Whitehaven

Statement Justifying Permit Area and Shape

Daunia West

Mining Lease Application

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1. Justification of Permit Area and Shape

The proposed area of the Mining Lease is required to support the development and operation of an Out of Pit Dump (OOPD), which will be critical to facilitate ongoing mining operations at the Daunia Mine.

The Mining Lease Application area has been designed to balance the following key considerations, which have been explained in further detail below:

- The current operational footprint of mining operations at the Daunia Mine and extent of resources in the area.
- The extent and location of existing within the existing tenement boundaries and proposed infrastructure to be located within the proposed Mining Lease.
- The location of environmentally sensitive areas relative to the proposed infrastructure for which the Mining Lease is sought.
- Land tenure boundaries, including existing resource authorities and also underlying land ownership.

1.1. Operational Context

The applicant owns and operates the Daunia Mine, located approximately 25 kilometres (km) southeast of Moranbah in Central Queensland, on ML 1781, ML 70115 and ML 70116 and operating under Environmental Authority (EA) EPML00561913.

The Daunia Mine is an open-cut mining operation that utilises a truck and shovel fleet, producing a hard coking coal product for the export market. It produces up to 6.1 million tonnes per annum (Mtpa) of Run-of-Mine (ROM) coal and has a production capacity of 4.9 Mtpa of product metallurgical coal. The DNM is approved for a 30-year mine plan covering defined multi-seam extents commencing in 2013 and scheduled to end in FY2041.

Across the deposit at Daunia Mine, the depth to the top of the Leichhardt coal seam varies between about 40 m and 80 m. Interburden between the Leichhardt and Upper Vermont seams result in a maximum pit depth of approximately 120 m to access the Upper Vermont seam, which is the limit of economic coal. The overall average stripping ratio of overburden (bcm) to ROM coal is 7 to 1. In-situ overburden densities average 2.3 t/bcm but vary with material type.

Mining at Daunia Mine commenced in the northeastern part of the deposit to establish the initial box cut before advancing to the north along strike and down dip, taking the blocks of coal on the eastern limit of the deposit. Once mining progressed to the northern extent of the deposit, the mining face was moved to the west and then south along the western limit of the deposit. From about year 10 to year 15, mining will occur as a 2-pit operation. The second pit enables the removal of coal along the western limit of the deposit.

By about the end of year 15, mining will have reached the economic limits of a truck and excavator fleet in the northern part of the deposit. At that point, mining returns to the eastern limit of the deposit, with a new box cut to the south-west of the eastern OOPD spoil dump. Mining then progresses into the southernmost economic limits of the deposit. Figure 1 shows the life of mine sequence relative to the Mining Lease Application area.

The area and shape of the Mining Lease Application provides sufficient area for operation of the proposed OOPD relative to existing operations, without sterilising coal resources in the area.

1.2. Infrastructure Footprint

The Pandora resource is located within ML1781 at the southern extent of the ML. The proximity of this resource to the ML boundary, along with limited available space within the existing MLs, necessitates the development of supporting infrastructure outside the current MLs.

Following extensive mine planning and associated studies, the applicant is proposing the construction and operation of an OOPD to the west of, and adjacent to, ML 1781. The proposed OOPD comprising 363 ha and a maximum height of 250 m AHD will provide a dedicated area for the overburden material to accommodate the open-cut mining in Pandora Pit, in line with the proposed 6.5 Mtpa ROM production capacity. There is currently insufficient existing short haul dump capacity at Daunia Mine to efficiently manage this volume of waste rock, without the coal extraction being significantly constrained.

The location provides shorter haulage distance from the mining areas compared to a previously proposed OOPD locations. Additionally, minimising the haulage distance will reduce the consumption of diesel fuel and thereby greenhouse gas emissions from haul trucks. The shorter haul distances will also reduce the duration of trucking onsite which will reduce the overall dust and noise emissions along the haul routes.

1.3. Environmental and Land Use Considerations

The area has been selected to avoid sensitive ecological areas, including koala and greater glider habitats, and is designed to integrate with the final landform and rehabilitation strategy.

1.4. Tenure Alignment

The proposed area includes the surface and is located within EPC 27334 and part of EPC 1951, both held by Whitehaven Daunia Pty Ltd (see Figure 3). It is noted that EPC 1951 is jointly held by Whitehaven Daunia Pty Ltd and Stanmore SMC Pty Ltd (Stanmore). The written consent of Stanmore has been included with the Mining Lease Application.

The Mining Lease Application is located entirely within Lot 3GV90, with landowner engagement and compensation processes to be undertaken in accordance with the MRA. Where possible, the application area avoids constrained, sensitive or reserved land.

2. Access

The proposed area of the Mining Lease adjoins ML 1781 held by Whitehaven Daunia Pty Ltd, which includes infrastructure, including the Daunia Mine Access Road, which will be used for access to the lease area. An access route has been submitted as part of this application, which relies on existing infrastructure. It is anticipated that access will change as operations progress in the mine.

In addition, the Mining Lease Application boundary is also contiguous with the boundary of an existing road parcel (SEGPAR 61489003).

4. Conclusion

The area and shape of the Mining Lease Application effectively balances the above considerations, while providing an appropriate area for the safe and sustainable completion of operations proposed under the Mining Lease. The requested area is appropriate for the scale and complexity of the infrastructure required, while also having regard to the extent of coal resources and existing constraints in the vicinity of the project area.

It is respectfully submitted that the area and shape of the proposed Mining Lease application is therefore consistent with legislative and policy requirements, including those set out under Part 1, Chapter 6 of the *Mineral Resources Act 1989* (Qld).

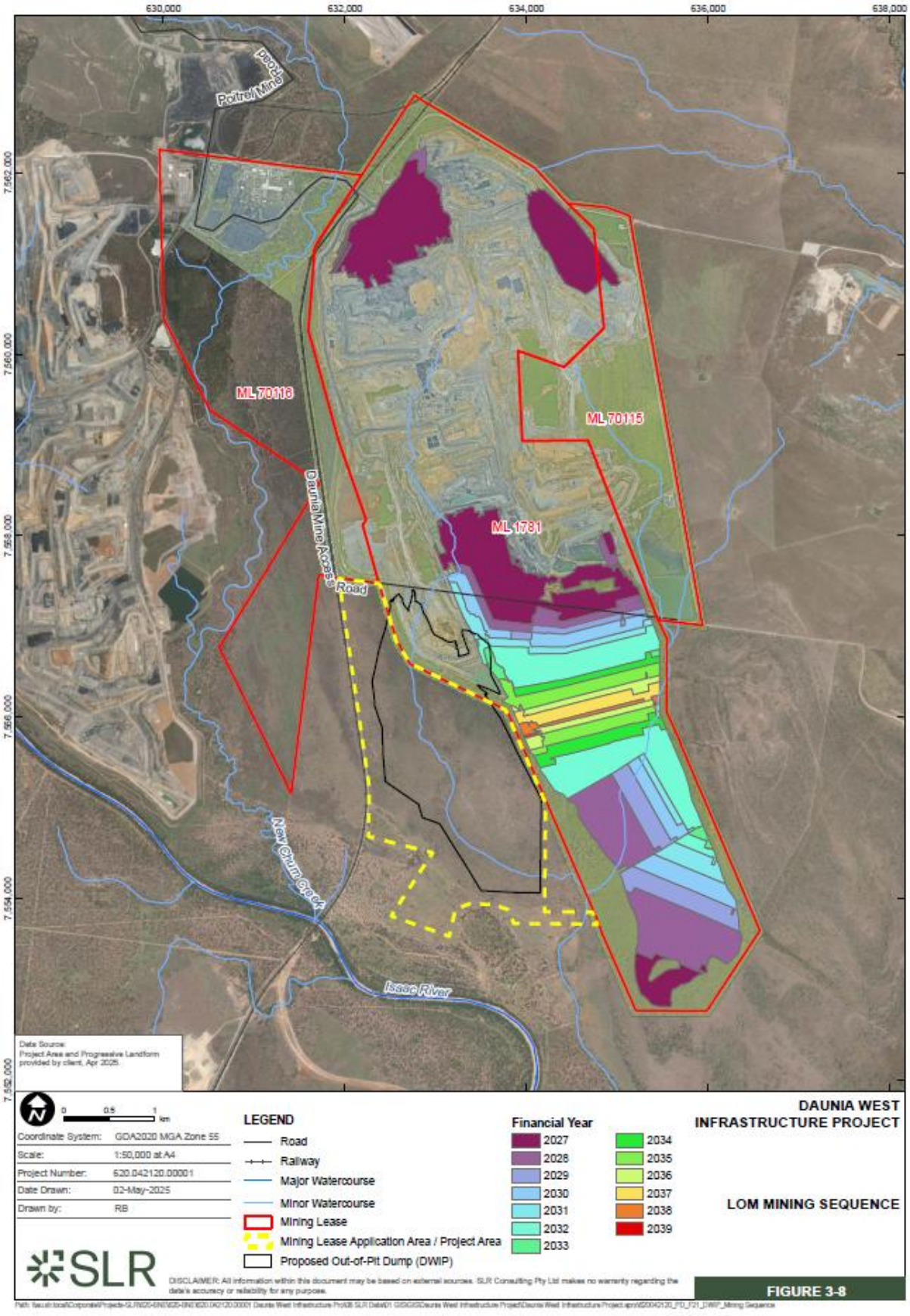

Figure 1: Daunia Life of Mine

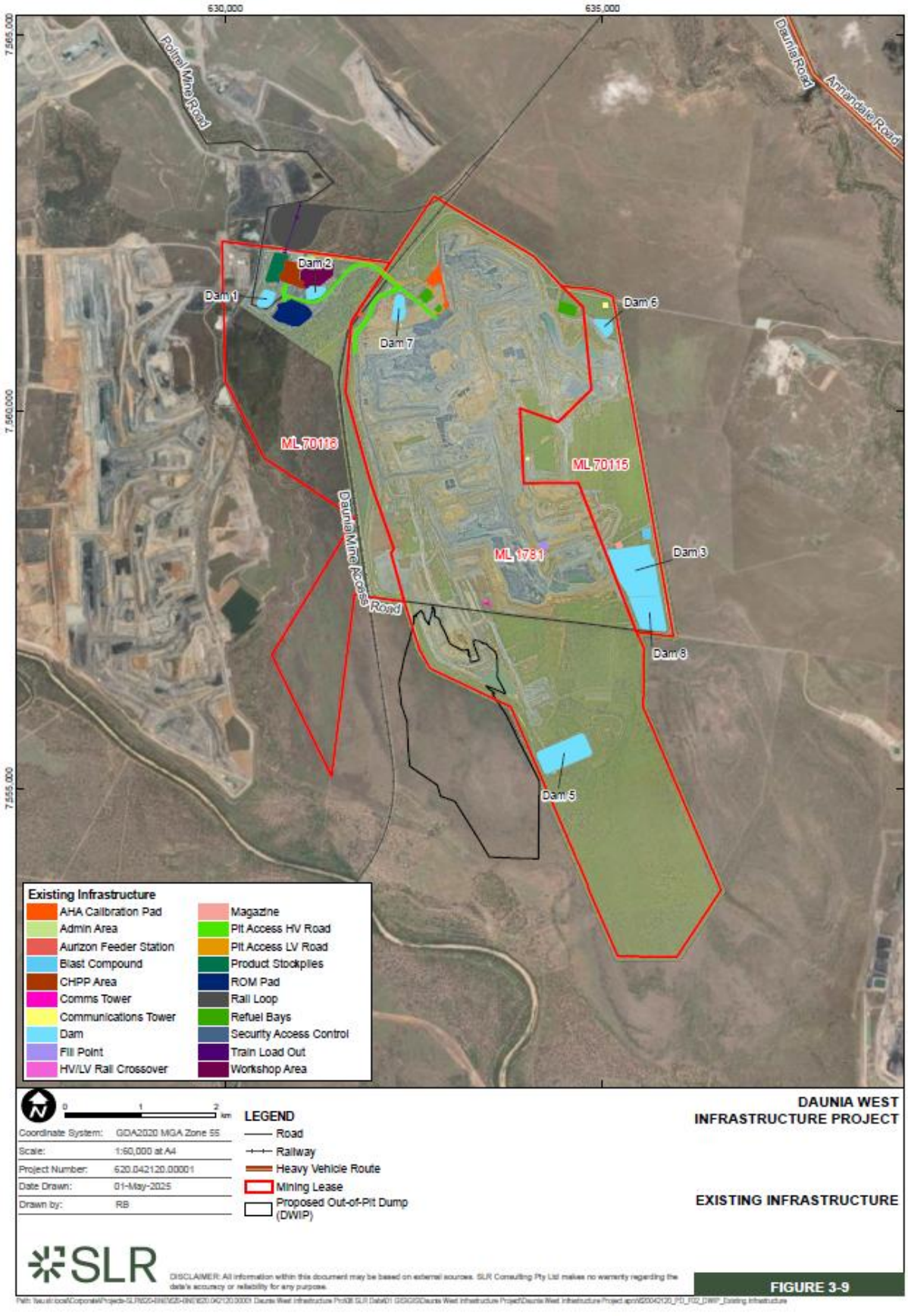

Figure 2: Infrastructure locations

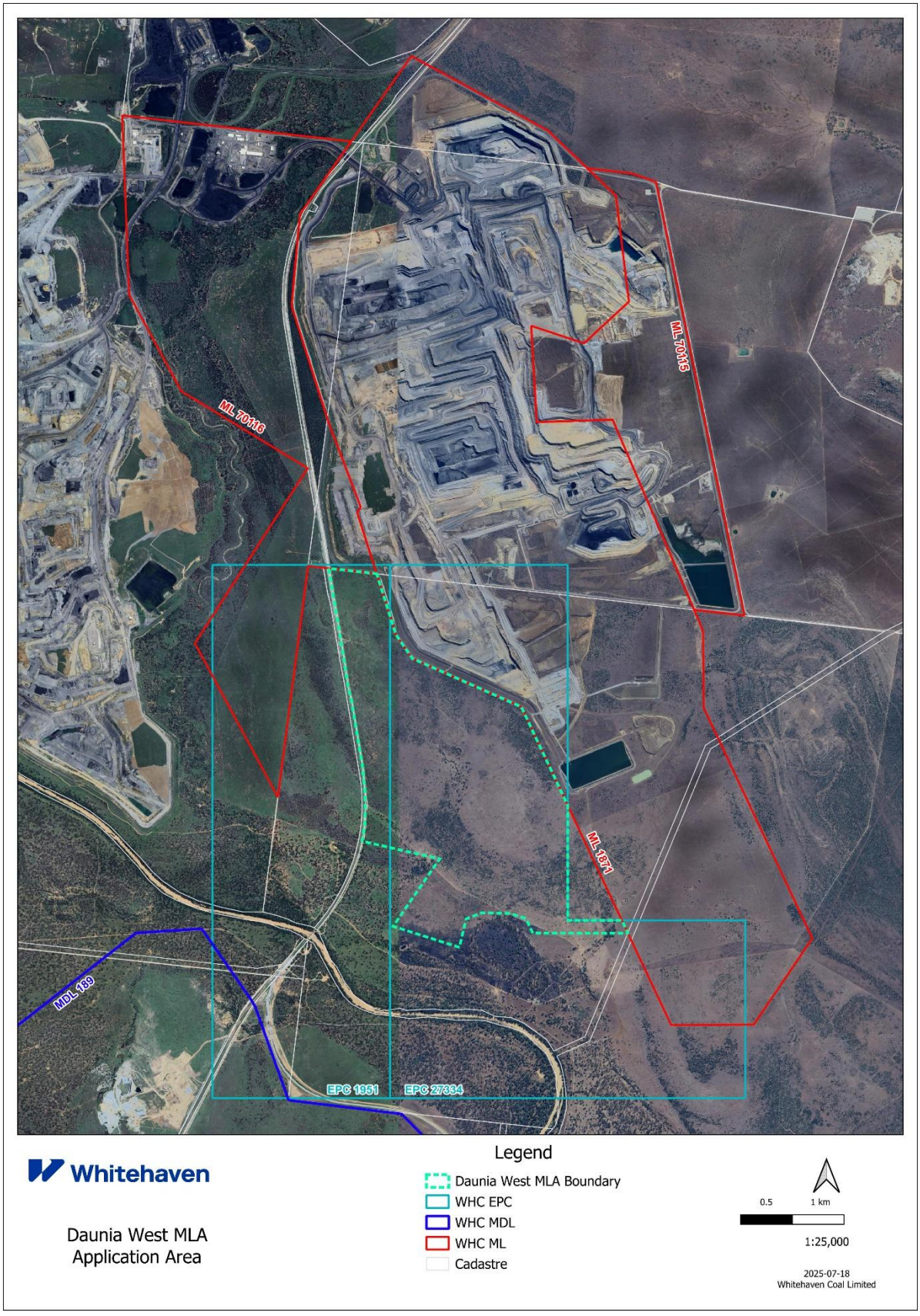

Figure 3: Resource tenure and cadastral boundaries.