject to satisfaction of the performance gateway/underpin (i.e. achieving positive absolute TSR between FY20 and FY24), following the end of the performance period, the Board will assess achievement in the delivery of, and progress towards, key strategic priorities and determine the outcome of the Strategic Priority Delivery Rights. Due to the commercially sensitive nature of the strategic priorities, retrospective disclosure of the outcomes against the performance levels will be provided in the Remuneration Report for the year of vesting.

Retesting

Any component of the LTI award that does not vest following testing will lapse. There is no retesting of awards that do not vest.

3. Remuneration framework *(cont.)*

3.5. Policies and conditions of rights awarded under equity plans

Malus and Clawback

The Board has discretion to reduce or clawback all vested and unvested LTI and STI awards in certain circumstances if subsequent events show a reduction to be appropriate. The circumstances in which the Board may exercise this discretion include: where an Executive KMP engages in fraud, dishonesty or other misconduct, a material misstatement of the Company's financial statements or other material error which results in vesting, or any other factor that the Board deems justifiable.

Dividend and Voting Rights

Rights carry no entitlement to voting or dividends prior to exercise. Upon exercise of vested rights the recipient is entitled to receive a dividend equivalent payment (DEP) in respect of any prior period between the start of the performance period and exercise. Any DEP made to participants may be made in cash or provided as additional fully paid ordinary shares in the Company, as determined by the Board.

Prohibition on Hedging

Participants are required to comply with the Company's securities trading policy in respect of their performance rights, options and any shares they receive upon exercise.

They are prohibited from hedging or otherwise protecting the value of their performance rights and options.

Change of Control

In the event of a takeover bid or other transaction, event or state of affairs that in the Board's opinion is likely to result in a change in control of the Company, the Board has discretion to determine that vesting of some or all of any unvested performance awards should be accelerated.

Cessation of Employment

Unless the Board determines otherwise, cessation of employment by:

- **Termination for cause:** unvested performance awards will lapse.
- **Resignation or by mutual agreement with the Company:** unvested performance awards will remain on foot and be subject to the original performance hurdle. However, the Board may at its discretion determine to lapse any or all of the unvested performance awards and ordinarily, in the case of a resignation, would be expected to do so.
- **Other circumstances:** unvested performance awards will remain on foot and be subject to the original performance hurdle, with Board discretion to determine that some of the performance awards (up to a pro rata portion based on how much of the performance period remains) will lapse. The performance awards that remain on foot will be tested in the normal course following the end of the relevant performance period.

4. Remuneration outcomes for FY21

4.1. STI outcomes for Executive KMP in FY21

Before a financial year begins, the Board sets target KPIs that link to strategy and motivate outperformance of annual business plans. At the end of the financial year, the CEO recommends to the Board the individual outcomes for each Executive KMP. The Board then assesses and approves the overall STI outcomes for the CEO and Executive KMP. The table below summarises details in relation to each KPI and the performance levels achieved in FY21.

					Percentage Outcome		
Measure	**Weighting**	**Gateway**	**Target**	**Stretch**	Paul Flynn	Kevin Ball	Ian Humphris
Health, Safety and Environment	40%				25.0%	25.0%	25.0%
Financial	35%				29.1%	29.1%	29.1%
Production	25%				12.5%	12.5%	12.5%

A summary of organisation performance against the individual STI KPIs is shown below:

Health, Safety and Environment

Measure	Commentary	Outcome
TRIFR - #	A TRIFR of 5.9 was achieved over FY21. While this represents an increase from FY20, it is still well below the most recent NSW Coal Industry average of 13.41 (2019-2020). FY21 TRIFR did not reach gateway and consequently no STI was earned for this component. Work to improve safety standards and processes continues.	5.9 - Below Gateway
Environmental Incidents - #	This includes events occurring in the FY21 year that have or are likely to result in enforcement action including Warning, Caution, Clean-up Notice, Penalty Notice, Suspension, or Prosecution. Environment performance has improved significantly, from 19 incidents in FY20 to 5 in FY21, resulting in stretch performance. The Board continues to place strong emphasis on compliance and minimising environmental incidents.	5 - Stretch
Environmental Critical Control Verification (CCV) - %	While environmental CCVs have been embedded and required to be completed in the organisation for a number of years, it was introduced in the STI performance scorecard for the first time in FY21. The CCV process involves the undertaking of site specific risk assessments to identify required critical controls, the development/assignment and completion of actions to address critical controls, and independent third-party verification of action completion. In FY21 100% of all FY21 actions were independently verified as being complete, resulting in stretch performance.	100% - Stretch

Financials

Measure	Commentary	Outcome
EBITDA - $m	Even though sales volumes were in line with the prior year, they were lower than expected due to the production performance at Narrabri and port congestion linked to the NCIG coal loader outage. While costs were managed tightly, these factors contributed to unit costs being higher than expected. The COVID-19 related softening in coal prices in late FY20 continued into the early part of FY21 with prices reaching historical monthly lows of US$49.78/t in August 2020. Since that time coal prices have staged a strong recovery with the gc NEWC index reaching US$132/t in late June 2021. The increase in coal prices is a result of strong demand for high quality energy (LNG and >6000kcal thermal coal) in a supply constrained market. The price realised by Whitehaven has lagged the gc NEWC index, as a proportion of Whitehaven's thermal coal book is priced with reference to prior periods. The EBITDA outcome was between target and stretch. In addition, the strengthening of the Australian dollar against the US dollar negatively impacted earnings as seaborne coal prices are US dollar denominated.	$204.5m - Between Target and Stretch
FOB Costs – A$/t	Group costs of $74/t were impacted by below expectation ROM production and sales volumes. This adversely impacted the recovery of fixed costs in the business: labour, infrastructure and overheads. Costs were also impacted by below target yields due to a strategy of increasing washing in order to increase the availability of high-CV coal. This strategy was designed to mitigate the coal quality impacts arising at Narrabri and to minimise exposure to the low CV market as pricing spreads increased between the high quality and low quality market segments. Costs were also impacted by incremental costs incurred directly as a result of mining through the faulted area at Narrabri. Costs were otherwise managed tightly, resulting in an outcome between gateway and target.	$74/t – Between Gateway and Target

4. Remuneration outcomes for FY21 *(cont.)*

4.1 STI outcomes for Executive KMP in FY21 *(cont.)*

Production

Measure	Commentary	Outcome
ROM – Mt	Each of Whitehaven's mines is assessed against individual mine production targets, which roll up into an overall organisation-wide outcome. Our largest mine, Maules Creek, achieved record annual ROM production in FY21, while the other open cut mines also had a strong year, achieving a cumulative outcome above gateway against their respective FY21 metrics. These strong outcomes were however offset against lower ROM production from our Narrabri underground mine, which achieved an outcome below its gateway. This was due to unexpected geological challenges experienced by the mine, which resulted in delays managing these structures and the associated increase in longwall equipment maintenance. The overall FY21 ROM production was 20.6Mt, which was an outcome at gateway.	20.6Mt - Gateway
Overburden - Mbcm	As with ROM production, overburden performance achieved a gateway outcome of 106.7Mbcm. This outcome was as a result of lower than budgeted performance from the Autonomous Haulage System (AHS), in addition to delays related to higher than expected weather and maintenance allowances.	106.7Mbcm - Gateway

The individual STI outcomes for Executive KMP for FY21 are set out in the table below, taking into account Group-wide metrics detailed above, and individual KMP performance. The total STI opportunity at target and stretch, by Executive KMP, as a percentage of TFR is detailed in section 3.3.

Executive KMP	Paid as cash ($)	Deferred equity ($)	Total ($)	Percentage of maximum STI received	Percentage of maximum STI forfeited
Paul Flynn	509,490	509,490	1,018,980	53.3%	46.7%
Kevin Ball	166,434	166,433	332,867	53.3%	46.7%
Ian Humphris	163,637	163,635	327,272	57.5%	42.5%

4.2. LTI outcomes for Executive KMP in FY21

For the TSR Award to vest in full, the TSR percentile ranking achieved over the relevant performance period relative to the TSR performance of the comparator group would need to be at or above the 75th percentile. Between the 50th and 75th percentile ranking, vesting will occur on a pro rata straight line basis.

The table below sets out the LTI awards that were tested in 2021 against performance conditions and the results of the relevant test. Additional information about the terms of these prior year LTI awards is available in the Remuneration Report for the relevant financial years.

LTI year	Performance period	Tranche	Test type	Target	Performance achieved	Vesting outcome
2017	1 July 2017 – 30 June 2021	2 of 2	TSR Award	75th percentile or above	19 in 22	0%
2018	1 July 2018 – 30 June 2021	1 of 2	TSR Award	75th percentile or above	19 in 21	0%
2018	1 July 2020 – 30 June 2021	n/a	Costs Hurdle Award	$64/t	$74/t	0%

Executive KMP LTI awards vesting in FY21

Executive KMP	2017 Tranche 2 TSR Hurdle	2018 Tranche 1 TSR Hurdle	2018 Costs Hurdle	2017 Tranche 2 TSR Hurdle	LTI value	Vested LTI at face value of award[1]	Vested LTI share price appreciation[1]
	Performance Rights			Options	$	$	$
Paul Flynn	Lapsed	Lapsed	Lapsed	Lapsed	-	-	-
Kevin Ball	Lapsed	Lapsed	Lapsed	Lapsed	-	-	-
Ian Humphris	n/a	n/a	n/a	n/a	-	-	-
Award Test Date	30 June 2021	30 June 2021	30 June 2021				
VWAP – Face value	$2.85	$5.70	$5.70				
VWAP - Award Test Date	$1.96	$1.96	$1.96				

1 As presented in section 1.4.

LTI awards granted in FY21

A summary of the LTI awards granted in FY21 (i.e. the face value and the fair value of the LTI granted to each Executive KMP) is set out in the table below:

Executive KMP	Number of performance rights granted[1]	Face value of performance rights grant[2]	Fair value of performance rights at grant date[3]
		($)	($)
Paul Flynn	1,200,000	1,836,000	1,557,000
Kevin Ball	373,334	571,200	484,401
Ian Humphris[4]	419,730[4]	642,186	544,600

1 Refer to section 3.4 for the terms of the LTI grant.
2 The face value of the LTI performance rights of $1.53 was calculated using the volume weighted average price of Whitehaven shares over the 20 trading day period commencing 10 trading days prior to 30 June 2020.
3 The fair value for awards granted to the Executive KMP is based on the average fair value of $1.30 (for the fair value of each tranche from which this average is derived – see note 5.5) per performance right as at 4 December 2020, being the grant date. The factors and assumptions used in determining the fair value are set out in note 5.5 to the financial statements.
4 Ian Humphris LTI award calculated off his start date of 6 April 2020.

5. Executive KMP employment contracts

This section sets out an overview of key terms of employment for the Executive KMP, as provided in their service agreements.

All Executive KMP contracts give the Company discretion to make payment in lieu of notice. No notice is required where termination is for cause. The contracts do not provide for any termination payments other than payment in lieu of notice.

Treatment of unvested incentives is dealt with in accordance with the terms of grant. In general, under the STI and LTI arrangements, unvested entitlements will be forfeited where an executive is terminated for cause or, subject to the Board's discretion, where they resign. In all other circumstances where the Board considers the executive to be a 'good leaver', outgoing executives will generally retain their entitlements (subject to any applicable performance conditions in the case of LTI arrangements).

Managing Director and CEO

Paul Flynn was appointed as Managing Director and CEO of the Company on 25 March 2013. This table outlines the key terms of Mr Flynn's contract of employment:

Fixed remuneration	Mr Flynn's annual TFR for FY22 is $1,560,500 (FY21: $1,530,000). It includes salary, superannuation contributions, any components under Whitehaven's salary packaging guidelines and all Director fees. TFR is reviewed annually.
Short-term incentive	Mr Flynn is eligible to participate in the annual STI plan, as described in section 3.3. At target performance, his FY22 STI opportunity is 100% of TFR (FY21: 100%), with up to 125% of TFR for stretch performance (FY21: 125%).
Long-term incentive	Mr Flynn is eligible to participate in the LTI plan as described in section 3.4, subject to receiving required shareholder approval. Mr Flynn's LTI grant in FY22 will be 120% of his TFR (FY21: 120%). The award will be provided 100% as rights to acquire shares: each right held will entitle Mr Flynn to receive one ordinary share in the Company subject to satisfaction of the relevant performance conditions. The FY21 award was provided in the form of 100% rights.
Other key terms	Other key terms of Mr Flynn's service agreement include the following: – His employment is ongoing, subject to twelve months' notice of termination by Whitehaven or six months' notice of termination by Mr Flynn. – The Company may terminate without notice in certain circumstances, including serious misconduct or negligence in the performance of duties. Mr Flynn may terminate immediately in the case of fundamental changes to his role (that is, there is a substantial diminution in his responsibilities), in which case his entitlements will be the same as if the Company terminated him without cause. – The consequences for unvested incentive awards on termination of Mr Flynn's employment will be in accordance with the Company's STI and LTI plans. – Mr Flynn will have post-employment restraints for a period of three months. No additional amounts will be payable in respect of this restraint period.

Other Executive KMP contracts

A summary of the notice periods and key terms of the current Executive KMP contracts is set out in the table below. All of the contracts below are of ongoing duration.

Name and position (at year-end)	Notice
Kevin Ball Chief Financial Officer Appointed 16 December 2013	3 months by employee 6 months by the Company
Ian Humphris Executive General Manager – Operations Appointed 6 April 2020	6 months by employee or the Company

6. Non-Executive Director remuneration

This section explains the fees paid to Non-Executive Directors during FY21.

6.1. Non-Executive Director fees

Non-Executive Director fees are designed to ensure that the Company can attract and retain suitably qualified and experienced Non-Executive Directors.

Non-Executive Directors do not receive shares or any performance-related incentives as part of their fees from the Company. Although there is no formal minimum shareholding, Non-Executive Directors are encouraged to hold shares.

Non-Executive Directors are also reimbursed for travel and other expenses reasonably incurred when attending meetings of the Board or in connection with the business of the Company.

The Remuneration Committee reviews and makes recommendations to the Board with respect to Non-Executive Director fees and Committee fees.

In 2012 the shareholders approved a total aggregate maximum amount of Non-Executive Director fees of $2,500,000 per annum. No change is being sought to the total aggregate Non-Executive Director fees pool for FY22.

6.2. Current Non-Executive Directors' remuneration

The table below sets out Board and Committee members' fees in Australian dollars for FY21.

There have been no changes to Non-Executive Director fees for FY21 and none are proposed for FY22.

	Chairman	Deputy Chairman	Member
Board	$375,000[1]	$262,500[1]	$140,000
Audit & Risk Management Committee	$40,000		$20,000
Remuneration Committee	$40,000		$20,000
Governance & Nominations Committee	No fee		No fee
Health, Safety, Environment & Community Committee	$40,000		$20,000

1 The Chairman and Deputy Chairman of the Board do not receive committee member fees in addition to their Board fees.

The fees set out above exclude mandatory statutory superannuation contributions made on behalf of the Non-Executive Directors.

6. Non-Executive Director remuneration *(cont.)*

6.3. FY21 Non-Executive Director remuneration

The statutory disclosures required under the *Corporations Act 2001 (Cth)* and in accordance with the Accounting Standards are set out in the table below:

		Short-term benefits			Post-employment benefits	
Non-Executive Directors	**FY**	**Board and Committee fees**	**Non-monetary benefits**	**Other benefits (non-cash)**	**Superannuation benefits**	**Total fees for services as a Non-Executive Director**
The Hon. Mark Vaile (Chairman)	**2021**	**375,000**	**-**	**-**	**21,694**	**396,694**
	2020	375,000	-	-	21,003	396,003
John Conde (Deputy Chairman)	**2021**	**262,500**	**-**	**-**	**21,694**	**284,194**
	2020	262,500	-	-	21,003	283,503
Dr Julie Beeby	**2021**	**180,000**	**-**	**-**	**17,100**	**197,100**
	2020	180,000	-	-	17,100	197,100
Fiona Robertson	**2021**	**200,000**	**-**	**-**	**19,000**	**219,000**
	2020	200,000	-	-	19,000	219,000
Lindsay Ward	**2021**	**180,000**	**-**	**-**	**17,100**	**197,100**
	2020	180,000	-	-	17,100	197,100
Raymond Zage	**2021**	**140,000**	**-**	**-**	**-**	**140,000**
	2020	140,000	-	-	-	140,000
Total	**2021**	**1,337,500**	**-**	**-**	**96,588**	**1,434,088**
	2020	1,337,500	-	-	95,206	1,432,706

7. Executive KMP statutory tables and additional disclosures

7.1. Executive KMP statutory remuneration table

The following table sets out the statutory remuneration disclosures required under the *Corporations Act 2001 (Cth)* and has been prepared in accordance with the appropriate accounting standards:

		Short-term benefits			Post-employment benefits		Share based payments		
	Year	Salary & fees	Non-monetary benefits	STI	Superannuation benefits	Termination benefits	Rights and options	Total remuneration	Performance related
			(A)	(B)			(C)		%
Executive Directors									
Paul Flynn	**2021**	**1,505,000**	**12,900**	**943,741**	**25,000**	**-**	**965,864**	**3,452,505**	**55%**
	2020	1,505,000	12,900	765,964	25,000	-	649,185	2,958,049	48%
Other Executive KMP									
Kevin Ball	**2021**	**689,000**	**-**	**305,116**	**25,000**	**-**	**304,214**	**1,323,330**	**46%**
	2020	689,000	-	236,772	25,000	-	216,503	1,167,275	39%
Ian Humphris	**2021**	**625,000**	**12,900**	**229,108**	**25,000**	**-**	**103,514**	**995,522**	**33%**
	2020	141,656	-	18,710	13,457	-	-	173,823	11%
Total	**2021**	**2,819,000**	**25,800**	**1,477,965**	**75,000**	**-**	**1,373,592**	**5,771,357**	
	2020	2,335,656	12,900	1,021,446	63,457	-	865,688	4,299,147	

(A) The amounts disclosed as non-monetary benefits relate to car spaces, motor vehicle benefits and other similar items.

(B) Comprises the cash component of current year STI (refer to sections 3.3 and 4.1 for details) and the fair value at each grant date of STI deferred rights expensed over the relevant period for the service vesting conditions. The fair value for STI grants is based on the volume weighted average price of Whitehaven shares over the 20 trading day period commencing 10 trading days prior to 30 June of each respective grant.

(C) The fair value for LTI performance rights granted to KMP is based on the fair value at each grant date expensed over the vesting period. The FY20 amount includes the reversal of AASB 2 share-based payments expenses due to lapse outcomes of Costs Hurdle LTI rights and options. The factors and assumptions used in determining the fair value are set out in note 5.5 to the financial statements.

7. Executive KMP statutory tables and additional disclosures *(cont.)*

7.2. Movement in options and rights held by Executive KMP

The movement during the reporting period by number and value of equity instruments in the Company held by each Executive KMP is detailed below:

Executive KMP	Instrument	Balance as at 1 July 2020 (number)	Granted (number)	Granted (value)	Vested/ awarded during the year (number)	Exercised (number)	Exercised (value)	Lapsed (number)	Lapsed (year of grant)	Forfeited (number)	Balance as at 30 June 2021 (number)	Vested and exercisable at 30 June 2021
			(A)	(B) $			(C) $		(D)			
Paul Flynn	Performance Rights (LTI)	1,330,082	1,200,000	1,557,000	89,702	229,426	520,107	227,984	2016/2017	-	2,072,672	-
	Options (LTI)	1,241,869	-	-	292,444	-	-	752,838	2016/2017	-	489,031	292,444
	Deferred Rights (STI)	642,637	175,000	267,750	137,685	560,828	1,828,611	-	-	-	256,809	-
Kevin Ball	Performance Rights (LTI)	389,517	373,334	484,401	32,472	32,472	71,438	82,528	2016/2017	-	647,851	-
	Options (LTI)	449,546	-	-	105,862	-	-	272,521	2016/2017	-	177,025	105,862
	Deferred Rights (STI)	66,997	57,167	87,465	42,348	42,348	191,837	-	-	-	81,816	-
Ian Humphris	Performance Rights (LTI)	-	419,730	544,600	-	-	-	-	-	-	419,730	-
	Deferred Rights (STI)	-	12,229	18,710	-	-	-	-	-	-	12,229	-

(A) The number of rights granted during FY21 includes:
- (a) the FY20 LTI awards (further details are provided in section 4.2).
- (b) the deferred rights component of the FY20 STI award, calculated by reference to the volume weighted average price of the Company's shares for the 20 day trading period commencing 10 trading days prior to 30 June 2020. The granting of rights occurred on 4 December 2020.

(B) The value of LTI performance rights granted in the year is the fair value of the performance rights at grant date.
The value of deferred STI rights granted in the year has been calculated using the volume weighted average price of the Company's shares for the 20 day trading period commencing 10 trading days prior to 30 June 2020 as fair value, being $1.53 per share.
Unvested LTI and STI awards have a minimum value of zero if they do not meet the relevant performance or service conditions.
The maximum value of unvested LTI and STI awards is the sale price of the Company's shares at the date of vesting, or where applicable, on exercise (plus the value of any dividend equivalent payment attaching to the award on vesting or, where applicable, on exercise).

(C) The 2016 LTI TSR Hurdle Tranche 2 Rights and Options were awarded during the year at a rate of 64.2%. The 2017 LTI Costs Target Hurdle and the 2017 LTI TSR Hurdle Tranche 1 Rights and Options fully lapsed during the year due to the performance conditions not being met. The value of LTI performance rights exercised in the year is the fair value of the performance rights at grant date.
Tranche 1 of the FY19 STI deferred rights vested during the period. The vested value of rights exercised has been calculated using the volume weighted average price of the Company's shares for the 20 day trading period commencing 10 trading days prior to 1 July 2019.
Tranche 2 of the FY18 STI deferred rights vested during the period. The vested value has been calculated using the volume weighted average price of the Company's shares for the 20 day trading period commencing 10 trading days prior to 1 July 2018.

(D) The year in which the lapsed performance rights, options or deferred shares were granted. Performance conditions were not met, and therefore 35.8% of the 2016 LTI TSR Hurdle Tranche 2 Rights and Options, and 100% of the 2017 LTI Rights and Options Costs Target Hurdle and TSR Hurdle Tranche 1 awards lapsed.

7.3. Movement in ordinary shares held by KMP

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially by Executive KMP and each Non-Executive Director, including their related parties, is as follows:

Number of shares	Held at 1 July 2020	Received on vesting and exercise of STI/LTI	Received as remuneration[1]	Other net change	Held at 30 June 2021
Non-Executive Directors					
Mark Vaile	1,509,317	-	-	-	1,509,317
John Conde	708,620	-	-	-	708,620
Dr Julie Beeby	65,000	-	-	20,000	85,000
Raymond Zage	9,200,000	-	-	1,383,134	10,583,134
Fiona Robertson	45,985	-	-	29,410	75,395
Lindsay Ward	35,000	-	-	42,500	77,500
Executive KMP					
Paul Flynn	1,282,535	951,229	281,843	(885,000)	1,630,607
Kevin Ball	740,000	82,126	92,069	(473,630)	440,565
Ian Humphris	-	-	19,695	-	19,695

1 The Executive KMP received ordinary Whitehaven Coal Limited shares in lieu of the cash component of the FY20 STI entitlement. Refer to table 1.4.

7. Executive KMP statutory tables and additional disclosures *(cont.)*

7.4. Related party transactions and additional disclosures

Loans with Executive KMP and Non-Executive Directors

There were no loans outstanding to Executive KMP or any Non-Executive Director or their related parties at any time in the current or prior reporting periods.

Other KMP Transactions

Apart from the details disclosed in this report, no Executive KMP or Non-Executive Director or their related parties has entered into a material contract with the consolidated entity since the end of the previous financial year and there were no material contracts involving those people's interests existing at year end.

Signed in accordance with a resolution of the Directors:

The Hon. Mark Vaile AO
Chairman

Paul Flynn
Managing Director

Sydney
26th August 2021

Financial Report

For the year ended 30 June 2021

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Consolidated statement of comprehensive income

For the year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Revenue	2.1	1,556,976	1,721,609
Other income		6,836	3,495
Operating expenses		(700,433)	(695,621)
Coal purchases		(173,683)	(220,658)
Selling and distribution expenses		(330,924)	(342,084)
Royalties		(108,789)	(121,215)
Depreciation and amortisation		(260,662)	(224,583)
Impairment losses	2.2	(650,000)	-
Administrative expenses		(34,228)	(29,810)
Share-based payments expense	5.5(a)	(6,995)	(6,259)
Foreign exchange loss		(4,279)	(3,494)
(Loss)/profit before net financial expense		**(706,181)**	**81,380**
Finance income		228	957
Finance expense		(62,242)	(40,007)
Net finance expense	5.2	**(62,014)**	**(39,050)**
(Loss)/profit before tax		(768,195)	42,330
Income tax benefit/(expense)	2.3(a)	224,281	(12,294)
Net (loss)/profit for the year		**(543,914)**	**30,036**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net movement on cash flow hedges	5.2	(15,146)	10,289
Income tax effect	2.3(b)	4,544	(3,087)
Other comprehensive (loss)/income for the period, net of tax	5.2	**(10,602)**	**7,202**
Total comprehensive (loss)/income for the period, net of tax		**(554,516)**	**37,238**
Earnings per share			
Basic (loss)/earnings per share (cents per share)	2.4	(54.6)	3.0
Diluted (loss)/earnings per share (cents per share)	2.4	(54.6)	3.0

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of financial position

As at 30 June 2021

	Note	2021 $'000	2020 $'000
Assets			
Cash and cash equivalents		95,202	106,760
Trade and other receivables	3.1	154,163	129,145
Inventories	3.2	175,930	175,593
Income tax receivable	2.3(c)	-	13,225
Derivatives	5.3(d)	-	8,286
Total current assets		**425,295**	**433,009**
Trade and other receivables	3.1	11,785	9,708
Investments	5.3(d)	37	37
Property, plant and equipment	4.1	3,330,413	4,154,994
Exploration and evaluation assets	4.2	613,508	591,343
Intangible assets	4.3	11,828	22,946
Total non-current assets		**3,967,571**	**4,779,028**
Total assets		**4,392,866**	**5,212,037**
Liabilities			
Trade and other payables	3.3	231,268	189,474
Interest-bearing liabilities	5.1	75,116	81,553
Employee benefits	7.1	31,926	30,430
Provisions	4.4	18,423	10,083
Derivatives	5.3(d)	3,485	824
Total current liabilities		**360,218**	**312,364**
Non-current liabilities			
Other payables	3.3	46,269	62,111
Interest-bearing liabilities	5.1	917,597	943,008
Deferred tax liability	2.3(c)	155,055	384,920
Provisions	4.4	203,789	260,044
Derivatives	5.3(d)	4,200	-
Total non-current liabilities		**1,326,910**	**1,650,083**
Total liabilities		**1,687,128**	**1,962,447**
Net assets		**2,705,738**	**3,249,590**
Equity			
Issued capital	5.4(a)	3,013,661	3,003,964
Share-based payments reserve		12,213	15,253
Hedge reserve		(5,379)	5,223
Retained earnings		(314,757)	225,150
Total equity		**2,705,738**	**3,249,590**

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2021

	Note	Issued capital	Share-based payment reserve	Hedge reserve	Retained earnings	Total equity
		$'000	$'000	$'000	$'000	$'000
	Note		5.4(b)	5.4(b)		
Balance at 1 July 2019		**2,980,933**	**16,909**	**(1,979)**	**526,337**	**3,522,200**
Profit for the period		-	-	-	30,036	30,036
Other comprehensive income		-	-	7,202	-	7,202
Total comprehensive income for the year		**-**	**-**	**7,202**	**30,036**	**37,238**
Transactions with owners in their capacity as owners						
Dividends paid		-	-	-	(312,197)	(312,197)
Share-based payments	5.5(a)	-	6,259	-	-	6,259
Transfer on exercise of share-based payments		26,392	(7,366)	-	(19,026)	-
Cash settled share-based payments		-	(549)	-	-	(549)
Purchase of shares through employee share plan	5.4(a)	(3,361)	-	-	-	(3,361)
Closing balance at 30 June 2020		**3,003,964**	**15,253**	**5,223**	**225,150**	**3,249,590**
Opening balance at 1 July 2020		**3,003,964**	**15,253**	**5,223**	**225,150**	**3,249,590**
Loss for the period		-	-	-	(543,914)	(543,914)
Other comprehensive loss		-	-	(10,602)	-	(10,602)
Total comprehensive loss for the year		**-**	**-**	**(10,602)**	**(543,914)**	**(554,516)**
Transactions with owners in their capacity as owners						
Share-based payments	5.5(a)	-	6,995	-	-	6,995
Share issues/transfers to settle share-based payments		11,034	(7,470)	-	1,959	5,523
Cash settled share-based payments		-	(836)	-	319	(517)
Transfer on lapse of share-based payments		-	(1,729)	-	1,729	-
Purchase of shares through employee share plan	5.4(a)	(1,337)	-	-	-	(1,337)
Closing balance at 30 June 2021		**3,013,661**	**12,213**	**(5,379)**	**(314,757)**	**2,705,738**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Cash receipts from customers		1,541,762	1,744,954
Cash paid to suppliers and employees		(1,372,274)	(1,555,020)
Cash generated from operations		169,488	189,934
Interest paid		(43,136)	(30,938)
Interest received		228	953
Income taxes refunded/(paid)		12,185	(13,513)
Net cash from operating activities	3.4	**138,765**	**146,436**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		3,499	27
Purchase of property, plant and equipment		(68,693)	(190,779)
Expenditure on projects		(22,165)	(57,567)
Acquisition of subsidiary	3.3	(16,232)	(19,679)
Net cash used in investing activities		**(103,591)**	**(267,998)**
Cash flows from financing activities			
Payment of finance facility upfront costs		(2,538)	(13,650)
Purchase of shares		(1,337)	(3,361)
Proceeds from senior bank facility		110,000	598,000
Proceeds from secured loans – ECA facility		-	51,671
Repayment of senior bank facility		(60,000)	(120,000)
Repayment of secured loans – ECA facility		(10,119)	(11,908)
Repayment of lease principal		(82,738)	(79,768)
Payment of dividends		-	(312,197)
Net cash (used in)/from financing activities		**(46,732)**	**108,787**
Net change in cash and cash equivalents		(11,558)	(12,775)
Cash and cash equivalents at 1 July		106,760	119,535
Cash and cash equivalents at 30 June		**95,202**	**106,760**

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2021

1. About this report

1.1. Reporting entity

Whitehaven Coal Limited ('Whitehaven' or the 'Company') is a for-profit entity, and the principal activity of Whitehaven and its controlled entities (referred to as the 'Group') is the development and operation of coal mines in New South Wales and Queensland. The consolidated general purpose financial report of the Group for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 26 August 2021. Whitehaven Coal Limited is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The address of the Company's registered office is Level 28, 259 George Street, Sydney NSW 2000.

1.2. Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001 (Cth)*, Australian Accounting Standards (AAS) and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial report also complies with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The financial report has been prepared on a historical cost basis, except for derivative financial instruments that have been measured at fair value (refer to note 5.3).

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 and dated 24 March 2016. In accordance with that Class Order, all financial information has been presented in Australian dollars and rounded to the nearest thousand dollars unless otherwise stated.

1.3. Significant accounting judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events that form the basis of the carrying values of assets and liabilities, which are not readily apparent from other sources.

Judgements and estimates that are material to the financial report are found in the following notes:

2.3	**Taxes**	page 69
4.1	**Property, plant and equipment**	page 77
4.2	**Exploration and evaluation**	page 79
4.4	**Provisions**	page 81
6.2	**Interest in joint operations**	page 97

1.4. Summary of other significant accounting policies

The accounting policies set out below and in the notes have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by all subsidiaries in the Group. Other significant accounting policies are contained in the notes to the consolidated financial statements to which they relate.

(i) Basis of consolidation

The consolidated financial report of the Company for the financial year ended 30 June 2021 comprises the Company and its controlled entities (together referred to as the 'Group'). A list of the Group's significant controlled entities is presented in Note 6.1.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Specifically, the Group controls an investee if, and only if, the Group has all of the following:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

1. About this report *(cont.)*

1.4 Summary of other significant accounting policies *(cont.)*

(ii) Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date. Foreign exchange differences arising on translation are recognised in the consolidated statement of profit or loss and other comprehensive income.

Both the functional and presentation currency of the Company and all entities in the Group is Australian dollars ($).

(iii) Goods and services tax

Revenues, expenses and assets (excluding receivables) are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the consolidated statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis and the GST components of cash flows arising from investing and financing activities, which are recoverable from or payable to the ATO, are classified as operating cash flows.

(iv) Notes to the consolidated financial statements

The notes to these consolidated financial statements have been organised into logical groupings to present more meaningful and dynamic information to users. To the extent possible, the relevant accounting policies and numbers have been provided in the same note. The Group has also reviewed the notes for materiality and relevance, and provided additional information where considered material and relevant to the operations, financial position or performance of the Group.

1.5. New standards, interpretations and amendments adopted by the Group

(i) Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year.

Several amendments apply for the first time in the current year. However, they do not impact the annual consolidated financial statements of the Group.

(ii) Accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2021 are outlined below:

Amendments to IFRS 3: Reference to Conceptual Framework

In May 2020, the IASB issued Amendments to IFRS 3 *Business Combinations - Reference to the Conceptual Framework*. The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies*, if incurred separately. The exception requires entities to apply the criteria in IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments are effective for annual periods beginning on or after 1 January 2022. They are not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments are effective for annual periods beginning on or after 1 January 2022. They are not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract

In May 2020, the IASB issued amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs (e.g. the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g. depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments are effective for annual periods beginning on or after 1 January 2022. They are not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to IAS 1 *Presentation of Financial Statements* to clarify the requirements for classifying liabilities as current or non-current. Specifically:

- The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists
- Management intention or expectation does not affect classification of liabilities
- In cases where an instrument with a conversion option is classified as a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current.

These amendments are effective for annual periods beginning on or after 1 January 2024. They are not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures.

The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

These amendments are effective for annual periods beginning on or after 1 January 2023. They are not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 8 – Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8, in which it introduced a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

These amendments are effective for annual periods beginning on or after 1 January 2023. They are not expected to have a significant impact on the Group's consolidated financial statements.

1. About this report *(cont.)*

1.5 New standards, interpretations and amendments adopted by the Group *(cont.)*

(ii) Accounting standards and interpretations issued but not yet effective *(cont.)*

Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of an asset and a liability resulting from a transaction gives rise to taxable and deductible temporary differences that are not equal.

These amendments are effective for annual periods beginning on or after 1 January 2023. They are not expected to have a significant impact on the Group's consolidated financial statements.

2. Group performance

2.1. Segment reporting

Identification of reportable segments

The Group identifies its operating segments based on the internal reports that are reviewed and used by the executive management team in assessing performance and determining the allocation of resources. The performance of operating segments is evaluated at least monthly based on revenues and profit before taxes and is measured in accordance with the Group's accounting policies.

The Group has determined that it has two reportable segments: open cut operations and underground operations.

Unallocated operations include coal trading, and corporate, marketing and infrastructure functions, which are managed on a group basis and are not allocated to reportable segments.

The Group's financing (including finance costs and finance income), and depreciation and income taxes are managed on a group basis and are not allocated to reportable segments.

The following table represents revenue, profit and capital expenditure information for reportable segments:

	Open Cut Operations	Underground Operations	Unallocated Operations	Total
Year ended 30 June 2021	**$'000**	**$'000**	**$'000**	**$'000**
Revenue				
Sales to external customers	1,107,187	263,101	186,688	1,556,976
Revenue by product type:				
Metallurgical coal	208,821	35,457	-	244,278
Thermal coal	898,366	227,644	186,688	1,312,698
Total revenue from contracts with customers	1,107,187	263,101	186,688	1,556,976
Result				
Segment EBITDA result	250,410	(48,657)	2,728	204,481
Impairment losses				(650,000)
Depreciation and amortisation				(260,662)
Income tax benefit				224,281
Net finance expense				(62,014)
Net loss after tax per consolidated statement of comprehensive income				**(543,914)**
Capital expenditure				
Segment expenditure	43,418	21,967	25,473	90,858

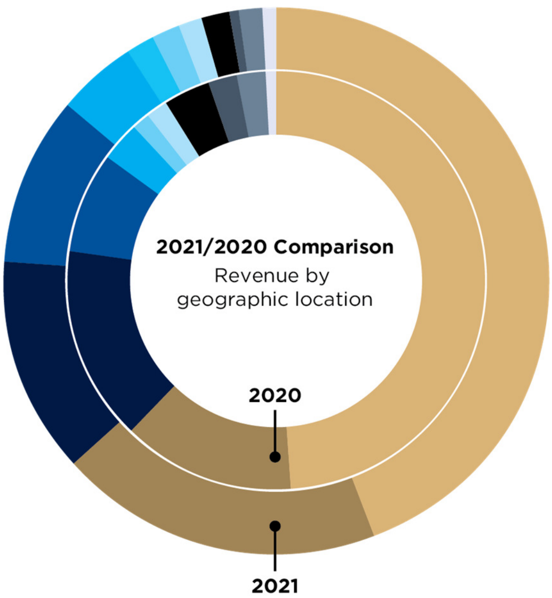
2. Group performance *(cont.)*

2.1 Segment reporting *(cont.)*

Year ended 30 June 2020	Open Cut Operations $'000	Underground Operations $'000	Unallocated Operations $'000	Total $'000
Revenue				
Sales to external customers	1,040,781	475,820	205,008	1,721,609
Revenue by product type:				
Metallurgical coal	246,434	73,605	-	320,039
Thermal coal	794,347	402,215	205,008	1,401,570
Total revenue from contracts with customers	1,040,781	475,820	205,008	1,721,609
Result				
Segment EBITDA result	212,276	107,655	(13,968)	305,963
Depreciation and amortisation				(224,583)
Income tax expense				(12,294)
Net finance expense				(39,050)
Net profit after tax per consolidated statement of profit or loss and other comprehensive income				**30,036**
Capital expenditure				
Segment expenditure	94,832	91,797	61,717	248,346

Other segment information

Revenue from external customers is attributed to geographic location based on final shipping destination.



Revenue by geographic location	2021 $'000	2020 $'000
Japan	691,455	844,007
Korea	295,988	231,217
Taiwan	201,886	256,089
India	151,421	134,814
Malaysia	73,870	51,346
Thailand	26,335	-
New Caledonia	25,796	25,291
Indonesia	24,472	26,593
Vietnam	22,939	61,888
Philippines	10,980	37,786
Other	20,258	39,274
Domestic	11,576	13,304
Total revenue	**1,556,976**	**1,721,609**

Major customers

The Group has three major customers, who account for 40.5% (2020: 28.1%) of external revenue.

Recognition and measurement

The Group recognises sales revenue related to the transfer of promised goods or services when control of the goods or services is transferred to the customer. The amount of revenue recognised reflects the consideration to which the Group is or expects to be entitled to in exchange for those goods or services.

Sales revenue is recognised on individual sales when control transfers to the customer. The title, risks and rewards, and fulfilment of performance obligation occurs when the product is loaded onto the vessel for delivery to the customer.

The Group sells its products on Free on Board terms where the Group has no responsibility for freight or insurance once control of the goods has passed at the loading port. Under these terms there is only one performance obligation: the provision of goods at the point when control passes 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. Certain sales may be provisionally priced at the date revenue is recognised, however substantially all coal sales are reflected at final prices by the end of the reporting period. The final selling price is based on the price for the quotational period stipulated in the contract.

2.2. Significant items

The items below are significant to understanding the overall results of the Group. The Company believes the disclosure of these items provides readers of the financial statements with further meaningful insights to understand the financial performance of the Group.

	Note	2021 $'000	2020 $'000
Included within the balances presented on the face of the consolidated statement of comprehensive income:			
Impairment losses			
Property, Plant and Equipment	4.1	638,882	-
Intangibles	4.3	11,118	-
Significant items before tax		**650,000**	**-**
Applicable income tax benefit		(193,399)	-
Significant items after tax		**456,601**	**-**

Significant items are items of income and expense, which, due to their nature and variable financial impact or the expected infrequency of the events giving rise to them, are separated for internal reporting, and analysis of Whitehaven's results to aid in providing an understanding and comparative basis of the underlying financial performance. In FY21, Whitehaven recognised significant expenses totalling $650 million (FY20: nil). The significant expenses relate to asset impairments. For further details see notes 4.1 and 4.3. The FY21 impairment charge was allocated to the following:

- Narrabri ($548.7 million) due to the reduction in the JORC Coal Reserves on the current Narrabri Mining Lease, arising out of an optimisation plan which has been developed to focus on the production of higher quality coal over the balance of mine life
- Werris Creek ($90.2 million) due to revisions to its mine plan and uncertainties for this market segment

  After the adoption of conservative price assumptions considering the uncertainties in coal markets
- Rail intangible ($11.1 million) relates to rail rights which are no longer expected to be utilised.

2. Group performance *(cont.)*

2.3. Taxes

a) Income tax expense

	2021	2020
	$'000	**$'000**
Current tax expense		
Current period	68,478	50,365
Adjustments for prior periods	(1,040)	-
Deferred tax expense		
Origination and reversal of temporary differences	157,061	(61,965)
Adjustments for prior periods	(218)	(694)
Income tax benefit/(expense) reported in the consolidated statement of comprehensive income	**224,281**	**(12,294)**
Reconciliation between tax expense and profit before tax		
(Loss)/profit before tax	**(768,195)**	**42,330**
Income tax benefit/(expense) using the Company's domestic tax rate of 30% (2020: 30%)	230,459	(12,699)
Non-deductible expenses:		
Share-based payments	(2,098)	(1,878)
Other non-deductible expenses	(2,822)	(359)
Non-assessable income (acquisition related)	-	2,326
On-market share purchases by employee share scheme trust reimbursed by the Group	-	1,010
Under provided in prior periods	(1,258)	(694)
Total income tax benefit/(expense)	**224,281**	**(12,294)**

b) Income tax recognised directly in other comprehensive income

	2021	2020
	$'000	**$'000**
Deferred income tax related to items charged/(credited) directly to equity		
Derivatives	4,544	(3,087)
Income tax benefit/(expense) recorded in equity	**4,544**	**(3,087)**

c) Recognised tax assets and liabilities

	2021	2021	2020	2020
	Current income tax receivable	Deferred income tax	Current income tax receivable	Deferred income tax
	$'000	$'000	$'000	$'000
Opening balance	13,225	(384,920)	(288)	(390,068)
Charged to income – corporate tax	68,478	157,061	50,365	(61,997)
Charged to equity	-	4,544	-	(3,087)
Recognition of deferred tax asset on current year losses	(68,478)	68,478	(50,365)	50,365
Utilisation of tax losses	-	-	-	-
Acquisition of a subsidiary (note 6.1)	-	-	-	20,561
Adjustment for prior periods	(1,040)	(218)	-	(694)
(Refunds)/payments	(12,185)	-	13,513	-
Closing balance	-	(155,055)	13,225	(384,920)

Deferred income tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Property, plant and equipment	-	-	(328,752)	(501,359)
Exploration and evaluation	-	-	(68,027)	(51,783)
Receivables	-	-	(5,225)	(5,601)
Inventory	-	-	(1,390)	(1,687)
Investments	359	359	-	-
Right-of-use assets and lease liabilities (net)	-	-	(6,357)	(1,989)
Deferred stripping	-	-	(1,676)	(17,623)
Deferred foreign exchange gain	3,872	-	-	(2,286)
Provisions	74,564	89,664	-	-
Tax losses	180,976	112,370	-	-
Other items	-	36	(3,399)	(5,021)
Tax assets/(liabilities)	259,771	202,429	(414,826)	(587,349)
Set-off of tax (liabilities)/assets	(259,771)	(202,429)	259,771	202,429
Net tax liabilities	-	-	(155,055)	(384,920)

2. Group performance *(cont.)*

2.3 Taxes *(cont.)*

d) Unrecognised deferred tax assets

There were $21,771,000 in unrecognised income tax losses at 30 June 2021 (2020: $21,771,000).

Recognition and measurement

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax relating to items recognised directly in other comprehensive income is recognised in other comprehensive income and not in the net profit or loss for the year.

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities based on the taxable income for the year, using tax rates enacted or substantively enacted at the balance date.

Deferred tax

The deferred tax expense is the movement in the temporary differences between the carrying amount of an asset or liability in the consolidated statement of financial position and its tax base.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets, including unused tax losses, are recognised in relation to deductible temporary differences and carried forward income tax losses only to the extent that it is probable sufficient future taxable profits will be available to utilise them. Deferred tax assets and liabilities are not recognised for taxable temporary differences that arise from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither accounting profit nor the taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates and laws that have been enacted or substantively enacted at the balance date.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset only if a legally enforceable right exists, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Tax consolidation

Whitehaven Coal Limited and its wholly owned Australian resident subsidiaries formed a tax consolidated group with effect from 29 May 2007 and have therefore been taxed as a single entity from that date. Whitehaven Coal Limited is the head entity of the tax consolidated group. The entities within the tax consolidated group have entered into a tax sharing arrangement which provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

The entities within the tax consolidated group have also entered into a tax funding agreement. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to its members. Under the terms of the tax-funding arrangement, Whitehaven Coal Limited and each of the entities in the tax consolidated group have agreed to pay (or receive) a tax equivalent payment to (or from) the head entity, based on the current tax liability or current tax asset of the entity.

Whitehaven Coal Limited and the subsidiaries in the tax consolidated group continue to account for their own current and deferred tax amounts. The amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right. The current tax balances are then transferred to Whitehaven Coal Limited via intercompany balances.

Significant accounting judgements, estimates and assumptions

Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These rely on estimates of future production and sales volumes, operating costs, rehabilitation costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and liabilities recognised on the consolidated statement of financial position. Other tax losses and temporary differences not yet recognised may also require adjustment, resulting in a corresponding credit or charge to the consolidated statement of comprehensive income.

2.4. Earnings per share

Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the year calculated as follows:

	2021	2020
	$'000	**$'000**
Profit attributable to ordinary shareholders		
Net (loss)/profit attributable to ordinary shareholders ($'000)	(543,914)	30,036
Weighted average number of ordinary shares		
Issued ordinary shares at 1 July (000s)	992,026	992,026
Effect of shares issued/acquired during the year (000s)	4,519	(1,891)
Weighted average number of ordinary shares at 30 June (000s)	**996,545**	990,135
Basic (loss)/earnings per share attributable to ordinary shareholders (cents)	**(54.6)**	**3.0**

Diluted earnings per share

Diluted earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding adjusted for the diluting impact of potential equity instruments, calculated as follows:

	2021	2020
	$'000	**$'000**
Profit attributable to ordinary shareholders (diluted)		
Net (loss)/profit attributable to ordinary shareholders (diluted) ($'000)	(543,914)	30,036
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares (basic) (000s)	996,545	990,135
Effect of share options/performance rights on issue (000s)	-[1]	12,869
Weighted average number of ordinary shares (diluted) (000s)	**996,545**	**1,003,004**
Diluted (loss)/earnings per share attributable to ordinary shareholders (cents)	**(54.6)**	**3.0**

1 In FY21, the potential ordinary shares are anti-dilutive and therefore diluted earnings per share has not been calculated.

3. Working capital and cash flows

3.1. Trade and other receivables

	2021	2020
	$'000	**$'000**
Current		
Trade receivables	95,715	97,435
Other receivables and prepayments	39,476	19,618
Receivables due from other investors in joint operations	18,972	12,092
	154,163	**129,145**
Non-current		
Other receivables and prepayments	**11,785**	**9,708**

Recognition and measurement

Trade receivables, which generally have between 5 and 21 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. Recoverability of trade receivables is reviewed on an ongoing basis.

3.2. Inventories

	2021	2020
	$'000	**$'000**
Coal stocks[1]	138,071	134,330
Consumables and stores	37,859	41,263
	175,930	**175,593**

1 Coal stocks include run-of-mine and product coal.

Recognition and measurement

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of coal inventories is determined using a weighted average basis. Cost includes direct material, overburden removal, mining, processing, labour, mine rehabilitation costs incurred in the extraction process and other fixed and variable overhead costs directly related to mining activities. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile. The tonnes of contained coal are based on assay data, and the estimated recovery percentage is based on the expected processing method. Stockpile tonnages are verified by periodic surveys.

3.3. Trade and other payables

	2021	2020
	$'000	$'000
Current		
Trade payables	78,808	59,892
Other payables and accruals	152,460	129,582
	231,268	**189,474**
Non-current		
Other payables	**46,269**	**62,111**

During the prior corresponding period, the Group acquired EDF Trading Australia Pty Limited with a portion of the overall consideration deferred and to be paid over five years. During the year ended 30 June 2021, the Group paid $16,232,000 for the first deferred payment. Current and non-current other payables include the deferred consideration payable over the next four years.

Recognition and measurement

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost when goods and services are received, whether or not billed to the Group, prior to the end of the reporting period. Short-term trade and other payables are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition. Long-term trade and other payables are discounted to their present value based on expected future cash flows. The unwinding effect of discounting trade and other payables is recorded as a finance cost in the consolidated statement of comprehensive income.

3. Working capital and cash flows *(cont.)*

3.4. Reconciliation of cash flows from operating activities

	Note	2021 $'000	2020 $'000
(Loss)/profit for the period		(543,914)	30,036
Adjustments for:			
Depreciation and amortisation		260,662	224,583
Impairment losses	2.2	650,000	-
Amortisation of deferred development costs	4.1	56,615	81,767
Development costs deferred	4.1	(94,578)	(110,610)
Amortisation of finance facility upfront costs		14,495	8,782
Modification gain on senior debt facility	5.2	-	(8,673)
Non-cash interest expense accruals		1,341	4,664
Foreign exchange losses unrealised		5,316	2,172
Unwinding of discounts on provisions	4.4	3,269	4,297
Share-based compensation payments	5.5(a)	6,995	6,259
Cash-settled share-based payments		(517)	(549)
Gain on acquisition of a subsidiary		-	(6,701)
Gain on sale of non-current assets		(3,680)	(1,765)
Subtotal		**356,004**	**234,262**
Change in trade and other receivables		(26,414)	18,110
Change in inventories and deferred stripping		(422)	(40,514)
Change in trade and other payables		38,955	(43,170)
Change in provisions and employee benefits		(17,263)	(21,033)
Change in tax payable		12,967	(13,458)
Change in deferred taxes		(225,062)	12,239
Cash flows from operating activities		**138,765**	**146,436**

Recognition and measurement

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits. For the purpose of the consolidated statement of cash flows, cash and cash equivalents are equal to the balance disclosed in the consolidated statement of financial position.

4. Resource assets and liabilities

4.1. Property, plant and equipment

Year ended 30 June 2021	Freehold land	Plant and equipment	Leased plant and equipment	Mining property and development	Subtotal	Deferred development	Deferred stripping	Subtotal	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost									
Balance at 1 July 2020	144,078	1,088,567	614,939	3,224,657	**5,072,241**	467,357	2,496,740	**2,964,097**	**8,036,338**
Additions	9,688	21,873	33,917	11,105	**76,583**	94,578	391,657	**486,235**	**562,818**
Transfers	25,035	-	-	(25,035)	**-**	-	-	**-**	**-**
Disposals	-	(22,524)	(38,188)	(31,981)	**(92,693)**	-	-	**-**	**(92,693)**
Balance at 30 June 2021	178,801	1,087,916	610,668	3,178,746	**5,056,131**	561,935	2,888,397	**3,450,332**	**8,506,463**
Accumulated depreciation and impairment									
Balance at 1 July 2020	-	(412,581)	(253,572)	(608,080)	**(1,274,233)**	(169,116)	(2,437,995)	**(2,607,111)**	**(3,881,344)**
Depreciation charge for the year	-	(54,224)	(109,132)	(96,272)	**(259,628)**	(56,615)	(392,605)	**(449,220)**	**(708,848)**
Impairment	(5,335)	-	-	(288,644)	**(293,979)**	(292,693)	(52,210)	**(344,903)**	**(638,882)**
Disposals	-	22,492	30,532	-	**53,024**	-	-	**-**	**53,024**
Balance at 30 June 2021	(5,335)	(444,313)	(332,172)	(992,996)	**(1,774,816)**	(518,424)	(2,882,810)	**(3,401,234)**	**(5,176,050)**
Carrying amount at 30 June 2021	173,466	643,603	278,496	2,185,750	**3,281,315**	43,511	5,587	**49,098**	**3,330,413**

Impairment

Based on the impairment analysis performed at 30 June 2021, the Group identified impairments of $638.9 million. The FY21 impairment charge was allocated to the following:

- Narrabri ($548.7 million) due to the reduction in the JORC Coal Reserves on the current Narrabri Mining Lease, arising out of an optimisation plan which has been developed to focus on the production of higher quality coal over the balance of mine life
- Werris Creek ($90.2 million) due to revisions to its mine plan and uncertainties for this market segment

  After the adoption of conservative price assumptions considering the uncertainties in coal markets.

Refer to Significant accounting judgements, estimates and assumptions for further details in relation to the recoverable amount of assets.

4. Resource assets and liabilities *(cont.)*

4.1 Property, plant and equipment *(cont.)*

Year ended 30 June 2020	Freehold land $'000	Plant and equipment $'000	Leased plant and equipment $'000	Mining property and development $'000	Subtotal $'000	Deferred development $'000	Deferred stripping $'000	Subtotal $'000	Total $'000
Cost									
Balance at 1 July 2019	107,489	933,454	500,772	3,166,337	**4,708,052**	406,345	2,068,955	**2,475,300**	**7,183,352**
Additions	35,621	144,745	258,253	22,904	**461,523**	110,610	427,785	**538,395**	**999,918**
PP&E acquired as part of subsidiary acquisition	968	28,321	142	35,416	**64,847**	26,071	-	**26,071**	**90,918**
Disposals	-	(17,953)	(144,228)	-	**(162,181)**	(75,669)	-	**(75,669)**	**(237,850)**
Balance at 30 June 2020	144,078	1,088,567	614,939	3,224,657	**5,072,241**	467,357	2,496,740	**2,964,097**	**8,036,338**
Accumulated depreciation									
Balance at 1 July 2019	-	(375,735)	(255,415)	(511,536)	**(1,142,686)**	(163,018)	(2,035,776)	**(2,198,794)**	**(3,341,480)**
Depreciation charge for the year	-	(54,799)	(80,705)	(96,544)	**(232,048)**	(81,767)	(402,219)	**(483,986)**	**(716,034)**
Disposals	-	17,953	82,548	-	**100,501**	75,669	-	**75,669**	**176,170**
Balance at 30 June 2020	-	(412,581)	(253,572)	(608,080)	**(1,274,233)**	(169,116)	(2,437,995)	**(2,607,111)**	**(3,881,344)**
Carrying amount at 30 June 2020	144,078	675,986	361,367	2,616,577	**3,798,008**	298,241	58,745	**356,986**	**4,154,994**

Leased plant and equipment disclosures

All right-of-use assets recognised as 'Leased plant and equipment' above in note 4.1 relate to the plant and equipment classification.

The cost relating to variable lease payments that do not depend on an index or a rate amounted to $27,981,000 in the year ended 30 June 2021 (2020: $37,545,000).

The cost relating to leases with a contract term of less than twelve months amounted to $6,261,000 for the year ended 30 June 2021 (2020: $9,823,000).

A maturity analysis of lease liabilities is shown in Note 5.3(c).

Recognition and measurement

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing assets into use. Subsequent expenditure is capitalised when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation and amortisation is charged to the consolidated statement of comprehensive income on a units of production basis for mine specific assets, including mining property and development, deferred development and deferred stripping.

All remaining assets are depreciated on a straight line basis at the rates indicated below. Depreciation commences on assets when they are deemed capable of operating in the manner intended by management.

– Freehold land	Not depreciated
– Plant and equipment	2% – 50%
– Leased plant and equipment	3% – 20%
– Mining property and development, deferred development and deferred stripping	Units of production

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually. Any changes are accounted for prospectively.

When an asset is surplus to requirements or no longer has an economic value, the carrying amount of the asset is written down to its recoverable amount.

Mining property and development

Mine property and development assets include costs transferred from exploration and evaluation assets once technical feasibility and commercial viability of an area of interest are demonstrable. After transfer, all subsequent mine development expenditure is similarly capitalised, to the extent that commercial viability conditions continue to be satisfied.

The costs of dismantling and site rehabilitation are capitalised, if the recognition criteria is met and included within mining property and development.

Biodiversity assets are included within mining property and development and relate to land acquired and managed to fulfil the biodiversity obligations associated with mine approval. The cost of the land is capitalised as a mining property and development asset which is subsequently depreciated via the units of production method.

Leased plant and equipment

The Group has lease contracts for various items of plant, machinery and other equipment used in its operations.

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease based on the right to use or control an identified asset for a period of time, in exchange for consideration.

At the commencement date of the lease, the Group recognises a lease liability and a corresponding right-of-use asset. The lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset.

4. Resource assets and liabilities *(cont.)*

4.1 Property, plant and equipment *(cont.)*

The right-of-use asset is depreciated to the earlier of the asset's useful life or the lease term using the straight line method and is recognised in the statement of comprehensive income in depreciation and amortisation. Where the lease transfers ownership of the underlying asset to the Group by the end of the lease term, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset.

The unwinding of the financial charge on the lease liability is recognised in the statement of comprehensive income in financial expenses, and is based on the implied interest rate or, if used, the Group's incremental borrowing rate.

The Group does not recognise leases that have a lease term of 12 months or less, or are of low value, as a right-of-use asset or lease liability. Lease payments associated with these leases are recognised as an expense in the consolidated statement of comprehensive income in operating expenses on a straight line basis over the lease term.

Deferred development

Deferred development mainly comprises capitalised costs (deferred development expenditure) related to underground mining incurred to expand the capacity of an underground mine and to maintain production.

Deferred stripping

Expenditure incurred to remove overburden or waste material during the production phase of an open cut mining operation is deferred to the extent it gives rise to future economic benefits. This expenditure is charged to operating costs on a units of production basis using the estimated average stripping ratio for the area being mined. Changes in estimates of average stripping ratios are accounted for prospectively. The stripping activity asset is subsequently depreciated on a units of production basis over the life of the identified component of the ore body that became more accessible as a result of the stripping activity.

For the purposes of assessing impairment, deferred stripping assets are grouped with other assets of the relevant cash generating unit (CGU).

Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use, and which are largely independent of the cash inflows of other assets or groups of assets – the CGU. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal ('FVLCD'). In assessing FVLCD, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. In accordance with *AASB 136 Impairment of Assets*, impairment losses have been allocated such that the carrying value of individual assets within the Group's CGU were not reduced below their recoverable amount.

Significant accounting judgements, estimates and assumptions

Recoverable amount of assets

At the end of each period, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

During the year to 30 June 2021, the Group has experienced increased operational uncertainty at the Narrabri underground mine. This has been associated with difficult geological conditions in the deeper northern panels. The geological conditions encountered have impacted production rates, unit costs and adversely impacted coal quality. There has also been a reduction in the JORC Coal Reserve on the Narrabri Mining Lease, arising out of an optimisation plan which has been developed to focus on the production of higher quality coal over the balance of mine life. In addition, significant spreads have emerged between segments of the coal market, impacting realised price outcomes at Narrabri and the Werris Creek open cut mine, while there were also revisions to mine plans at Werris Creek.

As a result, impairment indicators were identified for the CGU and an impairment assessment was carried out.

The recoverable amount of the CGU and individual assets are determined based on value-in-use calculations. These calculations require the use of estimates and assumptions.

Expected future cash flows used to determine the recoverable value of tangible assets are inherently uncertain and could materially change over time. They are affected by a number of factors including reserves and production estimates together with economic factors, such as spot and future coal prices, discount rates, foreign currency exchange rates, estimates of costs to produce reserves, stripping ratio, production rates and future capital expenditure. It is possible that these assumptions may change, which could impact the estimated life of a mine and result in a material adjustment to the carrying value of tangible assets.

Based on the impairment analysis performed at 30 June 2021, the Group identified impairments of $638.9 million. The impairment charge has been included within expenses in the statement of other comprehensive income. Impairment losses were allocated such that the carrying value of individual assets were not reduced below their recoverable amount. This has been disclosed as a significant item in note 2.2.

The recoverable amount of the CGU is sensitive to the below key assumptions:

Demand for fossil fuels/coal price

The recoverable value of the Company's Coal Reserves and of its plant and equipment is most sensitive to future USD coal prices and the AUD:USD foreign exchange rate, which together impact the AUD price that the company receives for the sale of its products in the global energy and steel manufacturing complexes.

In determining our base case coal prices, we considered coal pricing assumptions from recognised commodity consultants. In determining their coal price forecasts, the commodity consultants considered scenarios from the International Energy Agency (IEA). Historical pricing for 6000 kcal NAR coal over three time horizons was also considered.

Since the *Paris Agreement* came into force, the IEA has published a number of scenarios in its annual World Energy Outlook (WEO). In WEO 2020, the IEA released the Stated Policies Scenario (STEPS), which reflects the impact of existing policy frameworks and today's announced policy intentions. The base case price used in the impairment assessment is higher than that in STEPS due to the commodity consultant's assumption that higher prices will be required to induce the required investment to maintain supply levels under this scenario.

In 2020 the IEA published the Sustainable Development Scenario (SDS) and in 2021 it published its Net Zero Emissions by 2050 Scenario (NZE2050). These scenarios assume much greater emissions reduction commitments than STEPS.

The recoverability of assets has been assessed by undertaking scenario analysis to better understand and assess external risks to our business and inform strategic decision making. Scenario analysis is not the same as forecasting; it is a mechanism that uses scenarios, in some cases with dramatic deviations from a base case and with varying degrees of probability, to test business resilience and to frame consequential financial outcomes. Asian coal demand and coal prices are key assumptions in our analysis.

If thermal coal is displaced in Asia either more rapidly or more slowly than our forecasts anticipate, or if supply reinvestment takes place more slowly than is necessary to meet Asia's demand, then the resulting supply overhang or supply shortfall could result in commodity prices which are lower or higher than our base case. We have illustrated this in the table below by showing the various NPV scenarios, relative to the base case, at possible commodity price curves consistent with the IEA's scenarios. The STEPS and SDS sensitivity prices set out in the table below are those included in the documentation to the IEA's World Energy Model 2020:

4. Resource assets and liabilities *(cont.)*

4.1 Property, plant and equipment *(cont.)*

Base case assumptions	
Long-term price US$ (Newcastle FOB) – FY25 onwards	76-82
FX rate – FY25 onwards	*0.76-0.73*
Discount rate assumption applied *(real, post-tax)*	*8.25%*
Medium to long-term price assumptions under various scenarios (FY25 onwards)[1]	
5, 10, 15 Year Historical Averages - $A/t	110-120
Consultant 1 (2021) - $US/t	78-92
Consultant 1 (2021) - FX	0.72
Consultant 2 (2021) - $US/t	74-71
Consultant 2 (2021) - FX	0.80-0.73
STEPS 2021 - $US/t[2,3,4]	75-72
SDS 2021 - $US/t[2,3,4]	67-55
Carrying value of CGU Assets employed as 30 June 2021	$3.2 billion
% of carrying value recovered by 2040 – base case	86%
Approximate illustrative NPV outcomes under various price scenarios, relative to base case	
5, 10, 15 Year Historical Averages	Plus 0-35%
Consultant 1 (2021) - $US/t	Plus 25-30%
Consultant 2 (2021) - $US/t	Minus 28-32%
STEPS 2021 - $US/t[2,3,4]	Minus 7-10%
SDS 2021 - $US/t[2,3,4]	Minus 35-40%

1. All coal prices are presented in real FY21 dollars per tonne. Where coal price forecasts have been provided on a different basis, they have been inflated to a FY21 basis using a CPI of 2%.
2. The IEA's STEPS and SDS scenarios do not provide metallurgical coal price scenarios. Outcomes adopt base case price assumptions for metallurgical coal.
3. STEPS and SDS do not provide AUD:USD FX scenarios. Outcomes adopt an average of consultant FX forecasts.
4. STEPS and SDS do not provide price forecasts for every year. STEPS provides forecasts for calendar years 2025, 2030, 2035 and 2040. SDS provides prices for calendar years 2025 and 2040. Coal price forecasts for the intervening years were necessarily interpolated between the given data points using the spot price at April 21 (US$93/t FOB) as a starting point.

Discount rate

The discount rate is derived using the weighted average cost of capital methodology adjusted for any risks that are not reflected in the underlying cash flows. A real post-tax discount rate of 8.25% was applied to post-tax cash flows.

Mineral reserves and resources

The estimated quantities of economically recoverable Reserves and Resources are based on interpretations of geological and geophysical models, which require assumptions to be made of factors such as estimates of future operating performance, future capital requirements and short and long-term coal prices. The Group is required to determine and report Reserves and Resources under the Australian Code for Reporting Mineral Resources and Ore Reserves December 2012 (the JORC Code).

The JORC Code requires the use of reasonable investment assumptions to calculate reserves and resources. Changes in reported Reserves and Resources can impact the carrying value of property, plant and equipment, as well as provisions for rehabilitation and the amount charged for amortisation and depreciation.

Material changes in circumstances may affect the assumptions used to determine the recoverable amount of the CGU and could result in an impairment of tangible assets recognised at future reporting dates.

4.2. Exploration and evaluation

Exploration and evaluation assets	$'000
Balance at 1 July 2020	591,343
Exploration and evaluation expenditure	22,165
Balance at 30 June 2021	**613,508**
Balance at 1 July 2019	547,089
Exploration and evaluation assets acquired as part of subsidiary acquisition	949
Exploration and evaluation expenditure	43,305
Balance at 30 June 2020	**591,343**

Recognition and measurement

Exploration and evaluation assets, including the costs of acquiring licences, are capitalised on an area of interest basis and only after the Company has obtained the legal rights to explore the area.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

i) The expenditures are expected to be recouped through successful development and exploitation of the area of interest, or

ii) Activities in the area of interest have not (at the reporting date) reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if:

i) Sufficient data exists to determine technical feasibility and commercial viability, and

ii) Facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are not allocated to CGUs.

Where a potential impairment is indicated, an assessment is performed for each area of interest or at the CGU level, in line with the assessment disclosed at note 4.1. To the extent that capitalised expenditure is not expected to be recovered, it is charged to the consolidated statement of comprehensive income. Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Significant accounting judgements, estimates and assumptions

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether future economic benefits are likely, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available indicating that the recovery of expenditure is unlikely, the amount capitalised is written off in the consolidated statement of comprehensive income in the period when the new information becomes available. The recoverability of the carrying amount of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective areas of interest.

4. Resource assets and liabilities *(cont.)*

4.3. Intangible assets

	Water access rights	Rail access rights[1]	Total
	$'000	**$'000**	**$'000**
Balance at 1 July 2020	11,828	11,118	22,946
Impairment[2]	-	(11,118)	(11,118)
Balance at 30 June 2021	**11,828**	**-**	**11,828**
Balance at 1 July 2019	10,232	11,118	21,350
Additions	1,380	-	1,380
Intangible assets acquired as part of subsidiary acquisition	216	-	216
Balance at 30 June 2020	**11,828**	**11,118**	**22,946**

1 As part of the agreement to cancel previously existing infrastructure sharing arrangements, Whitehaven agreed to pay 10.1% of the construction cost of the shared portion of the Boggabri - Maules Creek rail spur. In return, Whitehaven received access to rail tonnes on the joint rail spur.
2 Impairment relates to rail rights which are no longer expected to be utilised.

Recognition and measurement

Water access rights

The Group holds water access rights, which have been determined to have an indefinite life. The water access rights have been recognised at cost and are assessed annually for impairment.

Rail access rights

Rail access rights have a finite useful life and are carried at cost less, where applicable, any accumulated amortisation and accumulated impairment losses. Rail access rights are amortised over the access agreement.

4.4. Provisions

Movement in mine rehabilitation and biodiversity obligations provisions	**$'000**
Balance at 1 July 2020	270,127
Payments made on rehabilitation and biodiversity activities	(17,857)
Change in cost estimates	(33,327)
Unwinding of discount	3,269
Balance at 30 June 2021	**222,212**

	2021	2020
	$'000	**$'000**
Current	18,423	10,083
Non-current	203,789	260,044
Balance at 30 June	**222,212**	**270,127**

Under the terms of its mining licenses and project approvals, the Group is required to comply with certain rehabilitation and biodiversity obligations. The Group maintains provisions for these rehabilitation and biodiversity requirements. The Group continues to assess estimates of these obligations as further developments occur and additional commitments arise that may be required to settle its obligations. However, based on current estimates, any potential changes to these obligations and commitments in addition to those already recognised in the financial statements are not financially significant to the Group.

Recognition and measurement

Provisions are recognised when:

- The Group has a present legal or constructive obligation as a result of a past event
- It is probable that resources will be expended to settle the obligation
- The amount of the provision can be measured reliably.

Mine rehabilitation and closure

Provisions are made for the estimated cost of rehabilitation relating to areas disturbed during the mine's operation up to reporting date but not yet rehabilitated. The nature of rehabilitation activities includes dismantling and removing operating facilities, recontouring and topsoiling the mine, and restoration, reclamation and revegetation of affected areas. Provision has been made in full for all disturbed areas at the reporting date based on current estimates of costs to rehabilitate such areas, discounted to their present value based on expected future cash flows.

The obligation to rehabilitate arises at the commencement of the mining project and/or when the environment is disturbed at the mining location. At this point, the provision is recognised as a liability with a corresponding asset included in mining property and development assets. Additional disturbances or changes in the rehabilitation costs are reflected in the present value of the rehabilitation provision, with a corresponding change in the cost of the associated asset. In the event the restoration provision is reduced, the cost of the related asset is reduced by an amount not exceeding its carrying value.

The unwinding of the effect of discounting the provision is recorded as a finance cost in the consolidated statement of comprehensive income. The carrying amount capitalised as a part of mining property and development assets is depreciated over the useful life of the related asset.

For closed mines, changes to estimated costs are recognised immediately in the consolidated statement of comprehensive income.

The amount of the provision relating to rehabilitation of environmental disturbance caused by ongoing production and extraction activities is recognised in the consolidated statement of comprehensive income as incurred.

Biodiversity obligations

The Group has, under the terms of certain mining licenses, obligations to perform works to establish or upgrade biodiversity offset areas and to set aside and maintain those areas. Provisions are made for the estimated cost of the Group's biodiversity obligations based on current estimates of certain activities that the Group has committed to perform. These costs are discounted to their present value based on expected future cash flows. The provision is recognised as a liability with a corresponding asset included in mining property and development assets. The unwinding of the effect of discounting the provision is recorded as a finance cost in the consolidated statement of comprehensive income. The carrying amount capitalised as a part of mining property and development is depreciated via the units of production method.

Significant accounting judgements, estimates and assumptions

Significant estimates and assumptions are made in determining the provision for mine rehabilitation and biodiversity as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities and biodiversity, technological changes, regulatory changes, cost increases and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently provided. The provisions at balance date represent management's best estimate of the present value of the future rehabilitation and biodiversity costs required.

5. Capital structure and financing

5.1. Interest-bearing liabilities

	2021	2020
	$'000	$'000
Current liabilities		
Lease liabilities	72,191	81,977
Secured loans – ECA facility	9,796	11,908
Capitalised borrowing costs	(6,871)	(12,332)
	75,116	**81,553**
Non-current liabilities		
Senior bank facility	688,000	638,000
Lease liabilities	190,729	264,628
Secured loans – ECA facility	48,200	56,207
Capitalised borrowing costs	(9,332)	(15,827)
	917,597	**943,008**
	992,713	**1,024,561**
Financing facilities	1,320,916	1,414,720
Facilities utilised at reporting date	1,008,916	1,052,720
Facilities not utilised at reporting date	312,000	362,000

Financing activities during the financial year

During the current year, $60 million of debt drawn under the senior bank facility was repaid (30 June 2020: $120 million) and $110 million was redrawn (30 June 2020: $598 million). The Group repaid $10.1 million of the ECA facility during the year (30 June 2020: $11.9 million) and $nil was drawn down (30 June 2020: $51.7 million). The senior bank facility and the ECA facilities are secured via a fixed and floating charge over the majority of the Group's assets. Under the facility, the Group is subject to compliance with gearing, net worth and interest coverage financial covenants.

Included within current and non-current lease liabilities are leases recognised in accordance with *AASB 16 Leases* of $33,743,000 and $55,244,000 respectively (30 June 2020: $39,605,000 and $90,708,000 respectively). Lease liabilities are secured over the leased assets to which they relate.

The fair values of loans and borrowings materially approximate their respective carrying values as at 30 June 2021 and 30 June 2020.

Recognition and measurement

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Refer to note 4.1 for the recognition and measurement policy for lease liabilities.

5.2. Finance income and expense

	2021	2020
	$'000	**$'000**
Recognised in the statement of comprehensive income		
Interest income	228	957
Finance income	**228**	**957**
Interest expense on lease liabilities	(11,906)	(11,786)
Interest on drawn debt facility	(20,865)	(13,209)
Other financing costs	(13,100)	(11,942)
Interest and financing costs	(45,871)	(36,937)
Net interest expense	(45,643)	(35,980)
Unwinding of discounts on provisions	(3,269)	(4,297)
Amortisation of finance facility upfront costs	(13,102)	(7,446)
Modification gain on senior debt facility[1]	-	8,673
Other finance expenses	(16,371)	(3,070)
Net finance expense	**(62,014)**	**(39,050)**
Recognised directly in equity		
Net change in cash flow hedges	(15,146)	10,289
Income tax effect	4,544	(3,087)
Finance (expense)/income recognised directly in other comprehensive income, net of tax	**(10,602)**	**7,202**

1 During the year ended 30 June 2020, the Group refinanced its senior debt facility. In accordance with AASB 9, the net present value of the financial liability is required to be recalculated when the contractual terms are renegotiated or otherwise modified. As the net present value of the financial liability did not change by more than 10%, a gain on modification was recognised in the consolidated statement of comprehensive income.

Recognition and measurement

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss. All borrowing costs are recognised in the consolidated statement of comprehensive income using the effective interest method, except where capitalised as part of a qualifying asset.

Foreign currency gains and losses are reported on a net basis.

5. Capital structure and financing *(cont.)*

5.3. Financial risk management objectives and policies

a) Overview

The Group's overall risk management program seeks to mitigate risks and reduce the volatility of its financial performance. Financial risk management is carried out centrally by Group Treasury and monitored by the Group's Audit and Risk Management Committee under policies approved by the Board of Directors. The Committee reports regularly to the Board on its activities and also reviews policies and systems regularly to reflect changes in market conditions and the Group's activities.

The Group's principal financial risks are associated with:

- Market risk
- Credit risk
- Liquidity risk.

b) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group defines capital as the total of shareholders' equity and debt. The Board manages its capital structure and makes adjustments in light of changes to economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, seek waivers or restructure its arrangements with its financiers or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

There were no changes in the Group's approach to capital management during the year.

The Group's gearing ratio is calculated as net debt divided by total equity plus net debt.

	2021 $'000	2020 $'000
Interest-bearing liabilities	992,713	1,024,561
Less cash and cash equivalents	(95,202)	(106,760)
Net debt	**897,511**	**917,801**
Equity	2,705,738	3,249,590
Equity and net debt	**3,603,249**	**4,167,391**
Gearing ratio[1]	25%	22%

1 Calculated including lease liabilities under AASB 16 Leases of $88,987,000 (2020: $130,313,000).

c) Risk exposures and responses

Market risk - foreign currency risk

The Group is exposed to currency risk on sales, purchases and demurrage that are denominated in a currency other than the respective functional currency of the Group, the Australian dollar (AUD). The currency in which these transactions primarily are denominated is US dollars (USD).

The Group may use forward exchange contracts (FECs) to hedge its currency risk in relation to contracted sales where both volume and US dollar price are fixed.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rates when necessary to address short-term imbalances.

During the current year ended 30 June 2021, a net foreign exchange loss of $4.3 million was recognised (30 June 2020: net foreign exchange loss of $3.5 million).

The Group designates its forward exchange contracts in cash flow hedges and measures them at fair value.

The fair value of forward exchange contracts used as hedges at 30 June 2021 was a $7.7 million liability (30 June 2020: $7.5 million asset), comprising assets and liabilities that were recognised as derivatives.

At 30 June 2021, the Group had the following financial instruments that were not designated in cash flow hedges that were exposed to foreign currency risk:

	2021	2020
	$'000 USD	$'000 USD
Cash and cash equivalents	19,310	17,082
Trade and other receivables	28,159	12,675
Trade and other payables	(8,416)	(4,855)
Net statement of financial position exposure	39,053	24,902

The following exchange rates applied during the year:

	Average rate		Reporting date spot rate	
Fixed-rate instruments	**2021**	**2020**	**2021**	**2020**
USD	**0.7468**	0.6714	**0.7518**	0.6863

Sensitivity analysis

A change of 10% in the Australian dollar against the following currencies at 30 June would have increased/(decreased) equity and pre-tax profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant.

	Equity	Profit or (loss)
	$'000	$'000
30 June 2021		
AUD:USD strengthening by 10%	7,916	(4,722)
AUD:USD weakening by 10%	(9,634)	5,772
30 June 2020		
AUD:USD strengthening by 10%	(2,674)	(3,299)
AUD:USD weakening by 10%	3,268	4,032

5. Capital structure and financing *(cont.)*

5.3 Financial risk management objectives and policies *(cont.)*

c) Risk exposures and responses *(cont.)*

Market risk - interest rate risk

The Group's borrowings comprise both variable and fixed rate instruments. The variable rate borrowings expose the Group to the risk of changes in cash flows due to the changes in interest rates. Management analyses interest rate exposure on an ongoing basis.

The interest rate profile of the Group's interest-bearing financial instruments at the reporting date was:

	Carrying amount	
	2021	2020
	$'000	$'000
Fixed rate instruments		
Lease liabilities	(262,920)	(346,605)
	(262,920)	**(346,605)**
Variable rate instruments		
Financial assets	95,202	106,760
Financial liabilities	(745,996)	(706,116)
	(650,794)	**(599,356)**
Net exposure	(913,714)	(945,961)

Sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Equity	Profit or (loss)
	$'000	$'000
30 June 2021		
100bp increase	-	(6,508)
100bp decrease	-	6,508
30 June 2020		
100bp increase	-	(5,994)
100bp decrease	-	5,994

Market risk - commodity price risk

The Group's major commodity price exposure is to the price of coal. The Group has chosen not to hedge against the movement in coal prices.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its financial assets, including trade receivables, deposits with banks and other financial institutions, foreign exchange transactions and other financial instruments. Maximum exposure is equal to the carrying amount of the financial assets, as outlined below.

Exposure to credit risk

The Group's maximum exposure to credit risk at the reporting date was:

		Carrying amount	
		2021	2020
	Note	$'000	$'000
Cash and cash equivalents		95,202	106,760
Trade and other receivables	3.1	95,715	97,435
Derivative financial instruments	5.3(d)	-	8,286
Investments		37	37
		190,954	212,518

The Group's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

Asia	84,405	76,713
Australia	11,310	7,198
Europe	-	13,524
	95,715	97,435

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Approximately 40.5% of the Group's revenue is attributable to sales transactions with three customers (2020: 28.1% with three customers).

The Group trades only with recognised, creditworthy third parties and generally does not require collateral with respect to trade receivables.

Receivable balances are monitored on an ongoing basis and as a result the exposure to bad debts is not significant.

The Group recognised an impairment loss for trade receivables of $nil during the year ended 30 June 2021 (2020: $nil).

The aging of the Group's trade receivables at the reporting date was:

	Gross	Gross
	2021	2020
	$'000	$'000
Not past due	91,517	95,953
Past due 0-30 days	3,958	1,351
Past due 31-120 days	240	131
Past due 121 days to one year	-	-
More than one year	-	-
	95,715	97,435

5. Capital structure and financing *(cont.)*

5.3 Financial risk management objectives and policies *(cont.)*

c) Risk exposures and responses *(cont.)*

Guarantees

The policy of the Group is to provide bank guarantees for bonding requirements associated with mining operations, infrastructure assets and other purposes such as security of leased premises. Guarantees are provided under the senior secured bank facility, secured bilateral bank guarantee facilities and unsecured bank facilities. Details of outstanding guarantees are provided in note 7.4.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet all expected operational expenses as and when due, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual undiscounted maturities of financial liabilities, including estimated interest payments:

	30 June 2021						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities							
Lease liabilities	262,920	300,961	42,754	38,588	76,453	103,441	39,725
Senior bank facility	688,000	688,000	-	-	-	688,000	-
Secured loans	57,996	61,463	5,593	5,212	10,298	27,243	13,117
Trade and other payables	277,537	279,843	231,602	-	16,115	32,126	-
Forward exchange contracts:							
Outflow	209,885	209,957	157,715	4,001	16,115	32,126	-
Inflow	(202,200)	(202,200)	(154,210)	(3,984)	(14,669)	(29,337)	-
	1,294,138	1,338,024	283,454	43,817	104,312	853,599	52,842

	30 June 2020						
	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial liabilities							
Lease liabilities	346,605	396,920	47,169	47,090	83,203	176,637	42,821
Senior bank facility	638,000	638,000	-	-	-	638,000	-
Secured loans	68,115	74,113	5,796	5,805	11,099	30,170	21,243
Trade and other payables	251,585	254,015	189,597	-	16,176	48,242	-
Forward exchange contracts:							
Outflow	150,862	149,360	107,160	26,267	15,933	-	-
Inflow	(158,403)	(158,403)	(113,969)	(28,258)	(16,176)	-	-
	1,296,764	1,354,005	235,753	50,904	110,235	893,049	64,064

d) Net fair values

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities as at 30 June 2021 and 30 June 2020.

- Level 1: measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: measurements based on 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 3: measurements based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group held the following financial instruments carried at fair value in the consolidated statement of financial position:

	30 June 2021	Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Assets measured at fair value				
Equity shares	37	-	-	37
Forward exchange contracts - receivable	-	-	-	-
	37	-	-	37
Liabilities measured at fair value				
Forward exchange contracts - payable	(7,685)	-	(7,685)	-
	(7,685)	-	(7,685)	-

	30 June 2020	Level 1	Level 2	Level 3
	$'000	$'000	$'000	$'000
Assets measured at fair value				
Equity shares	37	-	-	37
Forward exchange contracts - receivable	8,286	-	8,286	-
	8,323	-	8,286	37
Liabilities measured at fair value				
Forward exchange contracts - payable	(824)	-	(824)	-
	(824)	-	(824)	-

The fair value of derivative financial instruments are derived using valuation techniques based on observable market inputs, such as forward currency rates, at the end of the reporting period. The amounts disclosed in the consolidated statement of financial position are the fair values and are classified under level 2 in the fair value measurement hierarchy. During the period the Group entered into forward exchange contracts to hedge some foreign exchange risk. A number of these contracts remained open at 30 June 2021.

The carrying values of financial assets and financial liabilities recorded in the financial statements materially approximates their respective net fair values, determined in accordance with the accounting policies disclosed in notes 3.1, 3.3 and 5.1 to the financial statements.

5. Capital structure and financing *(cont.)*

5.3 Financial risk management objectives and policies *(cont.)*

e) Financial assets and liabilities by categories

		2021		2020	
		Amortised cost	Other[1]	Amortised cost	Other[1]
	Note	$'000	$'000	$'000	$'000
Financial assets					
Cash and cash equivalents		95,202		106,760	-
Trade and other receivables	3.1	165,948		138,853	-
Investments		-	37	-	37
Other financial assets[1]	5.3(d)	-	-	-	8,286
Total financial assets		**261,150**	**37**	**245,613**	**8,323**

1 Other financial assets at 30 June 2020 include $8.3 million relating to derivatives in designated hedges.

		2021		2020	
		Amortised cost[1]	Other[2]	Amortised cost[1]	Other[2]
	Note	$'000	$'000	$'000	$'000
Financial liabilities					
Trade and other payables	3.3	277,537	-	251,585	-
Loans and borrowings	5.1	992,713	-	1,024,561	-
Other financial liabilities[2]	5.3(d)	-	7,685	-	824
Total financial liabilities		**1,270,250**	**7,685**	**1,276,146**	**824**

1 Loans at amortised cost are non-derivatives with fixed or determinable payments and are not quoted on an active market. Loans and payables are valued at amortised cost.
2 Other financial liabilities include $7.7 million (2020: $0.8 million) relating to derivatives in designated hedges.

f) Changes in liabilities arising from financing activities

	30 June 2021	30 June 2020
	$'000	$'000
As at 1 July	1,052,720	429,876
Outflows from secured loans	(10,119)	(11,908)
Outflows from lease liabilities	(82,738)	(79,768)
Net inflows from senior bank facility	50,000	478,000
Increase in secured loans	-	51,671
(Decrease)/increase in lease liabilities	(947)	184,849
As at 30 June	**1,008,916**	**1,052,720**
Consisting of:		
Current loans and borrowings[1]	**81,987**	**93,885**
Non-current loans and borrowings[2]	**926,929**	**958,835**

1 Current loans and borrowings does not include capitalised borrowing costs of $6,871,000 (2020: $12,332,000)
2 Non-current loans and borrowings does not include capitalised borrowing costs of $9,332,000 (2020: $15,827,000).

The Group classifies interest paid as cash flows from operating activities.

Recognition and measurement

Financial assets

The Group classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through other comprehensive income, or profit or loss) and those to be held at amortised cost. Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition, the Group measures a financial asset at its fair value.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or derivatives designated as hedging instruments.

All financial liabilities are recognised initially at fair value.

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Derivatives and hedge accounting:

The Group uses derivative financial instruments to hedge its risks associated with foreign currency and interest rate fluctuations arising from operating activities. Such derivative financial instruments are initially recognised at fair value as at the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash flow hedges:

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss. Amounts taken to other comprehensive income are transferred out of other comprehensive income and included in the measurement of the hedged transaction when the forecast transaction occurs. Hedge accounting is discontinued prospectively when a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting. The cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction occurs.

5.4. Share capital and reserves

a) Share capital

	2021		2020	
	Number of shares	**$'000**	**Number of shares**	**$'000**
Fully paid ordinary share capital	1,032,644,232	3,013,661	1,026,045,885	3,003,964
Ordinary share capital at the beginning of the period	1,026,045,885	3,003,964	1,026,045,885	2,980,933
Shares issued	6,598,347	6,268	-	-
Transfer of shares by share plan	-	4,766	-	26,392
Shares purchased by share plan	-	(1,337)	-	(3,361)
Ordinary share capital at the end of the period	**1,032,644,232**	**3,013,661**	**1,026,045,885**	**3,003,964**

At 30 June 2021, a trust on behalf of the Company held 4,123 ordinary fully paid shares in the Company (30 June 2020: 1,591,838). During the year, 2,469,543 of these shares were transferred to performance rights plan recipients and 881,828 purchased by the share plan. These were purchased during the year for the purpose of allowing the Group to satisfy performance rights to certain management of the Group. Refer to note 5.5 for further details on the performance rights plan.

5. Capital structure and financing *(cont.)*

5.4 Share capital and reserves *(cont.)*

Terms and conditions of issued capital

Ordinary shares are classified as equity. Fully paid ordinary shares carry one vote per share (either in person or by proxy) at a meeting of the Company and carry the right to receive dividends as declared. In the event of a winding up of the Company, fully paid ordinary shares carry the right to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Under the terms of the acquisition of Boardwalk Resources Limited, 34,020,000 ordinary shares are subject to a restriction deed, which removes their entitlement to vote, receive dividends as declared or participate in the proceeds from the sale of all surplus assets. These restrictions will be released on reaching certain milestones.

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit.

b) Nature and purpose of reserves

Hedge reserve

The hedging reserve comprises the effective portion of the cumulative change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Share-based payment reserve

The share-based payment reserve is used to record the value of share-based payments provided to Director-related entities and senior employees under share option and long-term incentive plans. Refer to note 5.5 for further details of these plans.

c) Dividends

There were no dividends paid to shareholders during the year ended 30 June 2021 (2020: $312,197,000).

The Directors resolved not to pay a final dividend with respect to the year ended 30 June 2021.

Dividend franking account

As at 30 June 2021, $nil franking credits were available to shareholders of Whitehaven Coal Limited (30 June 2020: $0.2 million).

5.5. Share-based payments

a) Recognised share-based payment expenses

	2021	2020
Employee expenses	**$'000**	**$'000**
Share options and performance rights – senior employees	6,995	6,259

Recognition and measurement:

The grant date fair value of options and performance rights granted to employees is recognised as an expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the equity instruments. The amount recognised is adjusted to reflect the actual number of instruments that vest, except for those that fail to vest due to market conditions not being met. Once the instruments have vested, no further expenses are recognised nor reserves reversed in respect to costs already charged. However, where the share rights or options have lapsed after vesting, the Group transfers the equivalent amount of the cumulative cost for the lapsed awards from the share-based payments reserve to another component of equity.

b) Types of share-based payment plans

Performance right and option grant to CEO and senior employees

The Company issued performance rights to the CEO and senior employees under the Company's medium and long-term incentive (MTI and LTI) programs in FY20 and FY21. The terms and conditions of the grant are as follows:

	2021		2020	
Performance rights	**Number of instruments**	**Vesting date**	**Number of instruments**	**Vesting date**
MTI	2,948,107	30 June 2023	1,173,680	30 June 2022
LTI tranche 1	909,933	30 June 2023	492,613	30 June 2022
LTI tranche 2	909,928	30 June 2024	492,595	30 June 2023
LTI tranche 3	2,305,625	30 June 2023/24[1]	985,190	30 June 2022/23[1]
LTI tranche 4	485,768	30 June 2024	-	-
Total	7,559,361		3,144,078	

1 To the extent that the Costs Hurdle Award is satisfied at the end of the year of testing, 50% of the awards will vest and become exercisable immediately and the remaining 50% will continue on foot, subject to a further one year service condition.

The performance rights are subject to a performance measure linked to relative total shareholder return (TSR), a Costs Hurdle and a Strategic Priority Delivery (SPD) metric. The TSR performance measure compares the TSR performance of the Company with the TSR performance of the S&P ASX 100 index. The Costs Hurdle performance measure relates to the Company achieving a cost per tonne target referenced to the industry first quartile. The SPD performance measure drives a focus on the efficient delivery of long-term projects that directly impact shareholder value. The Company must also achieve positive TSR performance before any vesting of SPD rights. Detailed disclosures of LTI outcomes against the target are provided in the Remuneration Report.

The table below details the outcomes of MTI awards that were tested in FY21 (or for which the test period concluded on 30 June 2021) and the results of the relevant test:

		Outcomes		
MTI Year	**Test Type**	**Performance**	**Vested**	**Lapsed**
2018	Relative TSR	10th percentile	0%	100%
2018	Costs Target Hurdle	$74/tonne	0%	100%

c) Movement in options and performance rights

The following table illustrates the number and weighted average exercise prices of, and movements in, options and performance rights during the year:

	Weighted average exercise price	Number of options/rights	Weighted average exercise price	Number of options/rights
	2021	**2021**	**2020**	**2020**
Outstanding at beginning of period	$0.59	14,230,664	$0.64	20,646,332
Exercised during the period	$0.00	(2,605,673)	$0.32	(5,200,653)
Granted during the period	$0.00	8,338,227[1]	$0.00	3,781,554[2]
Forfeited during the period	$0.19	(1,606,826)	$0.00	-
Lapsed during the period	$1.34	(4,177,875)	$0.66	(4,996,569)
Outstanding at 30 June	$0.17	14,178,517	$0.59	14,230,664
Exercisable at 30 June	$0.92	1,095,626	$0.00	1,012,730

1 Includes 643,067 performance rights granted during the year under the FY20 STI scheme.
2 Includes 637,476 performance rights granted during the year under the FY19 STI scheme.

5. Capital structure and financing *(cont.)*

5.5 Share-based payments *(cont.)*

c) Movement in options and performance rights *(cont.)*

The outstanding balance as at 30 June 2021 is represented by:

Options/performance rights over ordinary shares	Number	Exercise price	Dates excercisable between
Options	830,531	$1.21	30 June 2021 - 31 August 2021
Options	508,904	$2.85	30 June 2021 - 27 October 2022
Performance rights	104,388	$nil	30 June 2021 - 13 August 2025
Performance rights	119,560	$nil	30 June 2021 - 31 August 2026
Performance rights	344,099	$nil	30 June 2021 - 27 October 2027
Performance rights	1,448,273	$nil	30 June 2021 - 27 October 2028
Performance rights	3,065,775	$nil	30 June 2021 - 28 October 2029
Performance rights	7,756,987	$nil	26 August 2021 - 31 October 2030
Outstanding at 30 June 2021	**14,178,517**		

During the year ended 30 June 2021, nil share options and 2,605,673 performance rights were exercised (2020: 1,360,181 share options and 3,840,472 performance rights).

The weighted average remaining contractual life of share options and performance rights outstanding at 30 June 2021 is 7.9 years (2020: 6.3 years).

d) Option pricing models

The fair value of performance rights granted under the LTI and MTI programs with a TSR performance hurdle is measured using a Monte Carlo simulation model incorporating the probability of the performance hurdles being met. The fair value of performance rights with the non-market performance hurdle (costs target) is measured using the Black-Scholes option pricing formula.

The fair value of options with a TSR performance hurdle and non-market performance hurdle is measured using a combination of the Monte Carlo simulation model and Binomial Option Pricing methods.

The following table lists the inputs to the models used for the years ended 30 June 2021 and 30 June 2020:

	Rights						
2021	**MTI**	**MTI**	**LTI**	**LTI**	**LTI**	**LTI**	**LTI**
Performance hurdle	TSR	Cost	TSR	TSR	Cost	Cost	TSR/Strategic Objectives
Grant date	4 Dec 20	4 Dec 20	4 Dec 20	4 Dec 20	4 Dec 20	4 Dec 20	4 Dec 20
Vesting date	30 Jun 23	30 Jun 23	30 Jun 23	30 Jun 24	30 Jun 23	30 Jun 24	30 Jun 24
Fair value at grant date	$0.91	$1.61	$0.91	$0.97	$1.61	$1.61	$1.09
Share price	$1.61	$1.61	$1.61	$1.61	$1.61	$1.61	$1.61
Expected volatility	40%	40%	40%	40%	40%	40%	40%
Performance right life	10 years	10 years	10 years	10 years	10 years	10 years	10 years
Risk-free interest rate	0.12%	0.12%	0.12%	0.14%	0.12%	0.14%	0.14%

	Rights					
2020	**MTI**	**MTI**	**LTI**	**LTI**	**LTI**	**LTI**
Performance hurdle	TSR	Cost	TSR	TSR	Cost	Cost
Grant date	15 Nov 19	15 Nov 19	15 Nov 19	15 Nov 19	15 Nov 19	15 Nov 19
Vesting date	30 Jun 22	30 Jun 22	30 Jun 22	30 Jun 23	30 Jun 22	30 Jun 23
Fair value at grant date	$1.98	$3.43	$1.99	$2.10	$3.43	$3.43
Share price	$3.15	$3.15	$3.15	$3.15	$3.15	$3.15
Expected volatility	30%	30%	30%	30%	30%	30%
Performance right life	10 years	10 years	10 years	10 years	10 years	10 years
Risk-free interest rate	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%

All share-based payments for existing employees are equity settled.

6. Group structure

6.1. Group's subsidiaries

The below is a list of the Group's subsidiaries, all of which are incorporated in Australia unless otherwise noted:

	Ownership interest			Ownership interest	
	2021	2020		2021	2020
Parent entity					
Whitehaven Coal Limited					
Subsidiaries					
Whitehaven Coal Mining Limited[1]	100%	100%	Maules Creek Coal Pty Ltd[1]	100%	100%
Namoi Mining Pty Ltd[1]	100%	100%	Boardwalk Resources Limited[1]	100%	100%
Namoi Agriculture & Mining Pty Ltd	100%	100%	Boardwalk Coal Management Pty Ltd[1]	100%	100%
Betalpha Pty Ltd[1]	100%	100%	Boardwalk Coal Marketing Pty Ltd[1]	100%	100%
Tarrawonga Coal Pty Ltd[1]	100%	100%	Boardwalk Sienna Pty Ltd[1]	100%	100%
Tarrawonga Coal Sales Pty Ltd[2]	100%	100%	Boardwalk Monto Pty Ltd[1]	100%	100%
Whitehaven Coal Holdings Pty Ltd[1]	100%	100%	Boardwalk Dingo Pty Ltd[1]	100%	100%
Whitehaven Coal Infrastructure Pty Ltd[1]	100%	100%	Boardwalk Ferndale Pty Ltd[1]	100%	100%
Narrabri Coal Australia Pty Ltd[2]	100%	100%	Coalworks Limited[1]	100%	100%
Narrabri Coal Pty Ltd[1]	100%	100%	Yarrawa Coal Pty Ltd[1]	100%	100%
Narrabri Coal Operations Pty Ltd[1]	100%	100%	Loyal Coal Pty Ltd	92.5%	92.5%
Narrabri Coal Sales Pty Ltd[1]	100%	100%	Ferndale Coal Pty Ltd	92.5%	92.5%
Creek Resources Pty Ltd[1]	100%	100%	Coalworks (Oaklands North) Pty Ltd[1]	100%	100%
Werris Creek Coal Sales Pty Ltd[1]	100%	100%	CWK Nominees Pty Ltd[1]	100%	100%
Werris Creek Coal Pty Ltd[1]	100%	100%	Oaklands Land Pty Ltd[1]	100%	100%
WC Contract Hauling Pty Ltd[1]	100%	100%	Coalworks (Vickery South) Pty Ltd[1]	100%	100%
Whitehaven Blackjack Pty Ltd[1]	100%	100%	Coalworks Vickery South Operations Pty Ltd[1]	100%	100%
Whitehaven Project Pty Ltd[1]	100%	100%	Vickery South Marketing Pty Ltd[1]	100%	100%
Whitehaven Employee Share Plan Pty Ltd[1]	100%	100%	Vickery South Operations Pty Ltd[1]	100%	100%
Whitehaven WS Pty Ltd[2]	100%	100%	Vickery South Pty Ltd[1]	100%	100%
Aston Resources Limited[1]	100%	100%	Vickery Coal Pty Ltd[2]	100%	100%
Aston Coal 2 Pty Ltd[1]	100%	100%	Winchester South WS Pty Ltd	100%	100%
Aston Coal 3 Pty Ltd[1]	100%	100%	Winchester South Coal Operations Pty Ltd[2]	100%	100%

1 These subsidiaries entered into a Class Instrument 2016/785 dated 28 September 2016 and related deed of cross guarantee with Whitehaven Coal Limited. Refer to Note 6.4 for further information.

2 These subsidiaries entered into a Class Instrument 2016/785 dated 24 June 2020 and related deed of cross guarantee with Whitehaven Coal Limited. Refer to Note 6.4 for further information.

Recognition and measurement

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until that control ceases. All intercompany balances and transactions have been eliminated in preparing the consolidated financial statements.

6.2. Interest in joint operations

The Group has interests in the following joint operations that are measured in accordance with the terms of each arrangement, which are in proportion to the Group's interest in each asset, liability, income and expense of the joint operations:

		Ownership interest and voting rights	
	Country of incorporation	**2021**	**2020**
Narrabri Coal Joint Venture[1]		77.5%	77.5%
Maules Creek Joint Venture[1]		75%	75%
Dingo Joint Venture[1]		70%	70%
Ferndale Joint Venture[1]		92.5%	92.5%
Boggabri-Maules Creek Rail Spur Joint Venture[1]		39%	39%
Maules Creek Marketing Pty Ltd[2]	Australia	75%	75%
Boggabri-Maules Creek Rail Pty Ltd[2]	Australia	39%	39%

1 These entities have been classified as joint operations under AASB 11 Joint Arrangements, as these joint arrangements are not structured through separate vehicles.
2 The joint operations above operate as the sales and marketing vehicles or manager of the related unincorporated joint operations and require joint consent from all joint venture partners on all significant management and financial decisions. The Group recognises its share of assets, liabilities, revenues and expenses of the above entities as joint operations under AASB 11 Joint Arrangements.

Recognition and measurement

Joint arrangements are arrangements in which two or more parties have joint control. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when decisions about relevant strategic and/or key operating decisions require the unanimous consent of the parties sharing control.

The consolidated financial statements of the Group include its share of the assets and liabilities, revenues and expenses arising jointly or otherwise from those operations, and its revenue derived from the sale of its share of goods and services from the joint operation. All such amounts are measured in proportion to the Group's interest in the joint operation.

Significant accounting judgements, estimates and assumptions

The Group assesses whether it has the power to direct the relevant activities of the investee by considering the rights it holds with respect to the work program and budget approval, investment decision approval, voting rights in joint operating committees and changes to joint arrangement participant holdings. Where the Group has joint control, judgement is also required to assess whether the arrangement is a joint operation or a joint venture.

6. Group structure *(cont.)*

6.3. Parent entity information

	Company	
	2021	2020
Information relating to Whitehaven Coal Limited	**$'000**	**$'000**
Current assets	302,100	315,415
Total assets	**2,759,914**	**3,406,886**
Current liabilities	-	-
Total liabilities	**-**	**-**
Issued capital	3,142,664	3,136,412
Retained earnings	(394,963)	255,221
Share-based payments reserve	12,213	15,253
Total shareholders' equity	**2,759,914**	**3,406,886**
Loss of the parent entity[1]	(654,191)	(3,950)
Total comprehensive loss of the parent entity	(654,191)	(3,950)

1 Included within the loss for the year ended 30 June 2021 is a charge of $650 million (FY20: $nil) relating to impairment of investments in subsidiaries. Refer to note 2.2 for details of impairment of the underlying assets.

6.4. Deed of cross guarantee

Pursuant to ASIC Corporations Instrument 2016/785 dated 28 September 2016, the wholly owned subsidiaries listed in Note 6.1 (refer footnote 1) are relieved from the *Corporations Act 2001 (Cth)* requirements for the preparation, audit and lodgement of financial reports, and directors' reports.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a deed of cross guarantee (the 'Deed'). The effect of the Deed is that the Company guarantees to each creditor payment of any debt in full in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001 (Cth)*. If a winding up occurs under other provisions of the *Corporations Act 2001 (Cth)*, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The Company and each of the relevant subsidiaries entered into the Deed on 27 June 2008 with subsequent assumption deeds entered into on 27 June 2012, 25 June 2013 and 24 June 2020.

The following consolidated statement of comprehensive income and statement of financial position comprises the Company and its controlled entities which are party to the Deed ('Closed Group') after eliminating all transactions between parties to the Deed.

	Closed Group	
	2021	2020
Statement of comprehensive income	**$'000**	**$'000**
(Loss)/profit before tax	(768,195)	40,830
Income tax benefit/(expense)	224,281	(12,294)
(Loss)/profit after tax	**(543,914)**	**28,536**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Net movement on cash flow hedges	(15,146)	10,289
Income tax effect	4,544	(3,087)
Other comprehensive (loss)/income for the period, net of tax	**(10,602)**	**7,202**
Total comprehensive (loss)/income for the period, net of tax	**(554,516)**	**35,738**
Statement of financial position		
Assets		
Cash and cash equivalents	95,117	106,636
Trade and other receivables	156,096	131,117
Inventories	175,930	175,593
Current tax receivable	-	13,180
Derivative financial instruments	-	8,286
Total current assets	**427,143**	**434,812**
Trade and other receivables	11,785	9,708
Investments	37	37
Property, plant and equipment	3,330,116	4,154,697
Exploration and evaluation	613,508	591,343
Intangible assets	11,828	22,946
Total non-current assets	**3,967,274**	**4,778,731**
Total assets	**4,394,417**	**5,213,543**

6. Group structure *(cont.)*

6.4 Deed of cross guarantee *(cont.)*

	Closed Group	
	2021	**2020**
Statement of financial position	**$'000**	**$'000**
Liabilities		
Trade and other payables	231,265	189,426
Interest-bearing liabilities	75,116	81,553
Employee benefits	31,926	30,430
Income tax payable	-	-
Provisions	18,423	10,083
Derivative financial instruments	3,485	824
Total current liabilities	**360,215**	**312,316**
Non-current liabilities		
Other payables	46,269	62,111
Interest-bearing liabilities	917,597	943,008
Deferred tax liabilities	155,055	384,920
Provisions	203,789	260,044
Derivative financial instruments	4,200	-
Total non-current liabilities	**1,326,910**	**1,650,083**
Total liabilities	**1,687,125**	**1,962,399**
Net assets	**2,707,292**	**3,251,144**
Issued capital	3,011,261	3,001,564
Share-based payments reserve	12,213	15,253
Hedge reserve	(5,379)	5,223
Retained earnings	(310,803)	229,104
Equity	**2,707,292**	**3,251,144**

6.5. Related parties

	2021	2020
Compensation to Executive KMP[1] and Non-Executive Directors of the Group	**$'000**	**$'000**
Short-term employee benefits	5,052	6,480
Contributions to superannuation plans	172	294
Termination benefits	-	935
Share-based compensation payments	2,028	3,664
Total compensation	**7,252**	**11,373**

1 For the year ended 30 June 2021, there has been a change in which executives represent KMP of the Company from the prior year. Refer to the Remuneration Report for further details.

7. Other notes

7.1. Employee benefits

Consolidated statement of comprehensive income	2021 $'000	2020 $'000
Wages and salaries	189,259	186,490
Contributions to superannuation plans	13,223	12,265
Other associated personnel expenses	6,432	7,847
Increase in liability for annual leave	1,542	3,062
Increase/(decrease) in liability for long service leave	19	(549)
Share-based compensation payments	6,995	6,259
	217,470	**215,374**
Consolidated statement of financial position		
Salaries and wages accrued	9,497	9,562
Liability for long service leave	337	318
Liability for annual leave	22,092	20,550
	31,926	**30,430**

Recognition and measurement

Wages, salaries, annual leave and sick leave

Liabilities for wages, salaries, annual leave and sick leave are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled – that is, at undiscounted amounts based on remuneration wage and salary rates including related on-costs, such as workers' compensation insurance and payroll tax.

Long-term service benefits

Liabilities for long service leave and other long-term benefits are recognised and measured at the present value of the estimated future cash outflows resulting from employees' services provided up to the reporting date. Long-term benefits not expected to be settled within twelve months are discounted using the rates attached to high quality corporate bonds at the reporting date, which most closely match the maturity dates of the related liability.

Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the consolidated statement of comprehensive income as incurred.

7. Other notes *(cont.)*

7.2. Auditor's Remuneration

	2021	2020
Auditors of the Company - Ernst & Young (Australia)	$	$
Fees to the auditor for		
Audit and review of statutory financial statements of the parent covering the Group	573,028	553,927
Audit of joint operations	326,972	316,073
	900,000	**870,000**
Other assurance services where there is discretion as to whether the service is provided by the auditor or another firm		
Review of *National Greenhouse and Energy Reporting Act 2007* requirements	60,000	67,204
	60,000	**67,204**
Other services		
Taxation compliance services	-	30,000
Others	-	32,994
	-	**62,994**
Total auditor's remuneration	**960,000**	**1,000,198**

7.3. Commitments

a) Capital expenditure commitments

	2021	2020
	$'000	**$'000**
Contracted for but not provided for and payable:		
Within one year[1]	**10,027**	**8,773**

1 There were no commitments for capital expenditure beyond one year.

7.4. Contingencies

a) Bank guarantees

The Group provided bank guarantees to:		2021 $'000	2020 $'000
i)	government departments as a condition of continuation of mining and exploration licences	276,330	257,877
ii)	rail capacity providers	29,339	27,936
iii)	port capacity providers	137,046	135,220
iv)	electricity network access supplier	22,470	22,470
v)	other	3,367	10,785
		468,552	**454,288**

b) Other

As previously reported, representative proceedings were commenced against the Group on 21 December 2018 in the Supreme Court of Queensland by Nathan Tinkler as representative applicant. The proceedings were brought on behalf of a number of parties who were issued with Milestone Shares (subject to restrictions on voting and transfer until various development milestones are met) in Whitehaven Coal Limited in May 2012. The proceedings have since been transferred to the Supreme Court of New South Wales and the representative applicant has been replaced by Les & Zelda Investments Pty Ltd (ACN 148 907 573) as Trustee for the Les & Zelda Family Trust. The pleadings make various allegations against the Group concerning an alleged breach of contract, misleading and deceptive conduct and minority shareholder oppression in connection with the Milestone Shares. The Group has filed a defence that denies those allegations. The proceedings are ongoing, and no trial date has yet been set.

Other than the above, there are a number of legal and potential claims against the Group that have arisen in the ordinary course of business. The Group does not believe that these matters will result in any material adverse outcome based on information currently available.

7.5. Subsequent events

In the interval between the end of the financial year and the date of this report there has not arisen any item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years, other than the following:

Subsequent to the end of the financial period, the Group repaid a further $178 million of debt drawn under the senior bank facility.

Directors' declaration

For the year ended 30 June 2021

In accordance with a resolution of the directors of Whitehaven Coal Limited, I state that:

In the opinion of the Directors:

(a) The financial statements and notes of Whitehaven Coal Limited are in accordance with the *Corporations Act 2001 (Cth)*, including:

  (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date, and

  (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001

(b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1

(c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

(d) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001 (Cth)* for the financial year ending 30 June 2021

(e) As at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 6.4 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board

The Hon. Mark Vaile AO
Chairman

Paul Flynn
Managing Director

Sydney
26th August 2021

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Independent auditor's report to the members of Whitehaven Coal Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Whitehaven Coal Limited ("the Company") and its subsidiaries (collectively "the Group"), which comprises the consolidated statement of financial position as at 30 June 2021, 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, notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the year ended on that date; and

b. 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 and Ethical Standards Board's APES110 *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 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 judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Impairment assessment of Property, Plant & Equipment and Intangible Assets

Why significant	How our audit addressed the key audit matter
In accordance with the requirements of Australian Accounting Standards, the Group is required to assess at the end of the reporting period whether there is any indication that an asset may be impaired. At 30 June 2021, the Group has identified indicators of impairment and determined the recoverable amount of property, plant and equipment and intangible assets. As disclosed in Note 4.1 and Note 4.3 to the financial statements, the Group recognised a $650 million impairment charge across its property, plant and equipment and intangible assets. Forecasting cashflows for the purpose of determining the recoverable amount of these assets involves critical accounting estimates and judgements, specifically key forecast assumptions such as commodity prices, discount rates, inflation rates, foreign exchange rate and recoverable reserves. These estimates and assumptions are summarised in Note 4.1. As a result, we considered the impairment testing of the Group's CGU and the related disclosures in the financial report to be a key audit matter.	Our audit procedures included, but were not limited to, the following: ▸ Assessment of the determination of the Group that these assets being part of a single cash generating unit ("CGU"), based on our understanding of the nature of the Group's business, the interdependence of cashflows of the Group's mines and the economic, social and ecological environment in which the Group operates. ▸ Assessment of whether the valuation methodology applied by the Group met the requirements of Australian Accounting Standards. ▸ Testing the mathematical accuracy of the impairment model. ▸ Assessment of the cash flow forecasts with reference to historical budgeting accuracy and current trading performance, historical operating results, market data and forecasts, ratio analysis, and discussions with management and the Board of Directors. ▸ Involvement of our valuation specialists to: o Assess the significant cashflow forecast assumptions such as coal prices, discount rates, inflation rates and foreign exchange rates with reference to external observable market data and independent economic analysis. o Perform sensitivity analyses and evaluate the effect on the CGU's recoverable amount of reasonably possible changes in key forecast assumptions. o Evaluate the work conducted by the Group's internal and external experts with respect to the Group's coal reserves and resources, as applied in net present value calculations. This included understanding the reserve estimation processes carried out, and assessing the qualifications, competence and objectivity of the Group's experts and the scope and appropriateness of their work. ▸ Evaluated the adequacy of the related disclosures in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2021 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information 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 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.

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 Group's ability 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 have 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 judgment 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 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 to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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.

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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 30 to 52 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Whitehaven Coal Limited for the year ended 30 June 2021, 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.

Ernst & Young

Scott Jarrett
Partner
Sydney
26 August 2021

ASX additional information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholdings

Substantial shareholders

The number of shares recorded as owned by substantial shareholders and their associates in the most recent substantial shareholder notices advised to the Company by these shareholders are set out below:

Shareholder	Percentage of capital held	Number of ordinary shares held	Date of substantial shareholder notice
Fritz Kundrun	6.73%	69,491,579	8 Apr 2021

Voting rights

Ordinary shares

Refer to note 5.4 in the financial statements

Options

There are no voting rights attached to the options.

Distribution of equity security holders

Category	Number of equity security holders	% of Units
1 - 1,000	5,522	0.29
1,001 - 5,000	8,067	2.10
5,001 - 10,000	3,167	2.38
10,001 - 100,000	3,920	10.62
100,001 and over	318	84.61
	20,994	**100.00**

There are 6 holders of options over ordinary shares.

The number of shareholders holding less than a marketable parcel of ordinary shares is 1,014.

Securities exchange

The Company is listed on the Australian Securities Exchange.

Other information

Whitehaven Coal Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Twenty largest shareholders (legal ownership)

Name	Number of ordinary shares held	Percentage of capital held
CITICORP NOMINEES PTY LTD	229,667,010	22.24
HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	217,785,203	21.09
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	115,914,121	11.22
BNP PARIBAS NOMS PTY LTD <DRP>	49,543,498	4.80
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	28,186,620	2.73
AET SFS PTY LTD <BOARDWALK RES INV P/C>	26,678,979	2.58
NATIONAL NOMINEES LIMITED	19,774,227	1.91
BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	14,733,260	1.43
NATIONAL NOMINEES LIMITED <DB A/C>	12,508,995	1.21
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	11,909,556	1.15
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	9,424,759	0.91
UBS NOMINEES PTY LTD	8,912,768	0.86
BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE A/C>	5,366,292	0.52
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	4,970,068	0.48
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED GSCO ECA	4,409,572	0.43
INVIA CUSTODIAN PTY LIMITED <ABEX LIMITED A/C>	3,100,889	0.30
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	3,078,456	0.30
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	2,769,463	0.27
BNP PARIBAS NOMS PTY LTD <UOB KH P/L AC UOB KH DRP>	2,667,009	0.26
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	2,570,161	0.25
	773,970,906	**74.95**

This information is current as at 19 August 2021.

Glossary

ARTC	Australian Rail Track Corporation
ASEAN	Association of Southeast Asian Nations
ASX	Australian Securities Exchange
CHPP	Coal Handling Preparation Plant
EBITDA	Earnings Before Interest Tax, Depreciation and Amortisation
ECA	Export Credit Agency
FEC	Forward Exchange Contract
FOB	Free-on-Board
FVLCD	Fair Value Less Costs of Disposal
FY19	Financial Year Ending 30 June 2019
FY20	Financial Year Ending 30 June 2020
FY21	Financial Year Ending 30 June 2021
HELE	High-Efficiency, Low-Emissions
JORC	Joint Ore Resources Committee
KMP	Key Management Personnel
KPI	Key Performance Indicator
kt	Thousand Tonnes
LTI	Long-Term Incentive
LW	Longwall
m	Million
MRRT	Minerals Resource Rent Tax
Mt	Million Tonnes
MTI	Medium-Term Incentive
Mtpa	Million Tonnes Per Annum
NCIG	Newcastle Coal Infrastructure Group
NLAT	Net Loss After Tax
NPAT	Net Profit After Tax
PWCS	Port Waratah Coal Services
ROM	Run-of-Mine
SSCC	Semi-Soft Coking Coal
STI	Short-Term Incentive
STRIVE	Safety Teamwork Respect Integrity Value Excellence
t	Tonne
TCFD	Task Force on Climate-related Financial Disclosures
TFR	Total Fixed Remuneration
TRIFR	Total Recordable Injury Frequency Rate
TSR	Total Shareholder Return

Corporate directory

Directors

The Hon. Mark Vaile AO
Chairman

John Conde AO
Deputy Chairman

Dr Julie Beeby
Non-Executive Director

Paul Flynn
Managing Director and CEO

Lindsay Ward
Non-Executive Director

Fiona Robertson
Non-Executive Director

Raymond Zage
Non-Executive Director

Company Secretary

Timothy Burt

Registered and Principal Administrative Office

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Australian Business Number

ABN 68 124 425 396

Stock Exchange Listing

Australian Securities Exchange Limited
ASX Code: WHC

Auditor

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Sydney NSW 2000

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Share Registry

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Country of Incorporation

Australia

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