



SUSTAINABILITY REPORT 2023

JULY 2022 - JUNE 2023

*We strive to meet and exceed the
expectations placed upon us*

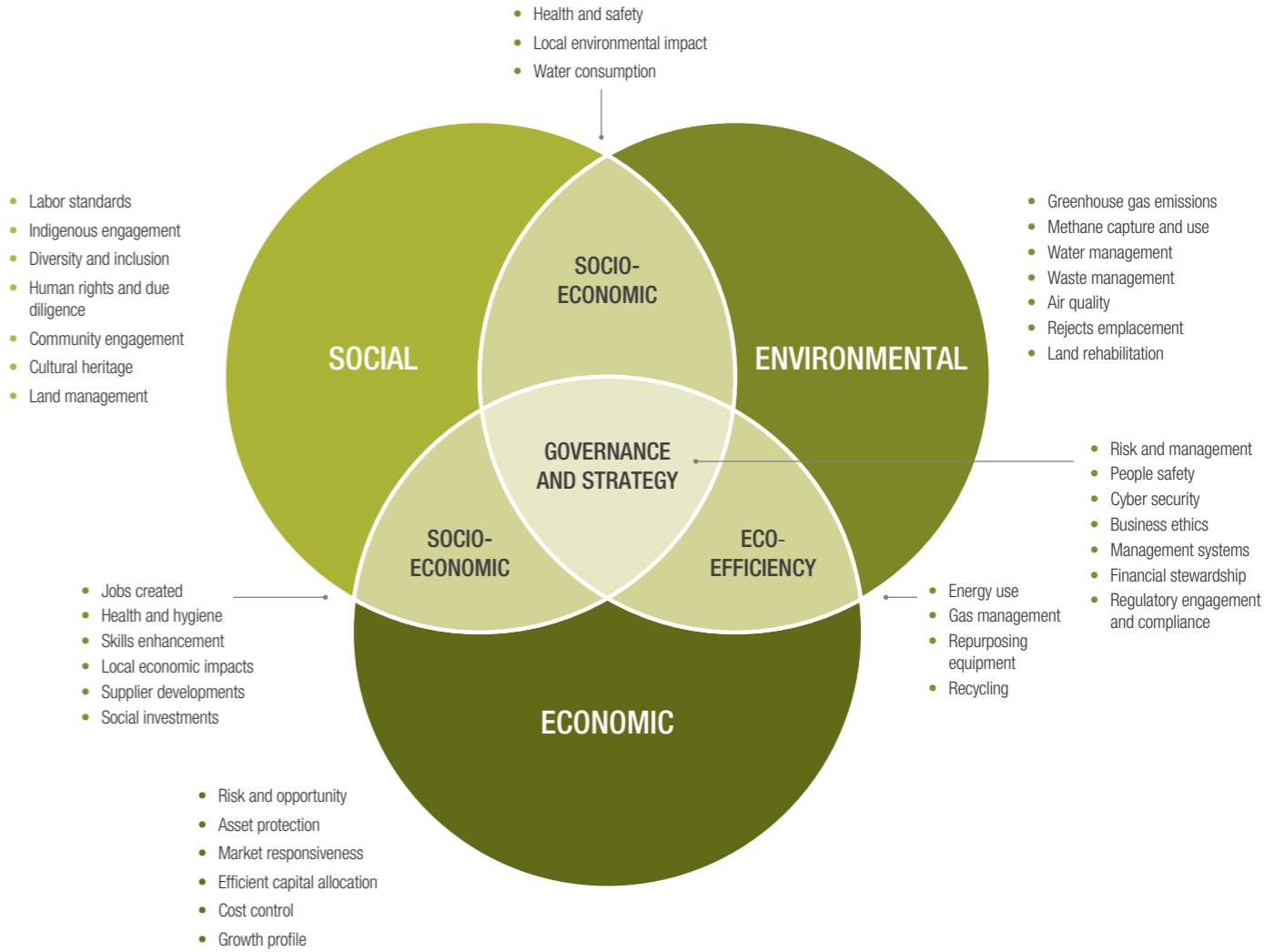
The logo for 'fitzroy' features a stylized white circle with a dot inside, followed by the word 'fitzroy' in a bold, lowercase, sans-serif font.

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FITZROY SUSTAINABILITY PRINCIPLES



SUSTAINABILITY PRINCIPLES

The Fitzroy Sustainability Principles diagram above illustrates that there are multiple demands and expectations placed upon us and each requires complete focus and good practice to deliver a truly sustainable business. A failure in any of these areas results in overall poor performance.

Our business employs subject matter experts in each of these disciplines to guide and manage our performance. Through our leadership teams, company policies and

compliance systems we manage, monitor and report on all aspects as an ongoing function of our operation.

Fundamentally we are coal miners - we mine coal. We are proud of our business and proud to be a key raw material supplier to the global steel industry. We want to retain our role in our community and the global industry and we will achieve that by relentless adherence to our sustainability principles.



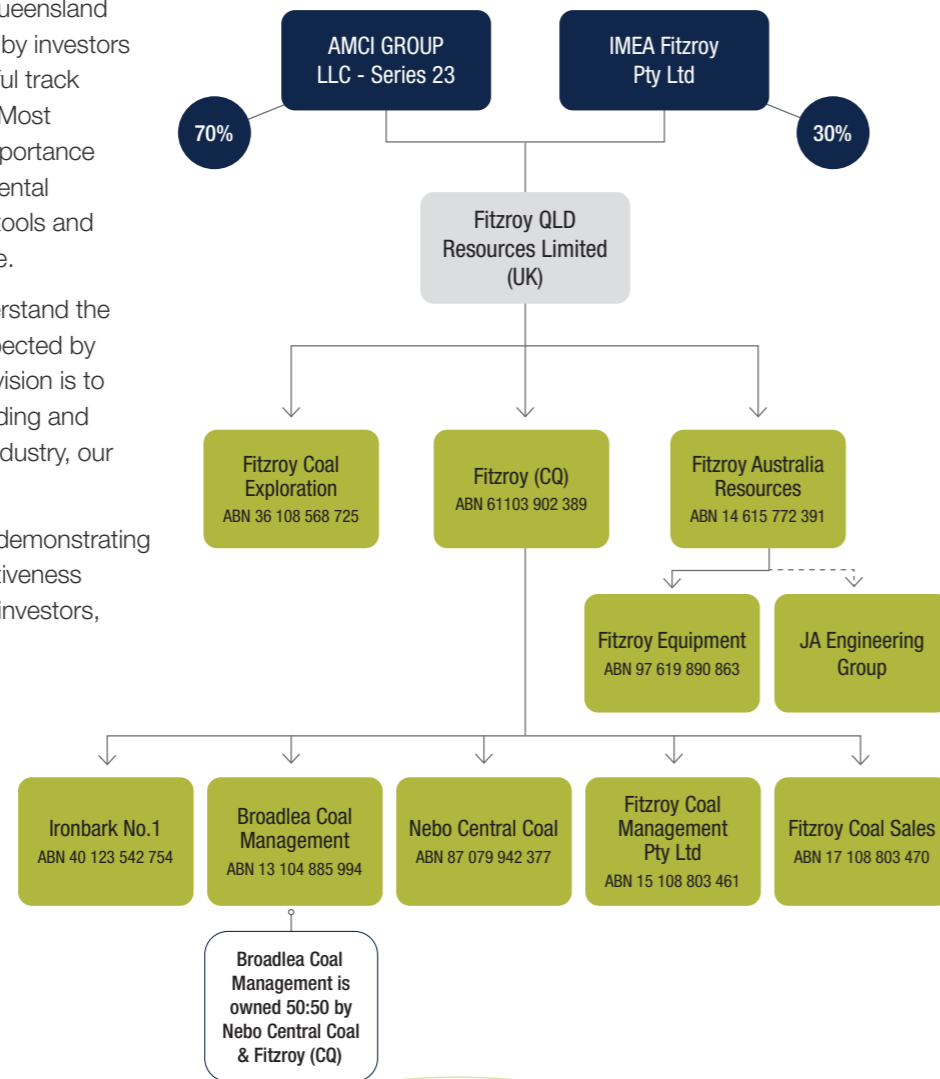
WHO WE ARE

Fitzroy is a privately-owned producer of Queensland steelmaking coal. The company is owned by investors with significant experience and a successful track record of investing in coal and resources. Most importantly our owners understand the importance of investing in health, safety and environmental management systems, risk management tools and development programs for Fitzroy's people.

Our owners and our Executive Team understand the need to meet the operating standards expected by the community in which we operate. Our vision is to meet and exceed expectations by responding and adapting to the critical issues facing our industry, our economy and our world.

This year saw a change in our ownership demonstrating the maturity of our business and its attractiveness to external parties. One of our foundation investors, Riverstone Holdings, exited the Fitzroy business this year having successfully supported the business through its growth from inception. The exit of Riverstone enabled the Japanese conglomerate ITOCHU Corporate (IMEA Fitzroy Pty Ltd) to acquire a 30% interest in Fitzroy. Our primary foundation investor, AMCI Group, increased its investment resulting in the new ownership being AMCI 70% and ITOCHU (IMEA Fitzroy Pty Ltd) 30%.

The adjacent structure diagram depicts our ownership and operations.



WHAT WE DO

Fitzroy produces high quality steelmaking coals from the Rangal Coal Measures in Queensland's Bowen Basin. Steelmaking coal is used in the steel making industry to produce coke which is a porous solid composed mainly of carbon and ash and is formed when the coal is heated to drive off volatile matter. Good quality coke is hard, has a high crushing strength and is mainly used in blast furnaces that produce iron. Iron is then used to produce steel and a range of other products. Currently there is no substitute for coal or coke in the steel making process.

Steel is one of the pillars of modern civilization and is the most widely used metal, forming a critical component

in such diverse applications as skyscrapers, medical equipment, surgical implants and rail transport. While the world seeks to significantly increase the use of renewable electricity, these facilities will require large quantities of steel for their construction. For example, a small 5Mw wind turbine requires approximately 800 tonnes of steel for its foundations, tower, rotor and nacelles.

Fitzroy's products contribute to this steel production and to the construction of renewable energy facilities by providing good quality coals which are low in impurities with good coking properties.





OUR FOCUS

CHIEF EXECUTIVE'S REPORT

THE YEAR 2022/23 WAS A TRANSFORMATIONAL YEAR FOR THE FITZROY BUSINESS.

We brought on-line two new underground mines with Ironbark No.1 and Carborough South, and we optimized and revitalized our existing Broadlea opencut mine. These developments were achieved by our internal team who demonstrated innovation, enthusiasm and persistence to deliver these projects in significantly quicker time and for significantly lower cost than would normally be achieved in our industry.

During this time, our owners showed faith in the business and the industry by reinvesting our profits into the growth of the business and thereby creating long term benefits for the community and employment for our workforce. Whilst we are proud of our operations, our industry and our contributions to society, it cannot be said that view is universally held. There are increasing pressures in the name of climate change to prevent new coal mines and restrict the operation of existing mines.

We hear those messages and respect the right of the proponents to their views. However, until an economically viable alternative to steelmaking coal is available, and in use across the global steel industry, there will be a need for steelmaking coal to support the steel industry.

We are committed to maintaining a long-term position as a producer of high quality, low-impurity steelmaking coal for the global steel industry and pursuing high standards of performance across all aspects of environment, governance and social expectations.

We achieve this by:

- engaging a management team that has the skills and shared values to promote the success of the business for the benefit of its shareholders, employees and external stakeholders;
- putting in place policies, procedures and overarching audit processes to ensure compliance with the breadth of legislation, regulation, permits, standards and codes applicable to our operations;
- implementing operational practices consistent with our overarching sustainability goal to minimize emissions and reduce consumption;
- pursuing new and alternative strategies to deal with the in-situ gas content of our coal resources to reduce methane emissions and reduce costs;
- providing career paths and long-term employment to support our communities, our employees and their families.

Our mission is to produce coal safely, reliably and for the lowest possible cost. This report sets out to inform you about our progress over the last year and the programs that are in place to maintain the momentum.

I hope you enjoy reviewing our performance over the last year and that you can see the evolution that is occurring across the business.

Brian MacDonald
Chief Executive Officer

SUSTAINABILITY PRINCIPLE

GOVERNANCE AND STRATEGY

SUSTAINABILITY PRINCIPLE 1 GOVERNANCE AND STRATEGY



Governance and strategy are the central foundation to how we operate. Our Executive Team develop and implement risk management tools which are endorsed by our Board to effectively manage the social, environmental and economic drivers of our operations.

Our business model is founded on transparency, fairness, integrity and accountability. These values underpin every relationship we have and they characterise our interactions with stakeholders, including the community, regulators and our workforce. We are committed to operations that are compliant with regulatory requirements and free from corruption. We pursue exemplary ethical standards across all facets of our business. We are proud that ethical business practices are a primary component of Fitzroy's culture.

Sustainability encompasses the expectation of an ongoing level of activity to deliver social outcomes for our workforce and our community. At Fitzroy we continually review our strategy to ensure economic viability through the optimum use of our resources. Our planning horizons are necessarily long term as exploration and evaluation of resource projects

is multi-faceted and needs to incorporate numerous studies and engagements with regulators and community before financial commitments can be made.

Our exploration team operate within this long-term horizon and work closely with our environmental experts to ensure that all considerations are addressed. These activities are coordinated and reflected into our long-term financial models that are used to evaluate alternatives and drive the right strategic directions.

Regular communication sessions across the leadership team discuss future projects and work programs to bring together the full set of internal skills to consider each project. A feature of Fitzroy Mining Operation's is our internal skill set which can deliver projects quicker and most cost efficiently than most of our competitors. This is a strategic advantage that helps support our sustainable operation. See the case study on Fitzroy's Innovations, the Rapid Face Bolter (RFB) for High Roof/Cavity Support and Dust Reduction on Shearer, on page 36 which illustrates our sustainability principles in action.

GOVERNANCE STRUCTURE

The Fitzroy group is managed by the Board of Directors comprising representation from each of the owners. Authority is delegated to the Australian subsidiary boards and Executive leadership team in Australia which provide skilled and experienced personnel with a wealth of industry knowledge. A fundamental principle within Fitzroy is the commitment of the Board and management to ensure compliance with all regulatory requirements and the highest ethical standards across all facets of our business.

Regular internal reporting to the Board provides a comprehensive update of the performance in all key areas of safety, environment, financial and operational. At the highest level, our compliance is monitored each year by external audits commissioned by the owners to review, ESG, legal

compliance and cyber security. Internally, management also commissions external audits each year across the breadth of regulated activities to assess compliance with our obligations and to obtain feedback about improvements that could be made.

The purpose of our governance structure is to ensure we have an economically viable business which meets or exceeds its obligations in respect of health & safety, hygiene, environment, legal and financial regulations and the social expectations of our employees and community. These demands are all interrelated and require integrated responses. Outlined below are the major governance structures that ensure we deliver on these commitments.

RISK MANAGEMENT – OPERATIONAL

At Fitzroy we understand the importance of managing our operational risks as it helps us to:

- Improve our relationships with customers, suppliers, employees and the community, by understanding and managing their expectations;
- Improve workforce confidence by providing a safe work environment, through implementation of the Safety and Health Management System (SHMS);
- Keep our business open during natural or economic disasters, by having trigger action response plans (TARPs) and emergency management plans; and
- Assists us to reduce our insurance costs, by having a lower risk profile of potential damages.

Fitzroy has a Risk Management methodology that defines the process for the identification of sources of risk, assessment of risk with a known criteria and implementation of controls, where risk is at an unacceptable level. We will continue to identify material unwanted events and aggressively focus attention through operational application via job risk assessments. We integrate critical control management processes throughout day to day work practices and maintain focus on material risk categories: fire, mobile plant interaction, strata failure, explosions, inrush, falling from heights, lifted or suspended loads falling and uncontrolled energy e.g. electricity.



Some of the operational health hazard based risks that we manage to ensure that our people remain "fit for work and fit for life" are physical hazards, chemical, biological, ergonomic and psychological.

During the year, the Company also began a process to comprehensively review its Risk Management Framework in consultation with all business units to understand the improvements that can be made.

The business concentrated on streamlining the Change Management processes to ensure that change determination was robustly considered. An assessment of the risk to undertake the change was added upfront to determine the level of methodology required to be deployed to manage the proposed change effectively, within Fitzroy.



MATERIAL RISK PROGRAM

Fitzroy's leadership and Material Risk Management program is essential to improving safety management, preventing fatalities and serious incidents and ensuring effective controls are in place.

To improve the material risk processes Fitzroy continued to partner with the University of Queensland to undertake a comprehensive review of identified principal hazards. This work will continue over the next two years and engagement with subject matter experts can only enhance that the focus will be on 'what really matters'.



AUDIT AND ASSURANCE SYSTEM

Comprehensive external audits were undertaken on the respective Safety Health Management Systems (SHMS) across the organisation to provide assurance from a systems perspective that legislative requirements and operational compliance continues to be achieved.

Results were positive from the external auditor which ensures that the SHMS built for the excising of the Coal Handling Preparation Plant (CHPP) as its own entity will be seamless when the business enacts the separation.

A surface fire audit was commissioned by an external auditor to ensure that the CHPP assets fire protection systems integrity was tested, and additional controls actioned to maintain operability. Maintenance work order systems were interrogated to provide leadership with an understanding of non-negotiable planned tasks to ensure operability of fire systems at all times.

RISK MANAGEMENT AND SYSTEM CONTROL – ASSET PROTECTION

Asset protection is an essential element to business sustainability with impacts for employee safety, environmental protection and economic viability. The Fitzroy asset protection is based on a robust maintenance planning team and system with all key pieces of equipment undergoing routine and lifecycle maintenance.

The maintenance planning module in the ERP system is integrated with the warehouse and financial modules to generate work schedules and parts requirements.

The workorder system ensures that tasks are assigned and completed in alignment with the internal, manufacturers and statutory requirements.

A dedicated team comprised of maintenance engineers, reliability engineers, qualified trades people and apprentices are engaged to ensure that the necessary skills are available within the business to monitor and maintain key equipment.

RISK MANAGEMENT AND SYSTEM CONTROL – FINANCIAL AND LEGAL

As in every facet of our operations, Fitzroy has in place robust systems and controls to ensure compliance with corporate regulation around taxation, corporate governance, employment practices, and ethical practices. The Fitzroy Code of Conduct and the Operating Philosophy are core elements in our new employee induction training.

We are committed to meeting our legislative obligations and have a goal of zero regulator interventions. Fitzroy monitors changes in legislation that might impact our business and regularly reviews compliance against applicable legislation. Quarterly legislative briefings are provided by external counsel highlighting legislative changes or court decisions with potential impacts for Fitzroy.

Regulatory compliance has a broad scope for businesses operating in the modern global economy. At Fitzroy this includes: Anti-Bribery, Anti-Corruption Policy and training; a Whistleblower Policy together with confidential disclosure mechanisms to report potential breaches or inappropriate conduct. There are also specific policies for specialist areas within the business such as Taxation Governance Policy.

Financial compliance is achieved through training, embedding controls and procedures in the commercial systems, segregation of duties, monitoring of performance

and financial results against approved budgets, oversight and control of external commitments and payments. Our financial accounts and statements are audited annually by tier 1 accounting firms with separate audits conducted in both Australia and the UK. In addition, a number of our external stakeholders commission audits of our compliance with those obligations providing external and internal confidence that we are meeting our expectations.



RISK MANAGEMENT AND SYSTEM CONTROL - CYBER



At Fitzroy, we recognize the increasing frequency and severity of cyber security threats. To safeguard our systems and hardware against these threats and ensure data security, we have made significant investments in IT infrastructure and support services.

In order to fortify our defences, we have implemented a comprehensive approach that includes both on-premises and cloud-based backup and replication solutions. We have employed NAS (Network Attached Storage) for local backup and replication, which provides an efficient and secure way to store and duplicate data within our network. This ensures that in the event of a hardware failure or data loss, we can quickly recover and restore our systems to their previous state.

Furthermore, we have integrated cloud backup services into our strategy, enabling us to securely store critical data and systems off-site. Cloud backup offers additional redundancy and protection, as it creates multiple copies of our data in geographically diverse locations. This approach minimizes the risk of data loss and enhances our disaster recovery capabilities.

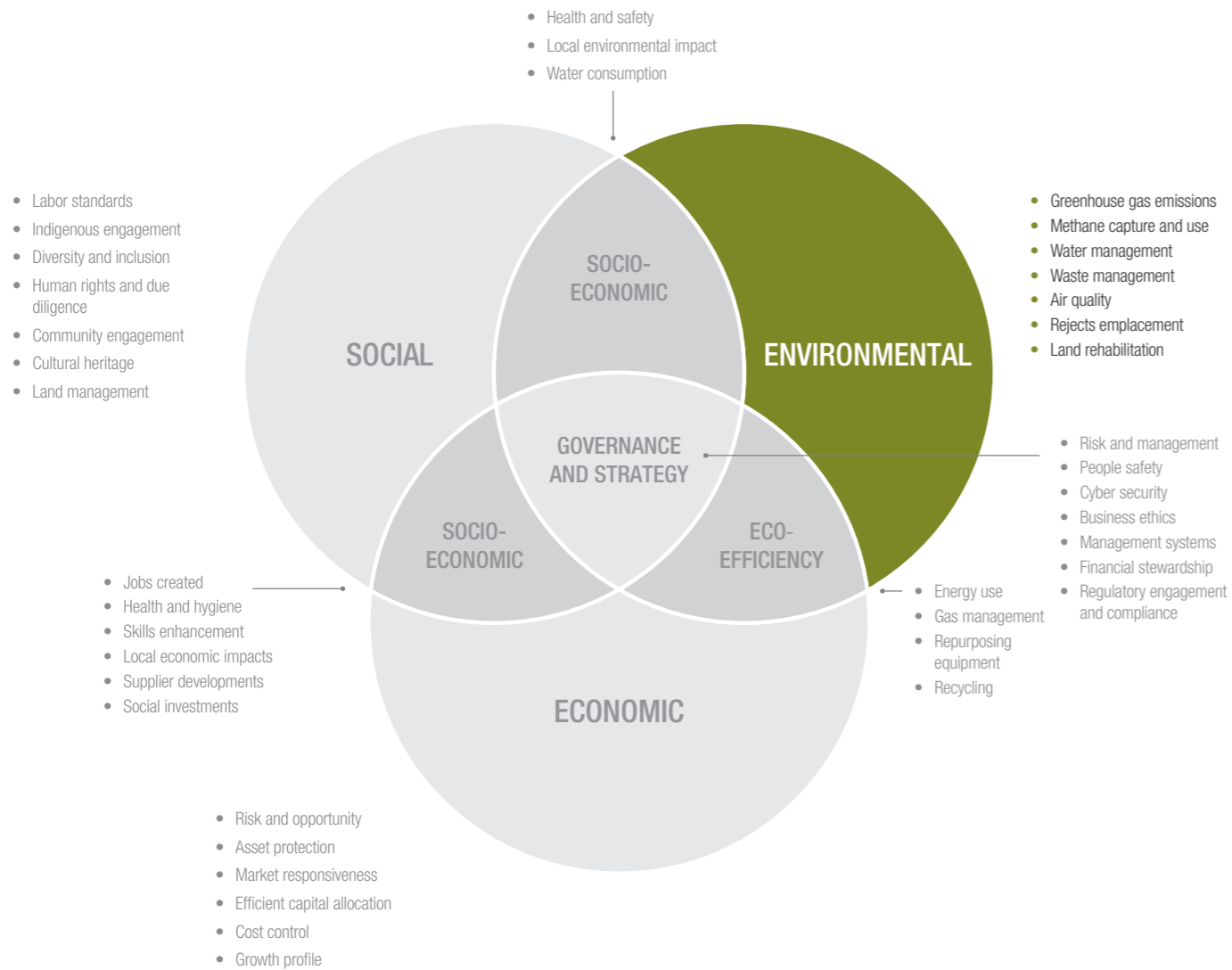
To continuously monitor and respond to potential threats, we have implemented real-time monitoring systems that actively track and generate alarms for unauthorized access attempts and system outages. This proactive approach enables us to swiftly identify and address security breaches or disruptions, minimizing the impact on our operations.

To support our expanding digital infrastructure and ensure efficient service delivery, we have expanded our IT group with additional team members. This allows us to concurrently develop our strategic digital platforms while maintaining the high service levels expected by our stakeholders.

In addition, an Executive sub-committee has been established to oversee our IT strategy across all areas. This committee focuses on delivering new technologies and tools to enhance our operations and extending our remote work capabilities. These investments proved invaluable during the challenges posed by the COVID-19 pandemic where we had a seamless transition to remote work without compromising operational engagement.

SUSTAINABILITY PRINCIPLE ENVIRONMENTAL

SUSTAINABILITY PRINCIPLE 2 ENVIRONMENTAL



Environmental management is locally focused and encompasses the impact on land and water where we operate. Environmental management determines the way we operate. Traditionally, environmental management has focused on ensuring that any direct impacts from our operation are minimized, however our increasing focus is to positively contribute to the environment by minimizing consumption, reducing emissions and optimizing our recycling of water and waste.

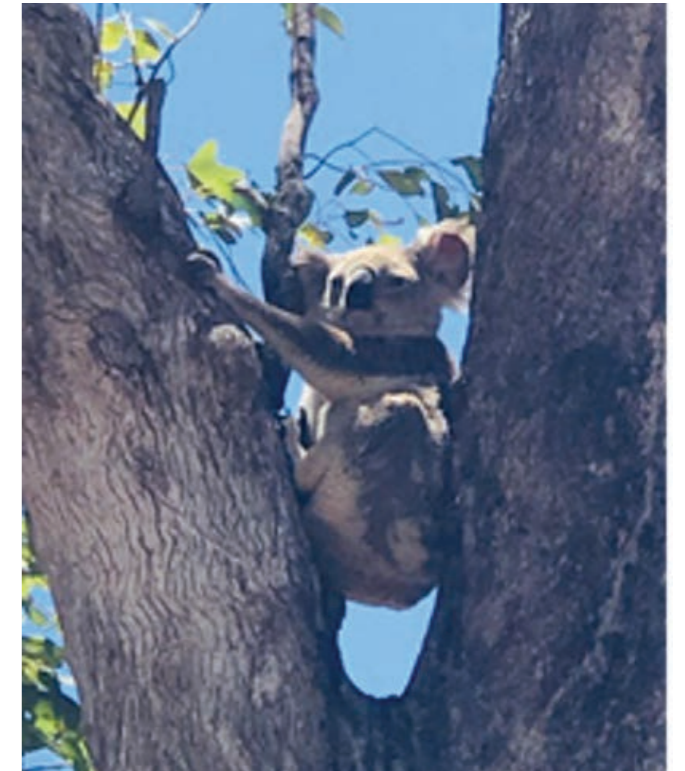
FLORA AND FAUNA

Protection of our environment includes knowledge of, and management tools for care of our flora and fauna. The Fitzroy Environmental Team are trained in fauna identification, handling, and relocation skills as well as QLD legislative requirements (permitting), First Aid response and animal scat/track investigation.

The environmental team also ensure that due consideration is given to flora and fauna during our exploration programs and project development planning. Specialist personnel are engaged to boost the team when required and can include botanists, biologists and hydrologists. Before commencing development of any proposed new project or extension to existing operations, a full impact assessment is conducted commencing with a full survey of existing flora and fauna to understand the species that exist and may require protection or management.

Our successful approach to protecting vital habitat and reducing our impact has resulted in regular sightings of high value fauna within our active operational areas. Koalas which were listed as an endangered species in 2022, are consistently sighted within our Carborough Downs operation. To ensure the continuation of the species and its habitat, the Environmental Team works actively with our operational teams to raise awareness of the critical nature of the species and the importance of safeguarding its habitat for feeding and breeding purposes.

The fauna spotters in the Environmental Team identified and monitored koalas within the habitat above a recent longwall panel. Regular monitoring of the environment and the animals ensured maximum protection of the endangered species.



WASTE MANAGEMENT

Waste is an inevitable result of business activities, from exploration through to production and closure. Sustainable waste management is a key component of business planning and forms a primary pillar of our operations.

Operational sites are required to minimise waste production by encouraging appropriate recycling, reusing and refurbishing opportunities. Waste management is conducted in accordance with the International Council on Mining and Metals (ICMM) principles through promoting communication and providing transparency of relevant waste management data and eco-efficiency indicators to interested stakeholders. Waste is segregated where possible and collected for offsite recycling or disposal by reputable third-party contractors. Fitzroy is committed to minimising the impact of waste on the environment and the community through the adoption of appropriate waste management principles. The waste management hierarchy and principals of the Waste Reduction and Recycling Act 2011, as seen to the right, and requirements of the environmental authorities are the foundation of the Waste Management Plan.

With the continuing construction and operation of the Ironbark No.1 Underground Operation and the commencement of the Broadlea Operation, Fitzroy has seen an increase in the amount of waste generated within the 2023 financial year. 507 tonnes of material were diverted from landfill to be repurposed.



	General Waste (t)	Timber (t)	General Recycling (t)	Metal Recycling (t)
2021	976.5	44	104.2	311
2022	277.8	30.1	41.6	420
2023	3204.3	43.6	85.6	379

Does not include the steel content of equipment repurposing described on page 27.



An employee initiated program raises funds that are evenly distributed to the Movember and McGrath Foundation, supporting both men and women's health.



WATER MANAGEMENT

Fitzroy's operations are located in sub-tropical Queensland where rainfall deluges are not uncommon and therefore water management across our sites is a critical focus for our team of environmental scientists. The Fitzroy Water Management Standard defines the minimum requirements for water management at all Fitzroy mining operations to assist each operation achieve primary objectives relating to water management. Fitzroy's primary objectives relating to water management are:

- To comply with all regulatory requirements;
- To identify and minimise potential impacts associated with Fitzroy's operations on receiving environment water resources;
- To manage site water quality and inventories to ensure operational water security while minimising the risks associated with releases to the receiving environment;
- To utilise water resources within Fitzroy's operations as efficiently as practicable.

In FY2023 a total of 1,010 megalitres (ML) of water was consumed under our arrangement with Sunwater and with the commencement of our Ironbark Operation, two new water source agreements were secured to ensure additional water supply adequate for the project's operational success.

As part of our journey towards environmental best practice, Fitzroy has continued to strengthen our environmental monitoring system in an effort to better understand any potential environmental impact on the receiving environment. We utilise autonomous environmental monitoring systems, low flow rising stage samplers and additional weather monitoring equipment, backed up with

routine site inspections by our trained Environmental Team to completely understand the health of systems in real time as well as being able to assess its sustainability long term.

We engage specialised consultants who are trained in aquatic ecology to complete quarterly assessments of the local tributaries and gullies surrounding our operations. They consistently monitor water quality, sediment deposition and any alteration to the overall creek system. This information is used to generate a status report for each operation, which is further supported by our stringent water sampling program conducted during and after rainfall events.

To ensure the overall health of the larger Fitzroy Basin, Fitzroy contributes our data to the Fitzroy Partnership for River Health to develop the annual Fitzroy Basin Ecosystem Health Index Report Card. The Report Card is an independently assessed assessment that's purpose is to provide a snapshot of how healthy the river systems are within the greater Fitzroy Basin.

Regular survey and inspection of landforms is essential to ensure that the water flows retain the design functionality. Monitors are located at key observation points to trigger response actions when required. Pumping systems are located at various locations to protect key assets from water ingress and to move water volumes to the appropriate storage locations.

Whilst managing water inflows is a key activity, just as importantly, we have an active water recycling program to minimize the consumption of fresh water. The Coal Handling and Preparation Plant (CHPP) utilizes only recycled water in its processing and mine affected water is applied for on-site uses wherever possible.

REJECT MATERIALS FROM PROCESSING

The Coal Handling and Preparation Plant (CHPP) uses a flotation system to separate rock and waste material from the coal. The Fitzroy raw coals have a low inherent ash composition with a relatively high average yield of product from raw feed of 78%. The remaining 22% of waste material, or rejects, is extracted by using a floatation process. Unlike most coal mine operations, Fitzroy does not operate any coal tailings facilities to handle the rejects. A conscious decision was made to invest initial capital in dry reject technology to avoid environmental and safety risks and incidences that have occurred at other sites as a result of failed tailings dams. The Dry Reject Emplacement Area

(DREA) forms part of the CHPP Hub and reject waste from the CHPP transferred to the DREA where it is spread, dried and compacted. The rejects are used to construct a stable land-form at the DREA, which is routinely reviewed to meet its design, through monthly compaction testing, annual RPEQ inspection, and quarterly as built surveying.

In addition the Carborough's DREA, the Broadlea North operation has the ability to store rejects within N1 & N2 Overburden Dumps. An approved Mine Waste Management Plan and Broadlea's Environmental Authority outlines the operation requirements for in-pit reject disposal as well as rehabilitation objectives post closure.



REHABILITATION OF SUBSIDED LAND

Fitzroy prioritises sustainable stewardship of the land we interact with as part of our operations. We develop and implement robust closure and rehabilitation strategies to leave assets as enduring community and environmental resources following the completion of production activities. Fitzroy have published a Rehabilitation Management Standard which provide guidance and direction for Fitzroy on the minimum rehabilitation requirements for Fitzroy's mining operations. The Standard identifies the relevant legislative/statutory requirements as well as Fitzroy's corporate rehabilitation expectations. The Standard is applicable over the life cycle of the Operation (i.e. from planning through to mine closure).

We consider Fitzroy's reputation, community values, regulatory obligations and financial matters when optimising closure and rehabilitation approaches. This robust approach ensures we exceed the expectations of our stakeholders every time we close an asset.

In response to implementation of the Mineral and Energy Resources (Financial Provisioning) Act 2018, Fitzroy has submitted and are actively working with the Department of Environment and Science (DES) to transition to the Progressive Rehabilitation and Closure Plan (PRC Plan). The main purpose of a PRC Plan is to ensure that land disturbed by mining activities is rehabilitated so that it is demonstrated to be safe, stable, does not cause environmental harm, and is able to sustain an approved post-mining land use. The PRC Plan consists of two parts: the rehabilitation planning, which contains the details and methodology for rehabilitation; and the rehabilitation and closure schedule or milestones.

Fitzroy undertakes progressive rehabilitation across all of our assets. We actively integrate our rehabilitation planning process in our mine plan with the aim to increase the amount of rehabilitated land. Overall, Fitzroy has actively rehabilitated 836.07ha over our Broadlea North and Carborough Downs Assets. We actively integrate our rehabilitation planning process in our mine plan with the aim to increase the amount of rehabilitated land. Fitzroy is actively undertaking rehabilitation activities at the Carborough Downs asset which will see a further 77ha of rehabilitation completed during 2023.



Since the Queensland Government introduced the Progressive Rehabilitation Closure Plan legislation, Fitzroy has been actively working towards meeting these Closure commitments. In situ Trials were installed in 2021 on our Dry Reject Emplacement Area (DREA) to qualitatively assess three potential cover options. The results from the Trial indicate a suitable capping layer of 1m of Cap Rock and 0.2m of Soil.

A final void trial was established at the Carborough Downs Box Cut to determine the optimal batter angles. The trial will see sections of the box cut be shaped to varying batter angles and then a targeted monitoring program be implemented which will provide guidance on the optimal batter angle which would allow Fitzroy to meet geotechnical and erosional expectations.

Fitzroy has always been a strong proponent of progressive rehabilitation and works toward achieving a post mining land use of grazing with an approved and implemented rehabilitation management plan. Fitzroy submitted both the Carborough Downs and Ironbark No.1 PRC Plan to DES for assessment and are currently working towards addressing the feedback we have received from the government.

Broadlea PRC Plan is still to be developed and is due to be submitted in January 2024.

MANAGING EMISSIONS

Fitzroy acknowledges the impact that environmental management has on our changing climate and attitudes towards the coal mining industry. We therefore regard environmental management as a major component of the business’s sustainability and considers environmental objectives as part of all business decisions. A focus on environmental outcomes is integral to the way we operate. Business strategies are developed with greenhouse gas emissions and energy use forming a key priority. Fitzroy monitors annual emission quantities and energy usage and reports under the National Greenhouse and Energy Reporting (NGER) Act 2007. The NGER Act is the national framework for reporting of energy consumption and carbon emissions.

Together with the reporting obligations under the NGER Act 2007, the Safeguard Mechanism provides a framework for Australia’s largest emitters to measure, report and manage

their emissions. It does this by encouraging large facilities, whose net emissions exceed the safeguard threshold, to keep their emissions at or below emissions baselines set by the Clean Energy Regulator.

Corporations that use energy above the thresholds are required to submit an annual report to the Commonwealth government detailing their total energy consumption and Scope 1 and 2 carbon emissions

During FY23, Fitzroy was requested to undertake an External Audit by the Clean Energy Regulator. The Audit period was for FY2021. The initial audit report has been completed and submitted to the Clean Energy Regulator. The audit process was an excellent tool to assess our compliance with no major deficiencies identified and a number of process improvements adopted following suggestions from the auditor.

	2019	2020	2021	2022
Scope 1 and 2 emissions (tCO₂e)*	477,614	713,543	778,258	1,066,669
Intensity – greenhouse gas emissions (tCO₂e per tonne ROM coal)	0.18	0.25	0.20	0.19
Total Energy Use (GJ)	572,746	520,447	761,382	1,442,225
Intensity – total energy use (GJ per tonne ROM coal)	0.219	0.185	0.19	0.25
*tCO₂e stands for tonnes of carbon dioxide equivalent				

2023 data is being collated and verified prior to lodging with the Clean Energy Regulator. The significant increase of emissions in 2022 reflects the pre-drainage in mining areas not previously identified for mining.

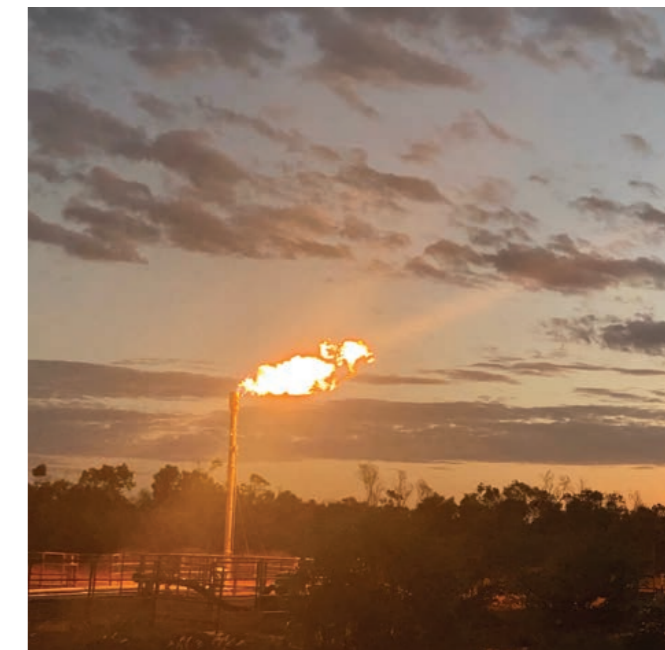
The Carborough Downs Mining Leases are overlapped by a Petroleum Lease (PL 223) which is held by CH4 Operations Pty Ltd (Arrow Energy). A Co-Development Agreement and Coordination Arrangement are in place with the Petroleum Lease Holders that provides the framework for the commercial development of coal mining and coal seam gas extraction within the overlap area.

Under current agreements between the parties, the Petroleum Lease Holders have first right to coal seam gas produced from the overlapping operations. The current Co-ordination Agreement between the parties provides for, among other things, the mutually beneficial utilisation of coal seam gas.

Mining at Carborough Downs Mine is currently within the Leichardt seam where the virgin gas content needs to be pre-drained before mining to ensure safe operating conditions. As a result, Carborough Downs utilises a combination of surface to in-seam drilling (SIS) and underground in-seam drilling (UIS) to drain the gas to acceptable limits prior to mining. Surface to in-seam drilling is the primary means of gas drainage at Carborough Downs mine.

A pipeline gathering network has been installed to connect SIS gas wells and to deliver this coal seam gas to an onsite compressor station. The compressed coal seam gas is then transferred via a pipeline to the Moranbah Gas Processing Facility for domestic gas distribution.

This mutually beneficial gas offtake arrangement between Carborough Downs and the overlapping Petroleum Lease holders greatly reduces the greenhouse gas emissions being vented to the atmosphere from underground coal mining operations. The agreement facilitates the best resource use outcome with respect to coal mining operations and incidental coal seam gas mining under the Mining Lease and Petroleum Lease within the overlapping area. It also regulates the carrying out and development of coal mining and coal seam gas production in a way which is in the public interest, safe, efficient and environmentally sustainable. Currently, the coal seam gas is used to create ammonium nitrate for the agricultural and resources industries and power generation at the Townsville Power Station. This coal seam gas has the potential to be utilised in Townsville based critical mineral processing facilities planned in the near future.



AUSTRALIAN SAFEGUARD MECHANISM

The Safeguard Mechanism is the Australian Government’s policy for reducing the direct emissions at Australia’s largest industrial facilities. These emissions are known as Scope 1 emissions and measured in units of tonnes of carbon dioxide equivalent (CO₂-e). It sets legislated limits—known as baselines—on the Scope 1 greenhouse gas emissions of these facilities. These baselines will decline, predictably and gradually, on a trajectory consistent with achieving Australia’s emission reduction targets of 43% below 2005 levels by 2030 and net zero by 2050.

The Safeguard Mechanism commenced in 2016. It was reformed in 2023 to ensure that covered facilities contribute to meeting these targets, while strengthening their competitiveness as the world moves to net zero.

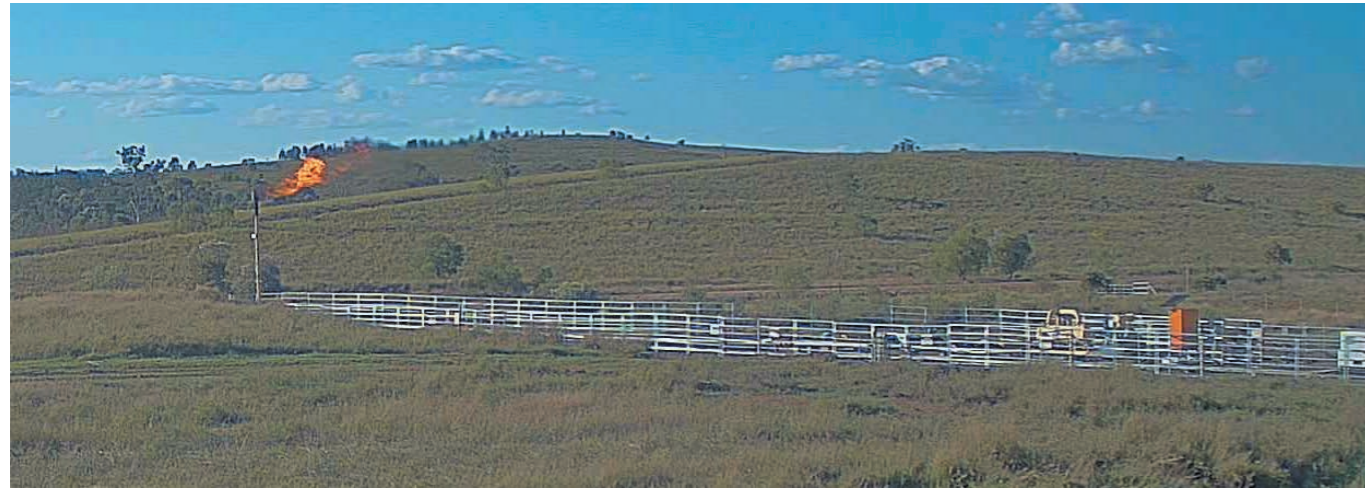
SAFEGUARD MECHANISM COVERAGE

The Safeguard Mechanism applies to industrial facilities emitting more than 100,000 tonnes of carbon dioxide equivalent (CO2-e) per year, including mining, oil and gas, manufacturing, transport and waste sectors.

Fitzroy has three facilities that are registered with the Clean Energy Regulator for the purpose of emissions reporting and monitoring. The Carborough Downs facility in its current

configuration with Longwall, Development and Bord & Pillar operations exceeds 100,000 tonnes of CO2 equivalent each year and is therefore subject to the Safeguard Mechanism. Fitzroy submits annual emissions reports for both Broadlea and Ironbark No.1 mines but to date neither has exceeded the baseline threshold of 100,000 CO2-e and are not currently subject to the Safeguard Mechanism.

FITZROY EMISSIONS ABATEMENT STRATEGY

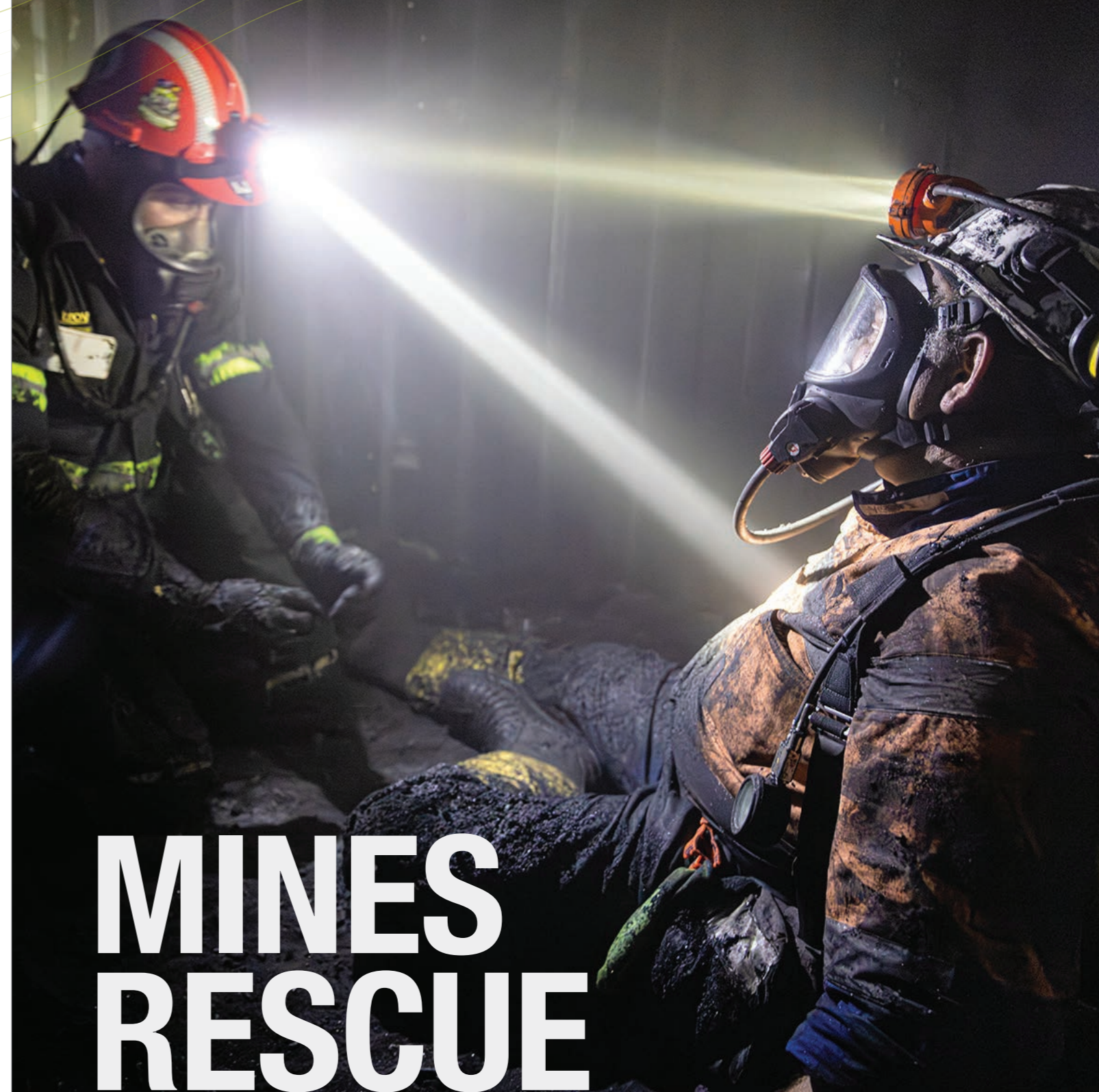


Fitzroy undertakes constant measurement of any scope 1 emissions to the atmosphere to ensure emissions sources are understood and managed effectively. With this understanding, Fitzroy has established numerous emission abatement strategies.

At our underground mining operations, we maximise coal seam drainage activity to capture coal seam gas prior to mining as far as practicable. Once captured we maximise the transfer of this waste coal seam gas to be utilised by other commercial facilities wherever possible. Currently, the gas transferred to the Moranbah Gas Pipeline is utilised by industrial facilities in the Moranbah and Townsville areas.

Fitzroy has recently entered into an agreement to supply coal mine waste gas to an adjacent power station to generate electricity for use by the Ironbark No.1 Mine. The project will reduce the electricity demand from external generators in the National Electricity Market. Combined, the project reduces the scope 1 emissions associated from the mining operation and the electricity market. The project has the potential for further expansion, which will increase the emission abatement outcome.

Where coal seam waste gas can not be utilised by other facilities, Fitzroy deploys flaring practices to ensure that methane emissions to the atmosphere are reduced as far as possible.



MINES RESCUE

Mines Rescue is an essential function at any coal mine to ensure that there are trained resources to respond to any emergency situation.



The Fitzroy teams undergo specialist training in underground access and rescue techniques, resuscitation and self-rescue skills firefighting and first aid. The teams undertake regular training programs with the Queensland Mines Rescue Service and participate in industry wide competitions to test and hone their skills. Volunteers in the Fitzroy programs receive company support and sponsorship to attend training and competitions.



In April, Fitzroy competed at the 18th Queensland Mines Rescue Service Memorial Cup which was hosted at Glencore's Oaky North mine. This is an underground coal competition where participants compete in teams of 6 or 7 persons to test their response to simulated events that could occur in their workplace.

This year Fitzroy's Carborough Downs team claimed top spot winning Memorial Cup and were also awarded the Ramsey Wells Firefighting Shield and the George Carbine First Aid Excellence award.



Fitzroy have 53 Queensland Mines Rescue Service (QMRS) members and 4 Mine Inertisation Unit (MIU) team members across both Carborough Downs and Ironbark No.1 operations. Teams train every 2 months to maintain their proficiency.

In addition, Fitzroy also have a surface Emergency Response Team (ERT) made up of 35 members across the complex who train every month to further strengthen their skill set.

REPURPOSING

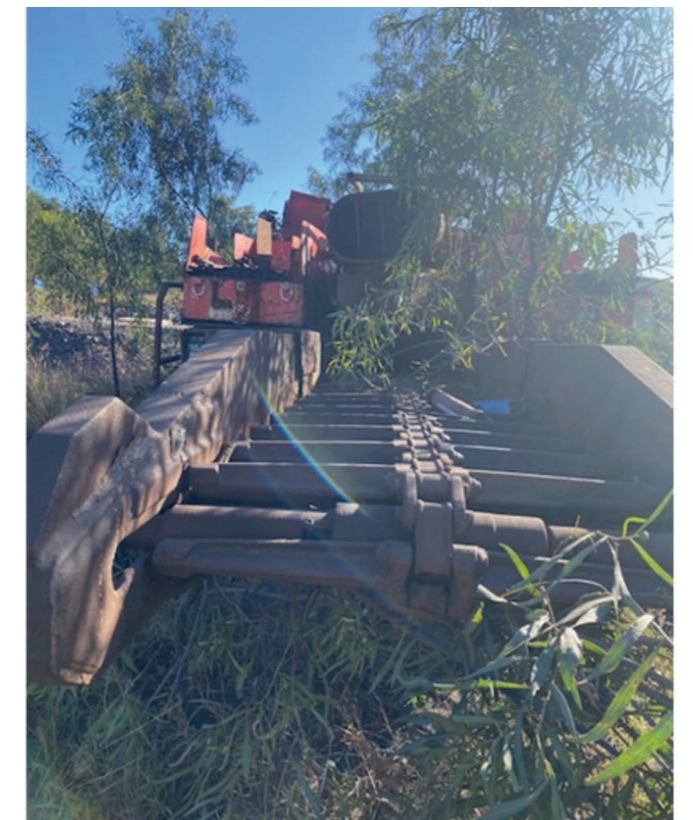
As an industry, mining is very capital intensive with large expenditures on equipment a key feature. In our underground operations we operate a 300m wide longwall machine supported by a large fleet of specialized mobile machines including continuous miners, roof bolters, road headers and shuttle cars. Each of these machines comprises a robust steel frame controlled through specialized, explosion protected electronic and hydraulic systems. The machines are expensive and are often imported from overseas suppliers.

Fitzroy takes a unique approach to equipment acquisitions and seek to source secondhand equipment that can be overhauled locally and put into service at a much lower cost. The machines we have acquired are originally constructed by reputable, industry recognised manufacturers and are fully overhauled to meet all of the stringent regulations applying to electrical equipment and underground

mining. This unique Fitzroy approach delivers on our core sustainability principles by:

- » recycling existing equipment and eliminating consumption of resources required for new construction;
- » creating employment opportunities for local business to undertake the overhaul work;
- » reducing cost and satisfying our requirement to be economically efficient.

The following photographs illustrate the repurposing of an older Joy 12CM12 Continuous Miner. The unit was purchased from another coal mine operator where it had been stored in their used/surplus equipment yard for several years. During the last year, this machine was fully overhauled by Fitzroy to an "as-new" condition, with all new electrics and hydraulics and control systems as well as replacement wear surfaces.





The refurbishment of this equipment generated four million dollars of work for the regional economy rather than importing a replacement machine from offshore.



The above photographs illustrate the repurposing of second hand drive units which are proposed to be used for the conveyor systems in the Ironbark No. 1 mine development. These units were used and surplus to another coal mine operator's business. Again, this approach by Fitzroy generated work for the local community and repurposed existing equipment rather than importing new items

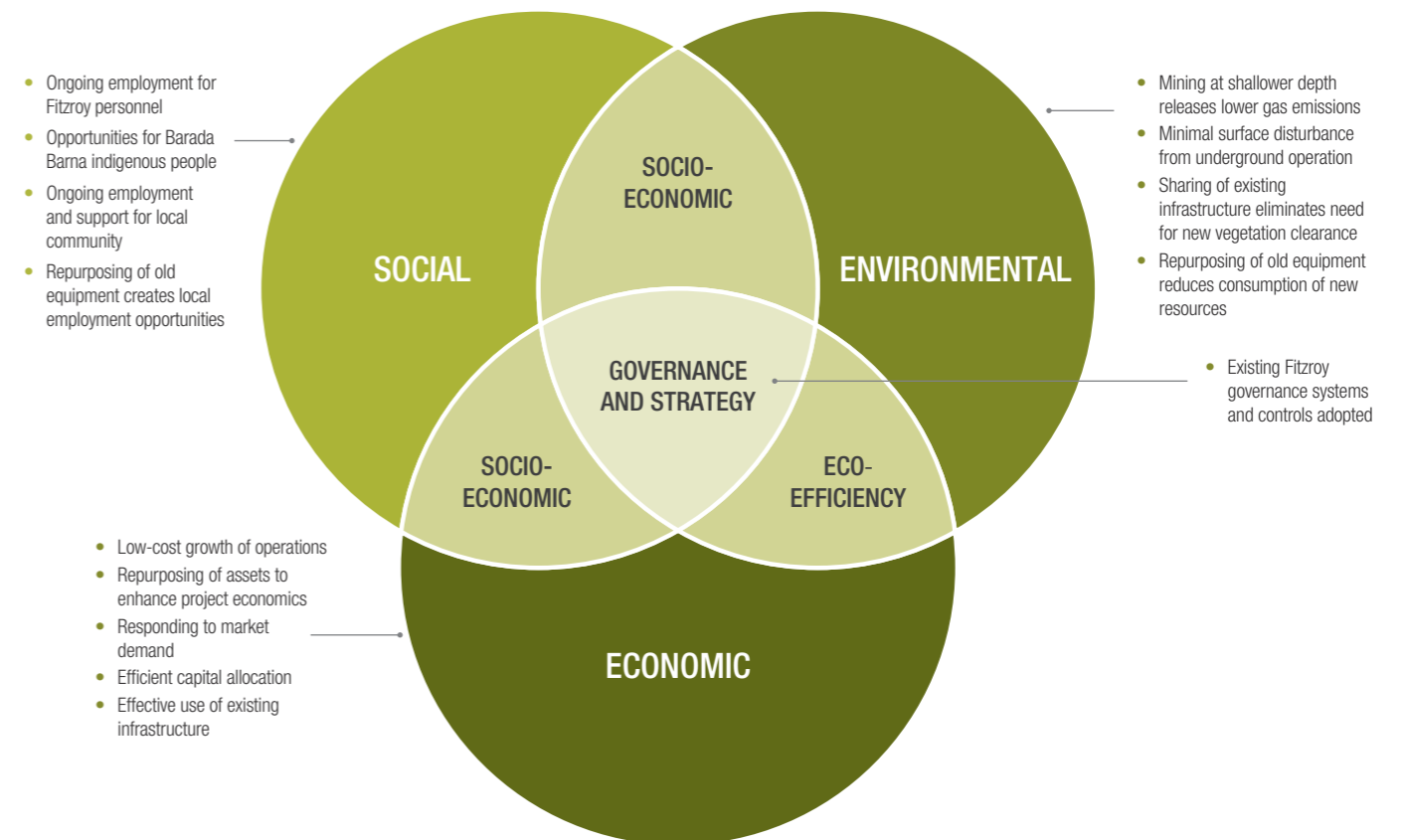
IRONBARK NO. 1 MINE DEVELOPMENT – AN EXAMPLE OF FITZROY SUSTAINABILITY PRINCIPLES

BACKGROUND

The Ironbark No. 1 deposit was identified by exploration over 20 years ago and has been the subject of several detailed studies. Under the stewardship of former owners, evaluations of geology, coal quality and potential development options were undertaken with capital expenditures estimated for the project construction which exceeded \$A800m in 2009. From 2009 through to 2013 an Environmental Impact Study was completed for the project and further exploration completed. The development of the project stalled when the former owners decided to exit their Australian assets

Ownership of the project transferred to Fitzroy in late 2016 and the project economics and development options were revisited. Fitzroy applied for and was granted the Environmental Authority and Mining Lease in late 2018.

A revised development strategy was adopted by Fitzroy in 2021 which delivers on all of Fitzroy Sustainability Principles. Innovation in project development methodology, infrastructure sharing, refurbishing and purposing of old equipment all contributed to an extremely cost effective project that delivers job security for employees, employment opportunities for the community, a low environmental impact, reduced greenhouse emissions and viable long term growth for the business.



IRONBARK NO. 1 MINE DEVELOPMENT – AN EXAMPLE OF FITZROY SUSTAINABILITY PRINCIPLES



OCTOBER 2022

Our Ironbark No.1 operation is progressing well. We now have a steady flow of coal production out of the mine and construction activities on our offices are on track.



FEBRUARY 2023

Our first member of the team has checked into the new Fitzroy Wing at Kerlong Village.

A big thanks to the Central Highland Mining Services team who worked through rain and heat to get our new wing across the line.



JUNE 2023

The underground driveage intersected the ventilation shaft which allowed the ventilation circuit to move from the Box cut portal fan to the Main Vent Shaft Fan. This was a key milestone for Ironbark No. 1 as this vent fan will supply the air for the initial 11 longwall blocks.



NOVEMBER 2022

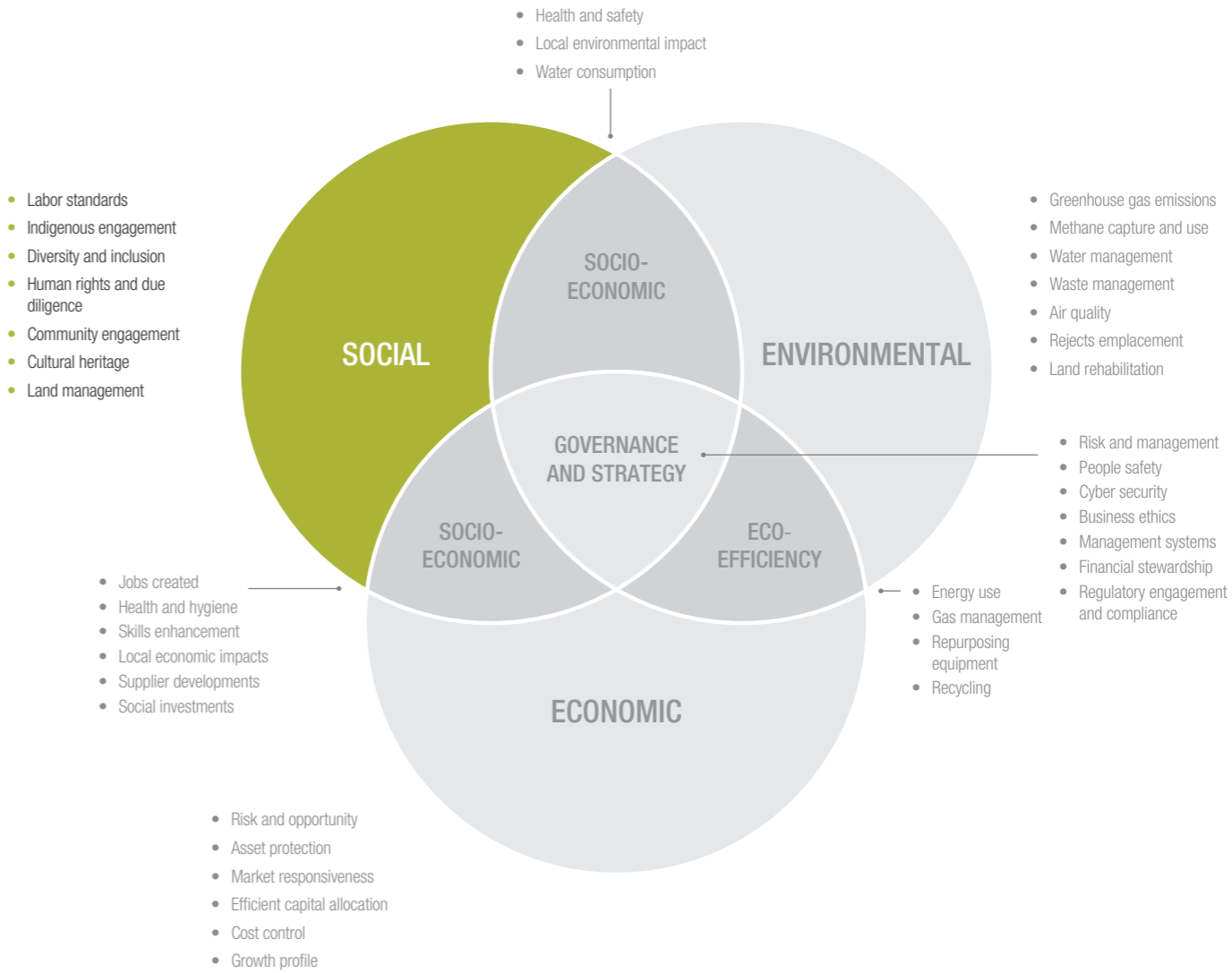
Another milestone for our Ironbark No.1 operation. Trucks are being loaded full of steelmaking coal before being washed at the Fitzroy Mining Operation's Coal Handling Preparation Plant. Our Coal will then be sent to Dalrymple Bay Coal Terminal for the first shipment to our valued customers around the world.



MARCH 2023

The team at Fitzroy's Ironbark No.1 operation continue to go from strength to strength. We now have 3 development units who are kicking goals underground and the surface infrastructure is expanding quickly!

SUSTAINABILITY PRINCIPLE 3
SOCIAL



Our social obligations extend to our workforce and their families, the community in which we operate, the Traditional Owners of our lands and the broader community that benefits from our economic contribution. We create employment and career opportunities, we care for the safety, health and hygiene of our people and we develop positive interactions with local landowners and communities.

SUSTAINABILITY PRINCIPLE
SOCIAL

INDIGENOUS – BARADA BARN

Fitzroy enjoys a constructive relationship with the Traditional Owners of the land upon which we operate, the Barada Barna people. Together with Barada Barna we have developed Cultural Heritage Management Plans (CHMPs) for the Carborough Downs, Broadlea and Ironbark No.1 projects. We recently engaged Barada Barna to conduct further cultural heritage surveys at our Carborough Downs,

Carborough Downs South, Broadlea and Ironbark No.1 projects and to provide cultural awareness training for the leadership team at our operational assets.

We recognise our legal obligations in respect of the Native Title and comply with all requirements in respect of the mining activities.

HEALTH AND SAFETY

The health and safety of employees, contractors and communities is in line with our values and critical for the sustainability of our business. Fitzroy is committed to preventing and ultimately eliminating all injuries and occupational illnesses in the workplace by improving how we operate in our current mining environment.

The company's aim is to continually build and instil both a company and industry culture that protects people from harm and improves their health and wellbeing.

Health and safety performance is one of the indicators that reflects the overall health of the business and is reflected in several lead and lag indicators which are tracked on a daily, weekly and monthly basis throughout our operations.

The Fitzroy Mining Operations (FMO) financial year 12MMA TRIFR for FY2022 was 10.07 in June and regressed slightly to 14.81 in June 2023 (per million workhours) at the time of this report. We were encouraged that the severity of injuries continued to decrease, with the majority as a result of environmental workplace hazards relating to material handling and access/egress events.

In 2023/24, Fitzroy will continue to focus on reducing our TRIFR but will also continue tracking the lead indicators, with a renewed focus incorporating Critical Control



Management (CCM) tracking until completion, with opportunities identified and opportunities corrected. The program to monitor critical-control management is to foster greater accountability to improve transparency on the deliverer of work executed to plan.

Fitzroy continues to respond to the mining High Reliability Organisations (HRO) research and adopted some of the principals, which have been integrated into the long term Health, Safety, Compliance and Training Strategy 2022 to 2025.

Fitzroy Principles (underpin Strategy)	Mindset
Capable People	Our people are important to us (fit for retirement)
Effective Systems	Systems support the organisation to control risks
Learning Culture	No news is bad news ALL news is good news
Governance	Cannot ignore failure – we respond to alarms and warning signs
Enablers	Digital medium supports real time monitoring of data which enables timely intervention

HYGIENE

To ensure the health of our workforce, our primary focus is to eliminate health hazards in the workplace. Where that is not possible, we aim to reduce hazards to levels as low as reasonably practicable.

Our main occupational health risks that we continue to proactively manage include potential excessive exposure to:

- » Inhalable hazards;
- » Noise;
- » Occupational carcinogens ;
- » Fatigue;
- » Work and non-work-related stress.

Fitzroy have ongoing initiatives to inform our employees and reinforce messages on managing the hazards that can affect their health.

Key focus areas continue to be:

- » Occupational hygiene by eliminating exposures to inhalable hazards and carcinogens, reducing exposure to noise;
- » Occupational medicine which includes looking after an individual holistically from pre-employment medical surveillance, risk-based occupational exposure surveillance through to managing post-incident medical care and rehabilitation.

Post covid, we have reintroduced the fit testing of dust masks for all coal mine workers and understand the importance to continue fit testing to ensure proper mask fit for those who need them the most. We have also introduced individual fit testing of hearing protection devices (HPD).

Getting the exposed worker into the right HPD and ensuring that they use the devices properly is essential to prevent hearing loss.

Education is ongoing to firstly prevent/decrease exposure and then if unable to remove personnel from the occupational hazard, ensure that the personal protective equipment (PPE) issued to the individual is correctly fitted at all times, hygiene practices observed and maintenance practices upheld.



INHALABLE HAZARDS



NOISE



OCCUPATIONAL CARCINOGENS



FATIGUE



WORK AND NON-WORK-RELATED STRESS

CASE STUDY INNOVATIONS

RAPID FACE BOLTER (RFB) FOR HIGH ROOF/CAVITY SUPPORT

Our innovation, the Rapid Face Bolter (RFB) for High Roof/Cavity Support, represents an improvement in safety and efficiency during the longwall bolt-up phase of mining operations. This innovative machine integrates state-of-the-art technology to provide swift and efficient roof bolting in both standard and high-roof conditions up to 5.2 meters.

The RFB's Temporary Roof Support (TRS) installation significantly enhances safety, proving highly effective in cavity and/or poor conditions. The system dramatically accelerates bolting cycles when cavities are present, eliminating the need for deploying Load-Haul-Dump (LHD) machines with QDS Man Baskets onto the face. Moreover, the RFB includes cable feeders for mega bolt installation, expediting bolt installation and minimizing physical strain on operators, thereby reducing the potential for strain injuries. This transformative solution is redefining the standards of mining safety and efficiency.

Safety Impact: Significantly enhances safety by offering rapid and effective roof support in high-roof environments, mitigating the risk of rock falls, and roof collapses. The RFB's design reduces exposure of workers to potentially hazardous environments, as it enables bolting in both standard and high-roof conditions up to 5.2 meters. Furthermore, the Temporary Roof Support (TRS) installation feature of the RFB improves safety by providing additional roof support, especially in cavity/poor conditions.

Beyond personal safety, the RFB contributes to overall operational safety. It eliminates the need to deploy Load-Haul-Dump (LHD) machines with QDS workbaskets onto the face, thus reducing potential machine-related accidents. Also, its state-of-the-art technology, including the Joy CFX Cable Feeders bolting system, helps maintain high safety standards during bolt installation.



Health Impact: Designed to minimize physical strain on operators, thereby reducing the potential for strain injuries. The automated nature of the RFB and its ergonomic design significantly reduce the physical demands of mining operations compared to traditional methods, leading to a healthier work environment.

Operational Impact: It is a game-changer when it comes to operational efficiency. Its ability to significantly accelerate the bolting cycle makes it much faster than traditional bolting methods. This increased speed, coupled with the RFB's efficient design that allows for quick bolt installation, results in overall operational efficiency improvement.

Production Impact: By increasing the speed of bolting cycles, the RFB boosts overall mining production. The reduction in setup time and the elimination of the need for additional equipment streamline the operation, resulting in more efficient use of resources. This improvement in efficiency directly translates into higher production rates, making the RFB a transformative solution in mining operations.

Cost Impact: There are considerable cost benefits to mining operations. Its speed and efficiency reduce operational time, which in turn lowers labour costs. Furthermore, by minimizing the use of additional machinery like LHD machines with QDS workbaskets, the RFB reduces equipment costs, including maintenance and repair expenses. Enhanced safety features of the RFB can lead to a decrease in potential costs associated with worker injuries and machine-related accidents. Thus, while the RFB represents an investment in advanced technology, it can lead to substantial cost savings in the long run.

DUST REDUCTION ON SHEARER

Ventilating air and water sprays remain the basis of dust control strategies for both longwall and continuous mining operations in the underground mining environment. The level of application for these controls continues to increase including new technologies that have the potential to further reduce dust levels.

Modifications to design of the shearer on the longwall include changes to the crescent sprays to control the dust such as:

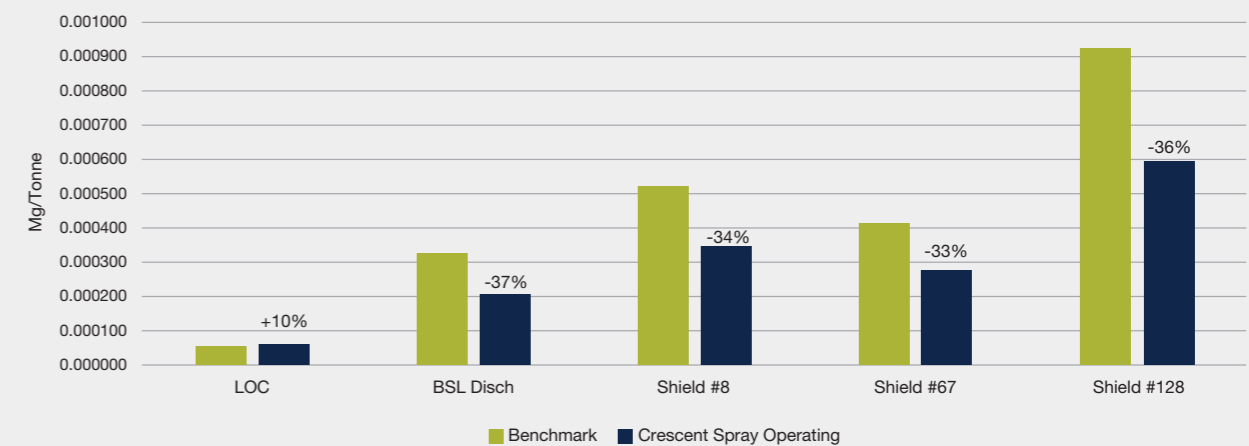
- Increase interface angle of sprays to approximately 150mm in front of drum to account for velocity rollback created by intake ventilation;
- Install articulation hinge on shearer arm to ensure crescent spray is pointing at the point of dust generation, i.e. when the cut coal hits the armoured face conveyor (AFC) and the ventilation takes it at 45 degrees across the breast tray in to the walkway;
- Include reverse flush sprays to minimise maintenance on sprays.



Photo: Modified crescent sprays on the shearer

These design adjustments have improved the effectiveness of the sprays to reduce the production of airborne dust contaminants emitted from the cutting of coal at the longwall. Elimination of this potential occupational hazard at the source contributes to our ongoing risk reduction strategies.

EFFICIENCY OF CRESCENT SPRAYS



LABOUR PRACTICES

The Fitzroy team is comprised of a mix of specialised blue collar underground and coal handling plant coal mine workers including electrical and mechanical trades, technical, functional and statutory positions.

With the ongoing growth of the business including the significant milestone of the commencement of production at the Ironbark No. 1 site, the Fitzroy team has continued to also grow and evolve. This growth has included an increase in the size of the permanent workforce from 495 employees to 586 permanent employees and the inclusion of a number of new subject matter experts and skilled functional leaders. These additional skill sets are supporting the development and maturity of the frameworks for the future Fitzroy.

Our team includes dedicated employees working in an open, inclusive and a supportive environment across the Fitzroy operations.

The Fitzroy workforce consists of both a growing permanent workforce alongside both contractor and contingent labour. This workforce mix provides the business with an opportunity to resource the operations in a flexible and cost effective manner.

The workforce makeup saw an increase in permanent employees to contractors with an additional 199 permanent employees over the course of the financial year. Of this increase, 128 coal mine worker positions are attributed to the bulk recruitment drives undertaken to boost the workforce prior to new operations coming online. An additional 71 permanent staff positions were employed.



Fitzroy monitors the labour performance of the business through key indicators including:

- » Absenteeism rates;
- » Employee turnover rates.

The business has experienced an incline in the total permanent workforce from April 2023 onwards in the FY 2023. With the increase in headcount, the increase in turnover was offset by the increased headcount of the workforce resulting in an average of 1.42% and an average of 8 employees per month. Whilst general coal mine worker turnover remains low and steady. Tight competition for technical, trade and statutory roles has contributed to an increase in turnover in these categories. Fitzroy has addressed this turnover with a range of strategies including development programs, opportunities for existing employees to step-up and a remuneration retention program.

WORKFORCE SKILLS DEVELOPMENT

Fitzroy's people are our greatest asset, and we pride ourselves on attracting and retaining talent. At Fitzroy, we fundamentally believe that the success of our business is driven by the team. This is reflected in the Fitzroy culture and is mirrored in employee's length of service. As of 2023, 18% of Fitzroy employees have completed over 10 years of service.

We pride ourselves on developing our skills by regularly providing opportunities to participate in high quality training programs and facilitating study assistance programs to upskill our workforce. Fitzroy has a commitment to succession planning and providing opportunities for development and advancement to the workforce.

ERZ DEVELOPMENT PROGRAM (CERT IV IN COAL MINING)

With increasing pressure on the resourcing of statutory positions, Fitzroy offered an opportunity to 5 selected coal mine workers to participate in the Fitzroy ERZ Development Program. The program is fundamental in providing a pipeline of skilled statutory leaders who will support both the future growth of the organisation and statutory compliance for efficient mine operations.

FACEBOSS (A STEP TOWARD ERZ)

In addition to the ERZ Development Program, the Carborough Downs site has implemented a newly recognised semi-leadership position, Face Boss. Appointment to the position of Face Boss requires the relevant coal mine worker to hold an S1,2,3 and to be statutorily appointed by the Site Senior Executive as a Supervisor. This important position provides the incumbent with the opportunity to lead their crew and to hone their skills. The Face Boss is a succession planning role for future ERZs and will be the priority pool for the next ERZ Development Program.

MATURE AGE APPRENTICESHIP PROGRAM

In response to the ongoing skilled trade labour shortage across the resource industry, Fitzroy has implemented a Mature Age Apprentice Program that commenced in January 2023. The program offered existing Fitzroy employees an opportunity to complete either a mechanical or electrical mature age apprenticeship. Committed to 'growing our own' skilled workforce, the program includes nine employees- five mechanical and four electrical.



VACATION STUDENT PROGRAM



The Fitzroy Undergraduate Summer Program continued in FY 2023 with five students joining Carborough Downs Coal Mine. The program was initiated with the intent to provide students the opportunity for industry experience. Four engineering students and one Human Resources student participated in a twelve weeks placement. This provided each student with exposure to mining operations, networking opportunities, relevant professional training and coaching through a buddy system.

The program's objective was to provide university students with a deep practical understanding of the underground coal

mining environment and exposure to the three production methods utilised in Queensland underground coal.

The 2022 program had recognized one student with aptitude to take on additional site work during additional vacation periods throughout the university calendar year. Studying a Bachelor of Engineer, majoring in Mechanical and Biomechanical science, this student has since returned to help the Ironbark No.1 team and was recently appointed as a permanent employee in the Maintenance and Engineering team.

WORKFORCE DIVERSITY

Fitzroy prioritises diversity and inclusion as a core component to a successful and resilient business of the future. At Fitzroy we foster an open and caring culture, which respects people's differences and where every member of the team is empowered to be themselves in the workplace. Key metrics relevant to workforce diversity are presented below, including:

- » Workforce age composition;
- » Employee gender diversity;
- » Women in Leadership Roles;
- » Women in Non-Traditional Roles.

Workforce age composition has seen a shift from FY2022 when compared to the previous financial year, with a rise in both the 20-29 and 30-39 age demographics and a decrease in the 40-49, 50-59 and 60+ age brackets all saw a decrease.

As of July 2023, women comprised approximately 7.0% of the Fitzroy workforce, a slight increase from previous reporting (FY 2022) period of 5.9%. Fitzroy's female workforce has representation in both surface and underground, from the Executive Leadership, Management, Superintendents through to underground coal mine workers.

As at June 2023 female representation in Fitzroy head office roles was 44%. Fitzroy's workforce depicts female representation from Executive Leadership Team to Senior Leadership Team and each level down through to the underground workforce.

TRANSITION TO IRONBARK NO.1

With additional Fitzroy projects coming online, including Ironbark No.1 and Broadlea Open Cut recommencing operations, FY 2023 has included the ongoing transition of significant parts of the the workforce to Ironbark No 1. A measured approach to manning Ironbark has been taken, with people resourcing increasing as Ironbark transitions from a project to an operation.



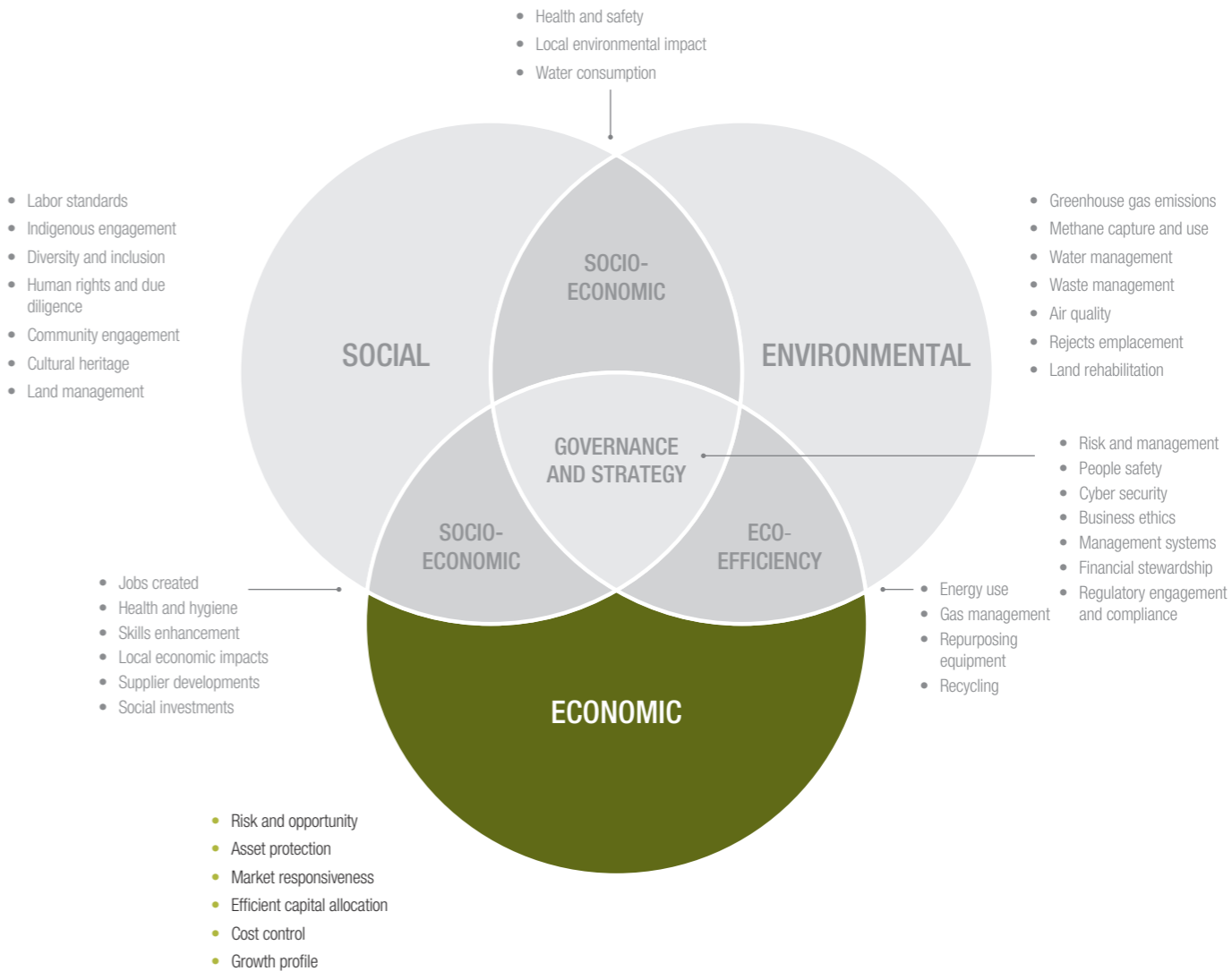
Fitzroy champions opportunity and diversity within the workplace. Female representation within the Fitzroy workforce is evident from the Executive Leadership Team to the Senior Leadership Team, to staff and trade positions.

Representation for females in the workforce extends to managerial and leadership roles. The Executive Leadership Team comprises of two female members, four female members of the Senior Leadership team and five female superintendents on site.

Bringing women into non-traditional roles strengthens workplace culture, reinforcing the commitment Fitzroy takes to inclusion and opportunity.

This representation extends to Women in Non-Traditional roles on site. Roles typically considered "male roles" occupied by females include Experienced Electrical Tradesperson, Technical Services Superintendent and Technical Services Manager, Maintenance Planners, Senior Geologist.

**SUSTAINABILITY PRINCIPLE 4
ECONOMIC**



**SUSTAINABILITY PRINCIPLE
ECONOMIC**

Fundamental to a sustainable business is the need to be economically viable. Viability requires us to manage our operations efficiently, maintain our social and regulatory licensing – and ensure that there is a foreseeable market for our products. We understand the global push to reduce emissions and the drive to eliminate fossil fuels. However, at the present time there is no large-scale alternative to steel making coal in the steelmaking process.

In 2021 global crude steel production was 1950 million tonnes. While the annual demand for steel will vary from year to year in response to economic and other impacts (such as the war in Ukraine), it is expected that for the foreseeable future demand will continue to increase as developing nations increase their per capita steel consumption.

In order to produce steel, there are two main processing routes. The blast furnace-basic oxygen furnace (BF-BOF), and the electric arc furnace (EAF). The largest of these, the (BF-BOF) route, produces 71% of global crude steel, and relies on steelmaking coal as its fundamental raw material. To produce 1 tonne of crude steel by BF-BOF, the processing route requires 780-800kg of steelmaking coal. The global demand for steelmaking coal therefore amounts to approx. 1.1 billion tonnes per annum.

The Australian Department of Industry, Science and Resources published their Resources and Energy quarterly March 2023 Report and noted...

“Global steel demand is projected to grow 1.5% annually over the outlook period. Growth is expected to be highest in regions such as South and South East Asia (particularly India), the Middle East, and North America (particularly the US and Mexico).

Construction — representing about 50% of world steel demand — is expected to see solid growth over the outlook period. This will be spurred by considerable levels of infrastructure investment pledged across many major nations in the last few years. This includes the US\$1.2 trillion Bipartisan Infrastructure Framework, as well as India’s US\$1.3 trillion National Infrastructure Pipeline to 2025”.

The report went on to note...

“Global steel production is forecast to grow by around 1.6% annually to 2028. This includes around 140 million tonnes from new capacity — either underway or planned over the next couple of years — with large-capacity projects slated for Asia, North America, Europe and the Middle East. By process, Blast Furnace-Basic Oxygen Furnace steelmaking (favouring iron ore and metallurgical coal as inputs) is expected to make up around 58% of new global supply, and more than 85% of new capacity in Asia over the next few years”.

The above implies that 65 million tonnes of new steelmaking coal production will need to be brought online during this period – and this is only until 2028.

The European Union in 2014 recognised the risks associated with demand and supply of steelmaking coal by placing

it on the EU’s critical minerals list. This is a list of minerals essential for the advancement of many sectors in society, including high tech electronics, telecommunications, transport and defence. It has been argued by many global commodity experts that the USA and Australia’s critical minerals lists should also include steelmaking coal. It is particularly relevant, and now widely recognised, that the global policy setting framework to decarbonising society is entirely dependant upon steel as a basic building block for that goal’s achievement.

Global steel manufacturing company ArcelorMittal has stated that each new MW of solar power requires 35-45 tonnes of steel, whilst each new MW of unit power requires 120-180 tonnes of steel. Individually, each new wind turbine requires approximately 280 tonnes of steel, according to the World Steel Association. Steel, in this regard, is critical to the energy transition that has become the basis of the global energy policy framework. Steel is equally an essential material in the manufacturing of generators and motors for all electric vehicles, and automotive manufacturers have equally reverted back to relying on steel as the basis of light weight, safe, low-cost bodies for electric vehicles, as well as for the battery protection systems. The World Steel Association has estimated that each electrical vehicle requires 900kg of steel, and steelmaking coal specifically, underpin the future of global society’s push to a more sustainable future. It is essential to the modern society’s standard of living and the sustainability of that standard of living.

Globally, steelmaking coal is not abundantly found in most geological settings or coal basins. When it is located, it is not abundantly available in economically mineable reserves. Its unique characteristics make economically viable reserves of steelmaking coal difficult to access. Increasingly also, environmental and other regulatory approvals are becoming very difficult to secure for fossil fuel developers and coal project proposals in particular. Various developed countries are actively considering a “ban” on all new coal mine developments and mining proposals.

In this context, with a globally increasing demand for steelmaking coal, and a globally constrained supply dynamic, it is almost certain that prevailing prices well into the future are likely to be greater than historic averages.

TENEMENT PORTFOLIO

Fitzroy has established a portfolio of highly prospective tenements, centrally located in the world-renowned central Bowen Basin, the world’s premier steelmaking coal basin. The regionally significant tenement package totals ~95,000hectares and consists of a combination of Mining Leases, Mineral Development Licences and Exploration Permits for Coal with resources in both the Rangal Measures and Moranbah Measures. All tenements are in good standing with rehabilitation and exploration expenditure obligations managed and maintained in line with relevant legislation.

Fitzroy’s tenements are positioned within close proximity to Queensland’s world class, low cost supply chain. The Fitzroy operations utilise the Goonyella rail system to transport coal approximately 160km to the Port of Hay Point, approximately 30km south of Mackay, where the steelmaking coal products are exported through the Dalrymple Bay Coal Terminal to a range of global customers. The infrastructure network is highly regulated, is well maintained, and is utilised by some of the world’s premier mining companies and operated in line with social and regulatory expectations.

Fitzroy seeks to maximise the utilisation of its key infrastructure by employing a “CHPP Hub” strategy. Run of mine coal production is transported to a centrally located Coal Handling and Preparation Plant (CHPP) and train loadout facility, enabling Fitzroy to minimise its operating footprint and maximise asset utilisation.

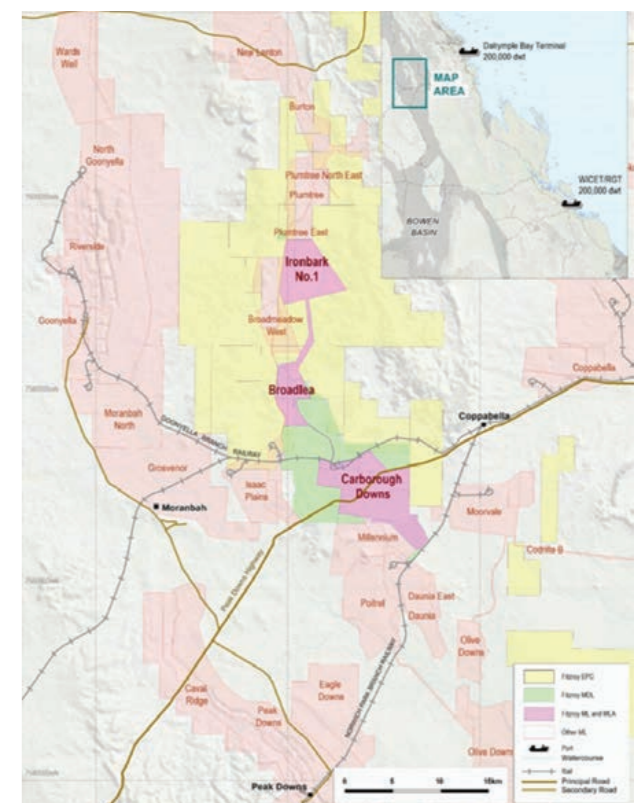
Fitzroy’s centrally located asset base and tenement package, its strong local presence and access to global capital markets provides a unique platform for us to pursue growth opportunities, either via development of its own internal projects or selective merger and acquisition activity.

In terms of obligations, the Fitzroy Tenement Management Plan (TMP) has been introduced to effectively control and manage the activities associated with the management of tenements and ensure we comply with tenement obligations as required by the Mineral Resources Act 1989.

The Tenement Management Plan defines how tenement related tasks and obligations are tracked and actioned to safeguard against loss of tenure, fines and native title issues.

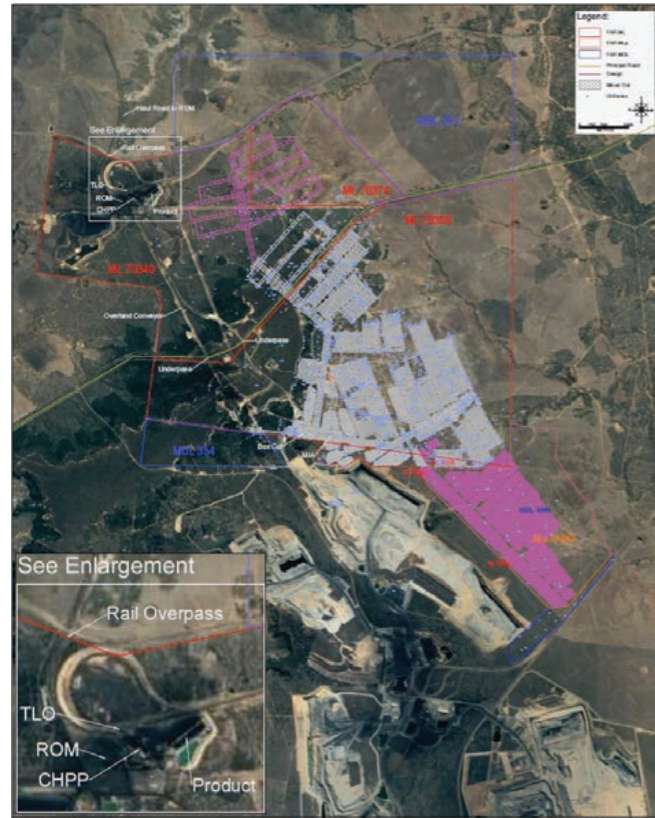
A summary of Fitzroy’s current tenements is set out to the right.

	Licence Number	Area (ha)
Mining Lease (ML)	ML 70338	245
	ML 70339	2,657
	ML 70340	1,754
	ML 70345	1,385
	ML 70374	470
	ML 70375	100
	ML 700024	3,379
	ML 70482	5
	ML 70484	2
	MLa 700067*	706
Mineral Development Licence (MDL)	MDL 354	1,575
	MDL 359	5,614
	MDL 384	77
	MDL 3046	76
Exploration Permit Coal (EPC)	EPC 667	10,802
	EPC 675	3,495
	EPC 719	1,907
	EPC 722	29,259
	EPC 858	4,132
	EPC 951	15,912
	EPC 952	7,931
	EPC 1036	1,272
	EPC 1052	1,589
	EPC1146	3,810



CORNERSTONE OPERATIONS AND PROJECTS

CARBOROUGH DOWNS UNDERGROUND MINE



LOCATION

Centrally located in the heart of the Bowen Basin, 30 km from Moranbah. Accessed via the Peak Downs Highway



STATUS

Fully permitted and operating
Longwall 3.5 -4.5Mt pa ROM Coal
Bord and Pillar 2.0-2.5Mt pa ROM Coal



EXPLORATION

Extensive exploration underpins JORC compliant reserves of 42.7Mt and Resources of 284.0Mt. Database includes 3D seismic interpretation over the entire life of mine plan area. Mining to date has only been within the Leichardt coal seam . The entire ML area is fully permitted to mine the Vermont seam throughout, which underlies the Leichardt seam 40-60m . Mining of the Vermont coal seam would extend the mine life by another 15-20 years after the Leichardt seam has been mined out.



MINING METHODS

Underground longwall until the end of 2023, whereafter the longwall relocates to Ironbark. Mining of Vermont seam will be by Bord and Pillar & Longwall Mining Methods. Bord and Pillar (3 units) for 8-10 years. Longwall recommences in the 2030's for a further 5-8 years.



PRODUCT

100% steelmaking coal (80% HCC: 20% PCI)
Well established products with geographical distribution and wide acceptance.



LOGISTICS

ROM coal overland conveyor to CHPP Hub.
Product coal railed via Goonyella Branch Railway and exported via DBCT.

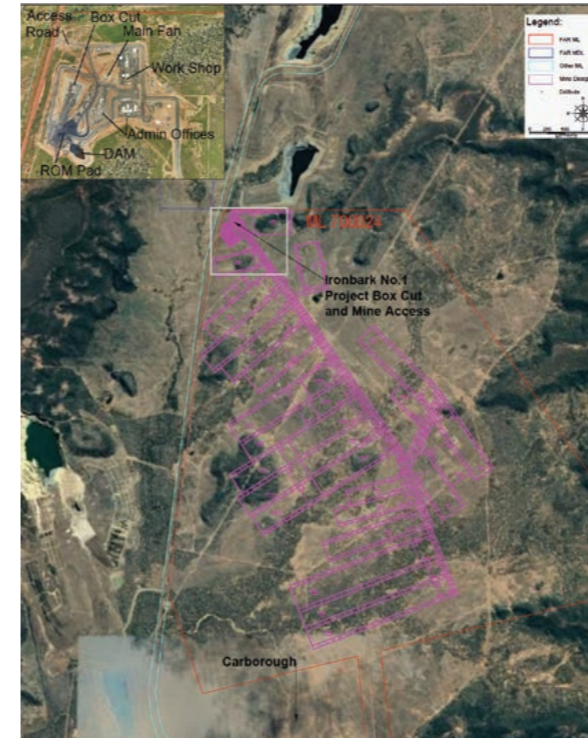


HUMAN RESOURCES

Majority of the workforce live in the greater Mackay Region. Shared human resources with Ironbark No.1.
All EBAs current.

CORNERSTONE OPERATIONS AND PROJECTS

IRONBARK NO. 1 UNDERGROUND MINE



LOCATION

~28km north of Carborough Downs CHPP. Heavy vehicle access via existing Broadlea Mine Road (and existing third party haul road)



STATUS

Fully permitted and in operation. First coal mined in August 2022.
Longwall 4-5Mt pa ROM Coal



EXPLORATION

Extensive exploration underpins JORC compliant reserves of 48.3Mt and resources of 361.5Mt. The geological database includes 3D seismic coverage over the entire LOM plan area. Mine planning to date has only considered the Leichardt coal seam. The entire ML area is fully permitted to mine the Vermont seam throughout, which underlies the Leichardt seam by approx. 40-60m. Mining of the Vermont coal seam will extend the mine life by another 15-20 years after the Leichardt seam has been mined out.



MINING METHODS

Underground longwall and continuous miner development units. Longwall commences early 2024 until the mid 2030's when it relocates back to Carborough Downs. Mining of the Vermont seam would be by Bord & Pillar and Longwall mining methods.



PRODUCT

100% steelmaking coal with the same specifications as Carborough Downs. Products to serviced well established markets with good customer acceptance and geographical spread



LOGISTICS

ROM coal will be trucked to existing CHPP Hub.
Product coal railed via Goonyella Branch Railway and exported via DBCT.

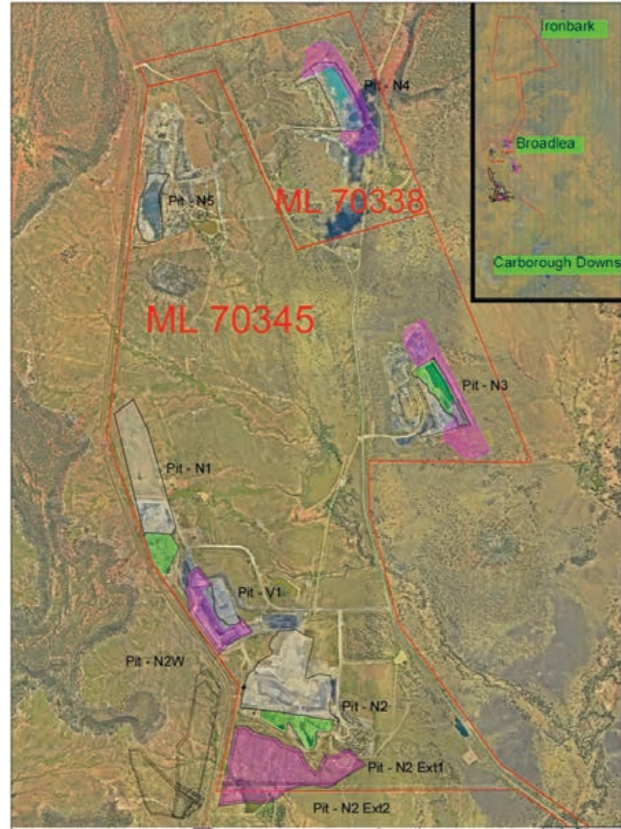


HUMAN RESOURCES

Shared human resources with Carborough Downs for support functions. Common EBA as Carborough Downs.

CORNERSTONE OPERATIONS AND PROJECTS

BROADLEA OPEN CUT MINE



LOCATION

~9km north west of Carborough Downs CHPP. Heavy vehicle access via existing Broadlea Mine Road



STATUS

Fully permitted and operating
1.9Mt pa ROM Coal (current limit of annual ROM coal mining rate)



EXPLORATION

Within the existing fully permitted area are 33Mt of reserves and 219Mt resources. Extensive exploration underpins further expansion opportunities, both within and outside of permitted MLs.



MINING METHODS

Truck excavator operator with a dragline to be introduced in 2024 delivering a life extension of 10+ years.



PRODUCT

Approximately 45% metallurgical coal (45% SHCC:55% TH).



LOGISTICS

ROM coal truck hauled to CHPP Hub. Product coal railed via Goonyella Branch Railway and exported via DBCT.

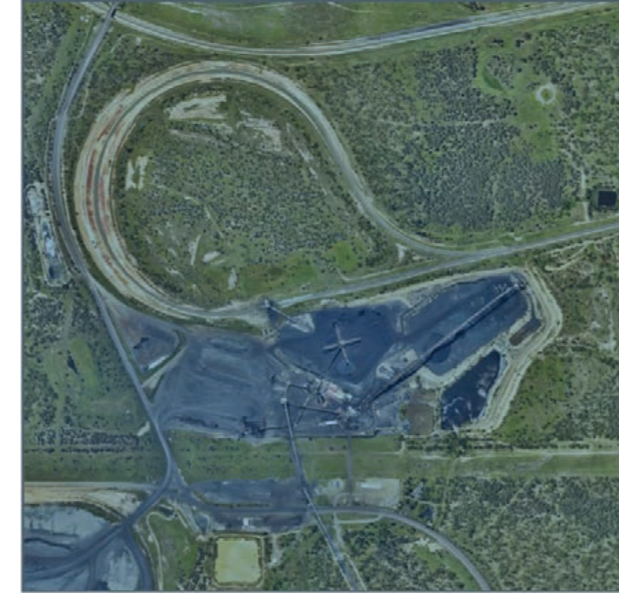


HUMAN RESOURCES

Mix of owner operator and contract operation.

CORNERSTONE OPERATIONS AND PROJECTS

CHPP HUB



LOCATION

Centrally south within Fitzroy tenements between Carborough Downs (to the south) and Ironbark No.1. Located adjacent to Goonyella main rail line. Broadlea mines (to the North). Rail loadout 160km by rail to DBCT port at Mackay.



STATUS

Fully permitted and operating



CAPACITY

7 – 7.5Mt pa ROM Coal
Comprises 2x nominal 500tph CHPP Modules (stand alone)
Greater than 1Mt ROM coal stockpile
750Kt product stockpile site, able to blend from multiple coal value locations.



PROCESSING CIRCUITS

Multiple product CHPP modules separated by size and density to multiple coal product specs.
Primary and secondary Dense Media Cyclones with spirals and TBS circuits and Jamieson cell allow ultrafine coal recovery.
Rejects drying circuits with rejects disposal to Dry Rejects Emplacement Area (DREA).
No tailing dam, nor tailings storage liabilities.

DRY REJECTS EMPLACEMENT AREA



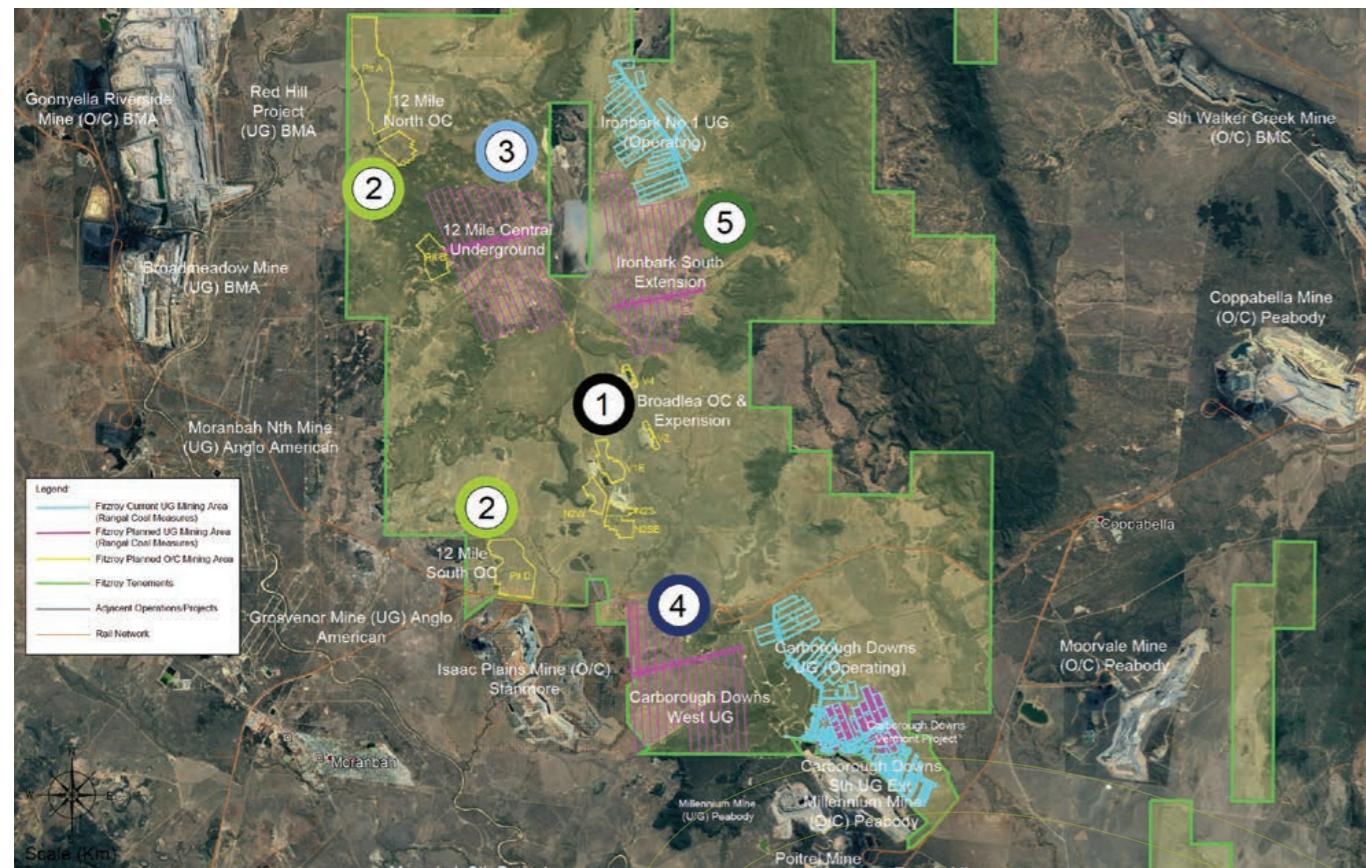
Note – no tailings dam onsite, all rejects material placed in Dry Rejects Emplacement Area.

FUTURE OPPORTUNITIES AND GROWTH

With approximately 95,000 hectares of tenements Fitzroy's portfolio represents a regionally significantly position in the centrally located Bowen Basin. Fitzroy's asset base and tenement package, together with its access to global capital markets provides a unique platform for us to pursue growth opportunities.

Asset	Broadlea	12 Mile	12 Mile Underground	Carborough West	Ironbark South
Rank	1	2	3	4	5
Status	ML	EPC	EPC	MDL	EPC
Type	OC	OC	UG	UG	UG
Method	T&S, DL	DL, T&S	LW	LW	LW
Mine Life	>10 years	>20 years	16 years	26 years	18 years
Resources	219Mt	>100Mt	>200Mt	>50Mt	>100Mt
Existing CHPP/TLO	Yes	Yes, subject to timing	Yes, subject to timing	Yes, subject to timing	Yes, subject to timing
Potential Coal Type	HCC	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	SHCC	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	PCI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Thermal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Rangal Measures	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Moranbah Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

T&S - Truck and Shovel LW - Longwall B&P - Bord and Pillar



MARKET ASSESSMENT AND REVENUE CERTAINTY

To ensure a long-life sustainable business, Fitzroy needs to ensure an ongoing and economically viable market for its products. It is acknowledged that the market for coal products face headwinds from the concerns about climate change and the global transition to a lower emission economy. These challenges cannot be ignored and are a key focus for the Board and senior management. Fortunately, Fitzroy has resources of good quality steel making coals which are low in impurities and are sought after by the global steel industry.

Longevity of the Fitzroy operations depends upon the future demands for steel in the global economy, and the development of alternative production techniques that would replace steelmaking coal. Analysis of historical steel consumption throughout the world shows that as the level of economic development of a country grows, so too does the level of steel intensity or the per capita consumption.

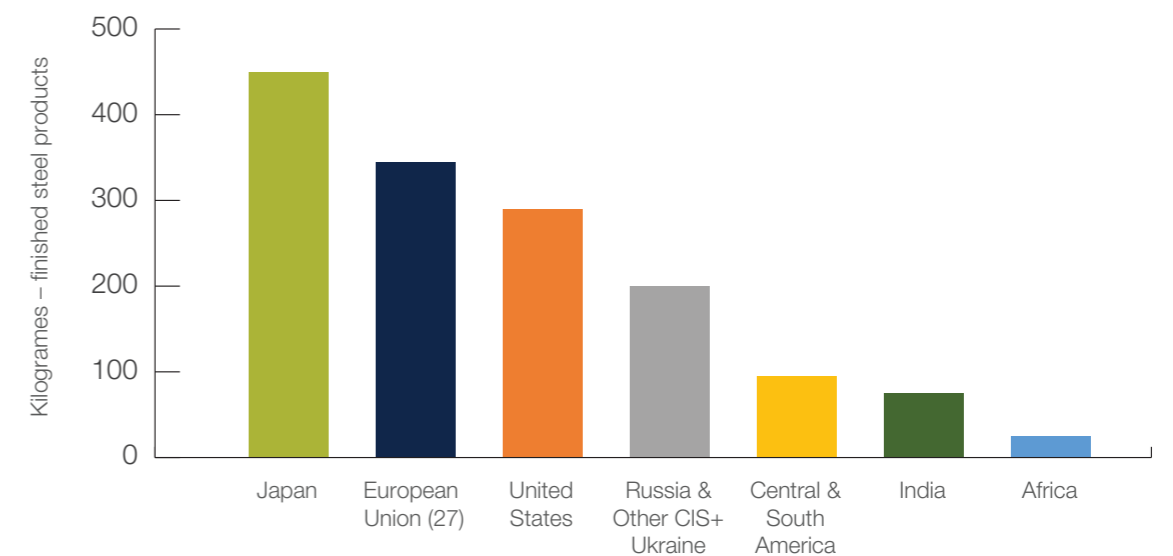
The chart below illustrates per capita steel consumption during 2021 which was sourced from the World Steel Association. Developed nations such as the EU, USA and Japan consume 250 – 500kg per capita per annum. In contrast consumption in developing countries and regions

is significantly lower at 95kg/capita in Central and Southern America, 27kg/capita for Africa and 76kg/capita in India with demand for steel rapidly increasing in these countries and regions. Lifting the standard of living for people in these countries and regions will require ongoing significant steel consumption and support or increase existing global production levels.

The Australian Department of Industry, Science, Energy and Resources projects Australia to be sustained for the foreseeable future at 170-175M tonnes per annum dependent on production levels which can be adversely affected by seasonal rains and weather conditions. In relation to the sustainability of this market, whilst demand appears to be stable or growing, future supply sources are limited. Existing high-quality resources of export steelmaking coals from Canada, USA and Australia are being consumed and it is increasingly difficult to locate or secure mining approvals for replacement supply.

Fitzroy believes that the fundamental criteria for a sustainable market for our coals exist and will underpin the growth and longevity of the Fitzroy business.

Steel Use per Capita 2021





Level 20, 324 Queen Street
Brisbane, QLD 4000

GPO Box 1424, Brisbane 4000

www.fitzroyoz.com.au