

13 June 2019

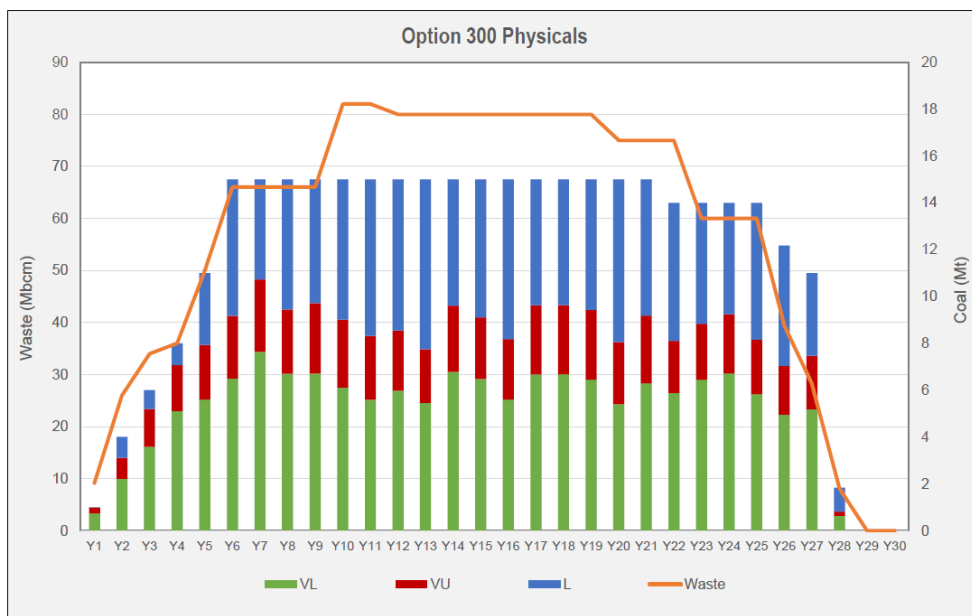
Mining and Petroleum Operations  
 Department of Natural Resources and Mines  
 Building E, 25 Yeppoon Road, Parkhurst QLD 4702

**RE: Whitehaven WS Pty Ltd (ACN 625 165 004) – Winchester South Mining Lease Applications - Statement Justifying Length of the Term**

The Winchester South Mining Lease Applications seek a term of 35 years. This 35 year term is more than adequately supported by the JORC Coal Resource, with the Winchester South Project having a JORC Coal Resources total 530Mt, comprising 130Mt in the Measured Category, 300Mt in the Indicated Category and 100Mt in the Inferred Category.

RPM Advisory Services Pty Ltd (RPM) has been engaged to complete conceptual mine planning and design. This work includes a life of mine plan (LOM) which covers the term of the Winchester Mining Lease Application. Given the relatively shallow depth of cover of the Rangal and Fort Cooper coal measures at Winchester South and the low ROM stripping ratios, RPM assumed open cut mining methods for the project. Design parameters also include a maximum production rate of 15Mt/pta Run of Mine (ROM) Coal.

As a result, a 35 year term (allowing 5 years for final rehabilitation and closure) is a conservative term for the Mining Lease Applications. If maximum production cannot be reached or sustained, an additional term would be required in order to complete mining economic coal. This can be seen from RPM's mine quantity schedule summary, which is extracted below, reflecting 15Mt/pta extraction from the Vermont Lower (VL), Vermont Upper (VU) and Leichardt (L) seams.



The mine planning study included the following tasks:

- practical pit shell design based upon defined geotechnical parameters;
- establishing a project description (i.e. locations of MIA, CHPP, dumps, roads etc.);

- running strategic scheduling options analysing a number of mining developments, assessing resulting production quantities;
- estimating capital and operating costs for open cut mining; and
- analysing the underlying economics of the Winchester South Project.

RPM recommended the following mining methods and equipment types for Winchester South:

- Topsoil: free dig with scrapers or push up with dozers; rehandle with FEL and trucks;
- Weathered material: free dig with hydraulic excavators in shovel or backhoe model;
- Bulk waste: blast, then excavate with hydraulic excavators in face shovel mode; haul with rear dump trucks to dump;
- Selective waste: rip or blast then excavate with hydraulic excavators in backhoe mode or FEL; haul with rear dump trucks to dump;
- Bulk coal: rip and then excavate with hydraulic excavators in backhoe mode; haul with rear dump trucks to ROM stockpile;
- Selective coal: rip then excavate with hydraulic excavators in backhoe mode or FEL; haul with rear dump trucks to ROM stockpile;
- CHPP coarse rejects haulage: rear dump mine trucks loaded from overhead bin and hauled to dump; and
- Product coal: reclaim from product stockpile via underground bunker and convey to rail load out bin.

The selected approach is a conventional method centring around hydraulic excavators loading waste and coal into rear dump trucks. Waste trucks will haul direct to dump while coal trucks will haul to the ROM hopper or ROM pad adjacent to the CHPP.

The activities proposed to be carried out during the proposed 35 year term of the Mining Lease are listed in **Table 1 – Project Activities**

Area	Activity	Timeframe
Site Set Up	Establish mine access	Year 1
	Rail Loop	Year 1 – Year 2
	CHPP	Year 1 – Year 2
	ROM/Product Stockpiles	Year 1
	Mining	Boxcut Establishment
	Main Coal Production	Year 4 – Year 30
Closure	Final Site Rehabilitation	Year 30 – Year 35

As shown by the above information Winchester South’s significant JORC Coal Resources and also RPM’s pre-feasibility study adequately support the application for a 35 year term for the Winchester South Mining Lease Applications. A reduced term would represent a project risk as it would generate uncertainty over the holder's right to mine the entire economic resource. It may drive the consideration of more rapid and less optimal extraction scenarios, and may affect project valuation calculations.

In the circumstances, it is considered appropriate that the mining leases be granted for a minimum term of 35 years.

Yours Sincerely,



Todd Harrington

Project Director, Whitehaven Coal Limited

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