Narrabri, NSW, Australia

# Narrabri Mine

## Narrabri Underground Mine Stage 3 Extension Project

**IPC-Proponent Briefing**
Independent Planning Commission

4 February 2022

WHITEHAVEN COAL

# Introduction

NCOPL Attendees:

- Paul Flynn
  CEO and Managing Director
- Mark Stevens
  EGM Project Delivery
- David Ellwood
  Director NCO Stage 3 Project
- Tom MacKillop
  Principal (Resource Strategies)

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# Agenda

1. Whitehaven Coal Overview
2. Community Sentiment
3. Narrabri Stage 3 Project Overview

Narrabri, NSW, Australia

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# Whitehaven Coal Overview

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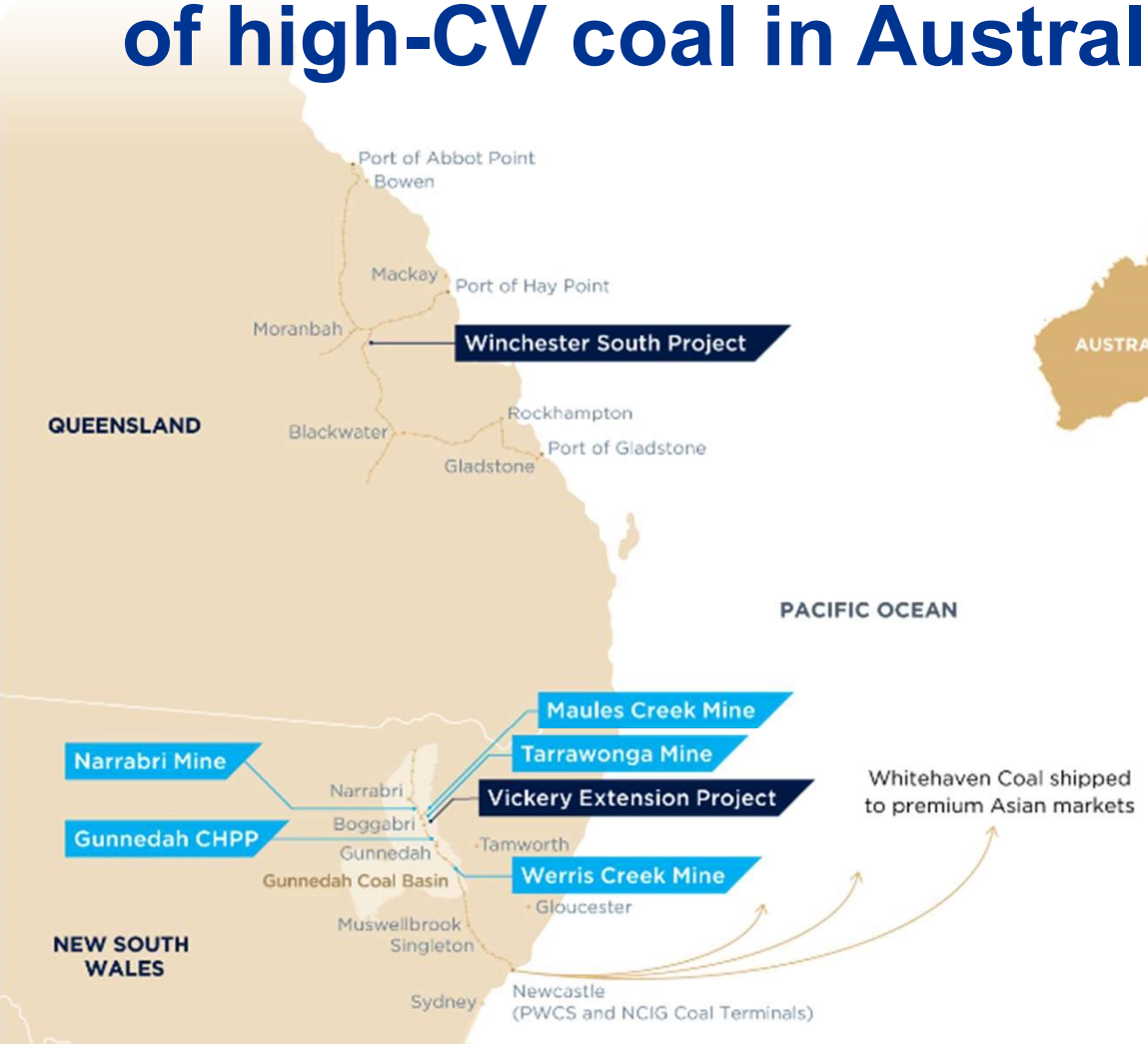
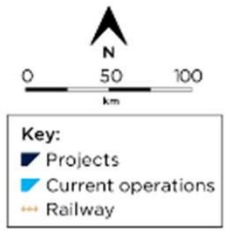
# Whitehaven is the largest independent producer of high-CV coal in Australia








We produce and sell high quality coal products into premium Asian markets

In FY21 managed coal sales, including purchased coal, were 19.8Mt (17.2Mt thermal and 2.6Mt metallurgical)

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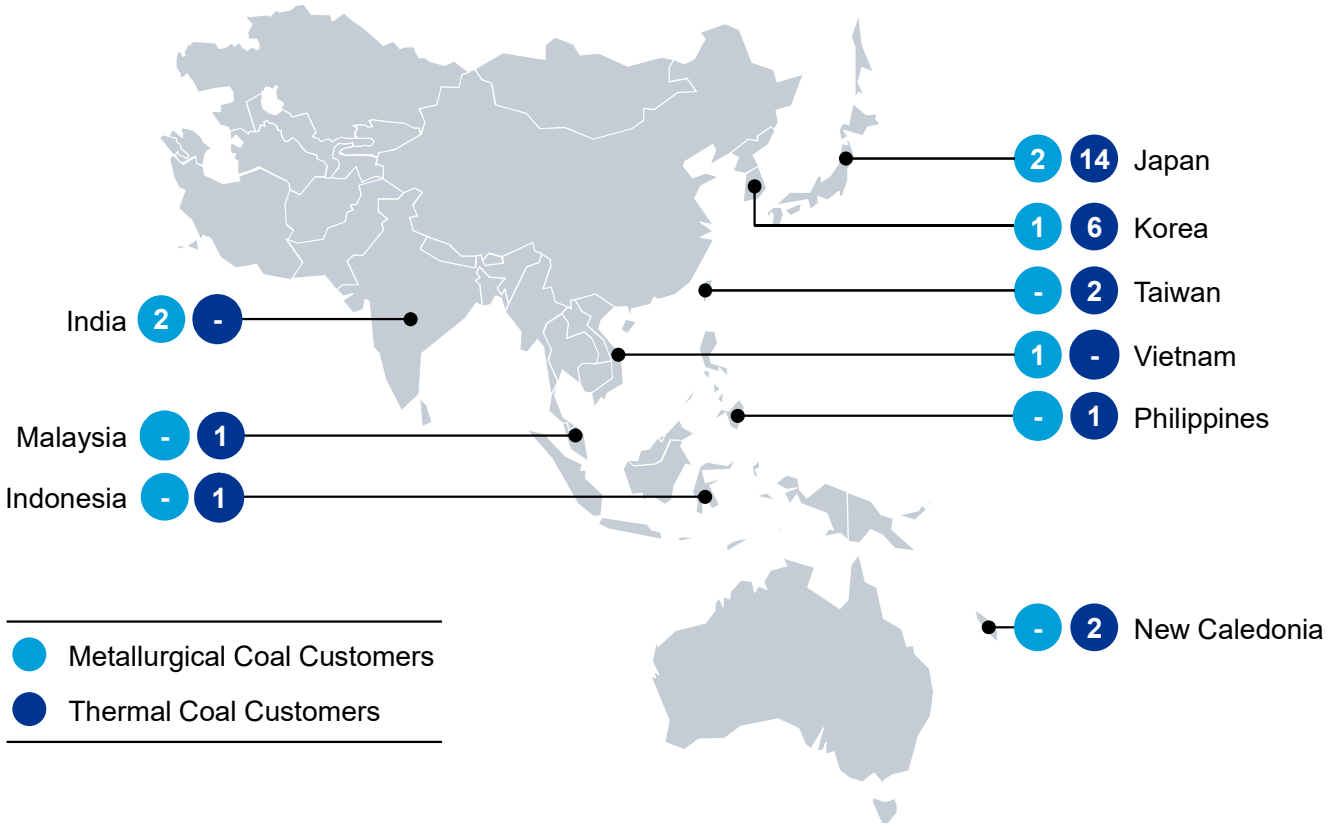
# Whitehaven's customer base is in Asia




## Whitehaven's coal products are exported to Asia

## Our coal products are used:

1. In high efficiency, low emission (HELE) electricity generation
2. to make steel; and
3. in nickel smelting and other industrial applications



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# Sustainability highlights FY21

**Approx. 75%**
of 2,500-strong workforce based in regional areas

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

**$344.7 million**
spent with local suppliers

**267ha**
of land rehabilitated

**12.4%**
female participation in our workforce

**$392,300**
in community partnerships and donations

**$5.15 million**
spent with 14 Aboriginal and Torres Strait Islander businesses

**Business resilience tested against TCFD framework since FY19**

# Our focus is on leaving a legacy beyond mining

## We believe the local community should be the main beneficiary of our presence.

We're focused on building local prosperity, improving quality of life, and ensuring our regional towns thrive – so the benefits of our presence go beyond our workforce and beyond the life of any single mine.

Ultimately, our compact is to leave an economic and social legacy that outlives our mining operations, and lives on in the areas of education, health, skills and infrastructure.

# Our presence supports regional economic growth

## FY21 community contribution




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# We contributed $489.5m to North West NSW in FY21 alone

| Narrabri LGA | |
|---|---|
| Wages and salaries | $46.9m |
| Number of suppliers | 81 |
| Procurement spend | $47.5m |
| Council rates & VPA payments | $1.7m |

| Gunnedah LGA | |
|---|---|
| Wages and salaries | $66.6m |
| Number of suppliers | 139 |
| Procurement spend | $270.2m |
| Council rates & VPA payments | $1.5m |


| Tamworth LGA | |
|---|---|
| Wages and salaries | $19m |
| Number of suppliers | 73 |
| Procurement spend | $23.8m |
| Council rates & VPA payments | $0.02m |

| Liverpool Plains LGA | |
|---|---|
| Wages and salaries | $9.2m |
| Number of suppliers | 17 |
| Procurement spend | $2.6m |
| Council rates & VPA payments | $0.5m |



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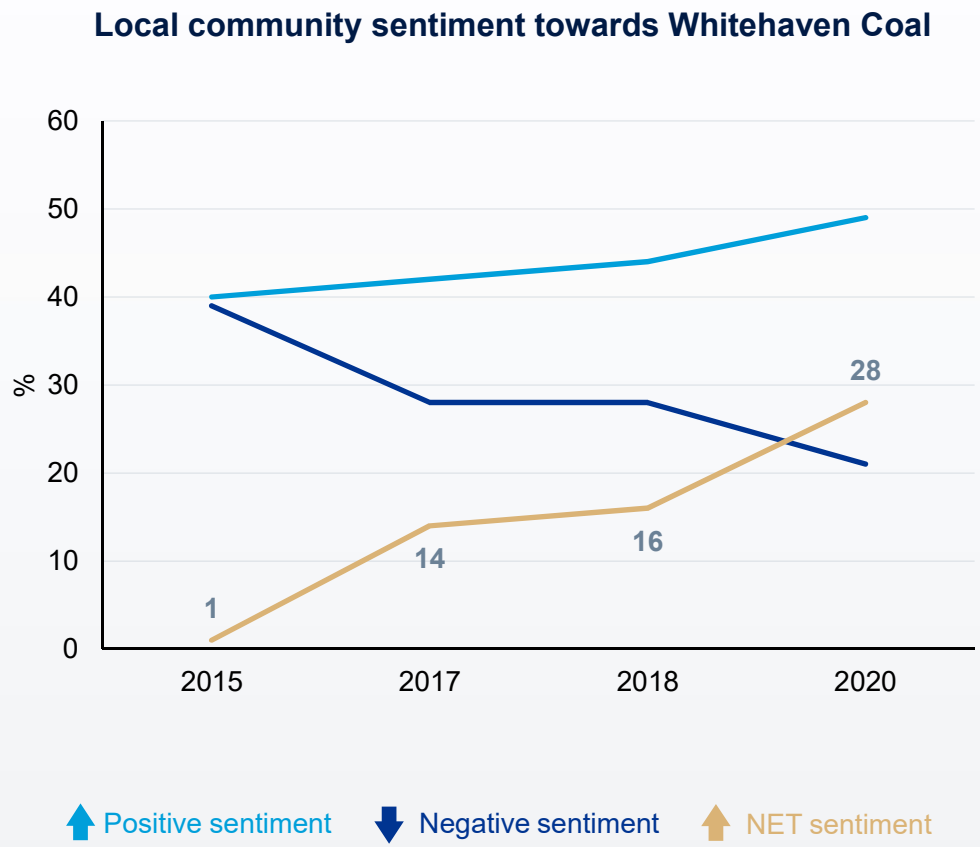
# Community Sentiment

# Our communities increasingly view us positively

## Drivers of the statistically significant increase in positive, and decrease in negative, sentiment include growing community recognition of:

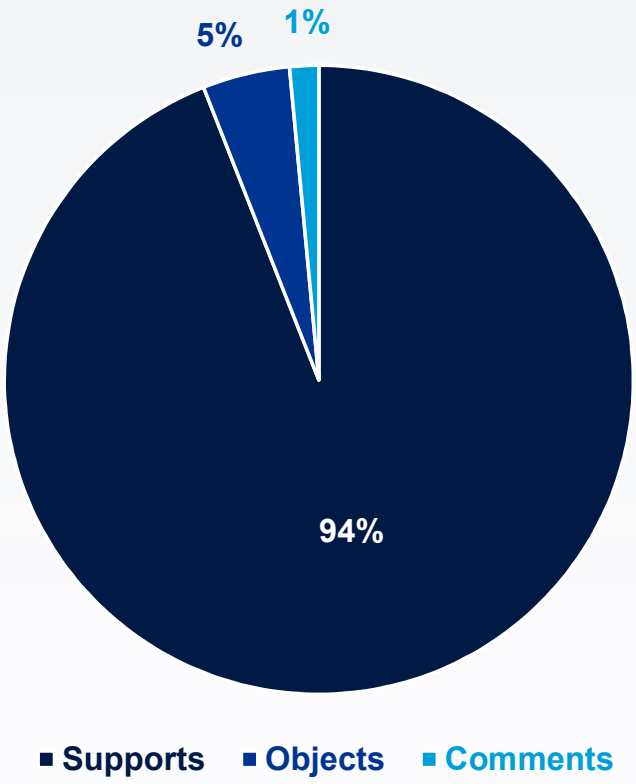
- Local employment
- Local procurement
- Community support




Source: Independent quantitative research conducted by Newgate Research. Base: All participants who are aware of Whitehaven Coal: 2020 (n=561), Tamworth (n=134), Gunnedah (n=145), Narrabri (n=143), Liverpool Plains (n=139). 2018 (n=568), 2017 (n=565). 2015 (n=574).

# Submissions on Stage 3 EIS

- **67 submissions on the EIS:**
  - 61 public (100% supportive).
  - 3 business groups.
  - 3 special interest groups.
- 94% of submissions were **supportive.**
- None of the 13 government agencies or 2 local councils objected to the Project.



# Narrabri Stage 3 Project Overview

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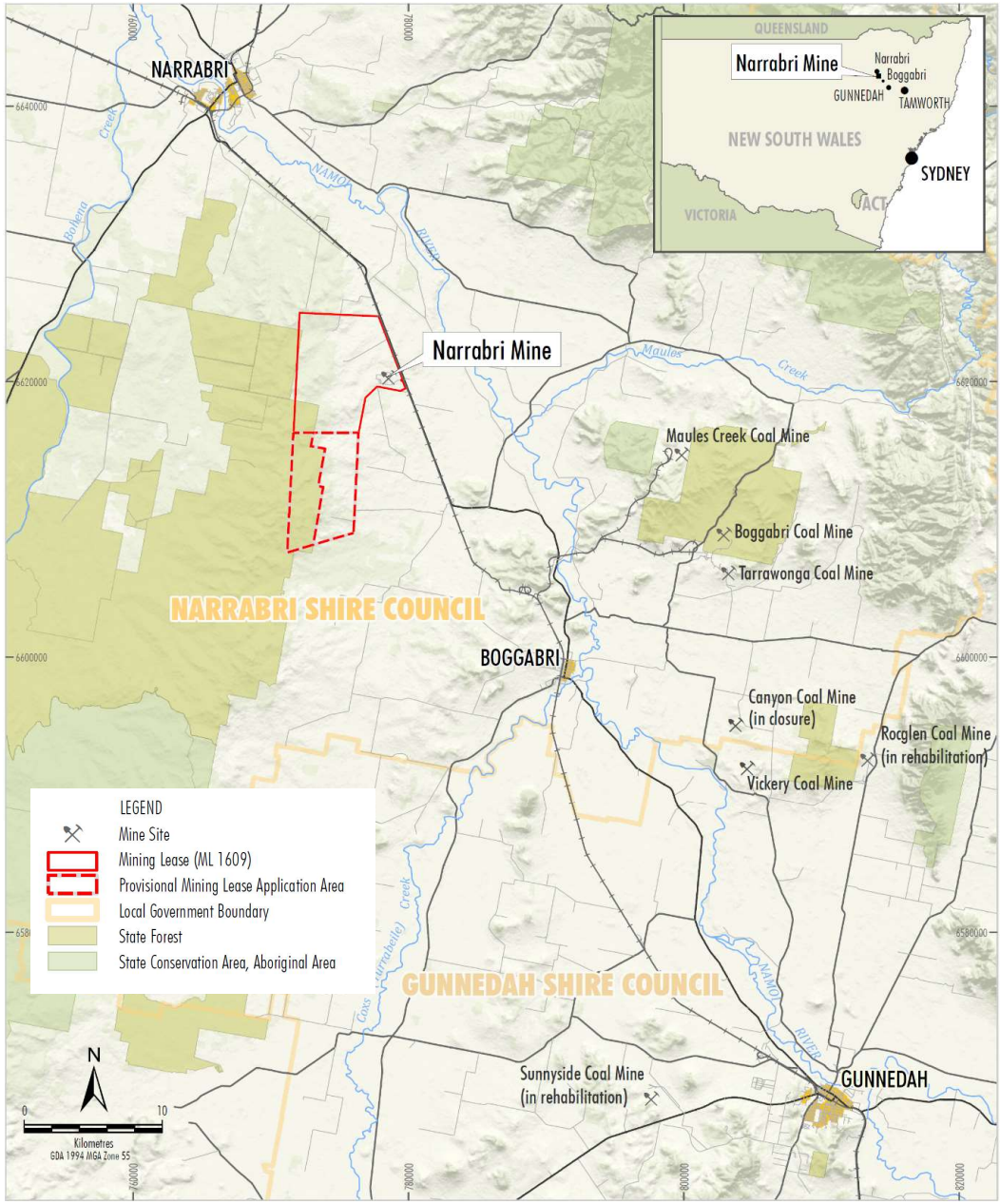
# Project Overview

## Location

- Existing mine located in the Gunnedah Basin.
- 25 km southeast of Narrabri and 60 km northwest of Gunnedah.
- Serviced by existing rail, road, water and power infrastructure.
- In the vicinity of Whitehaven's Maules Creek, Tarrawonga and Vickery Coal Mines.

**"The Department considers the site to be well-suited for the Project"**

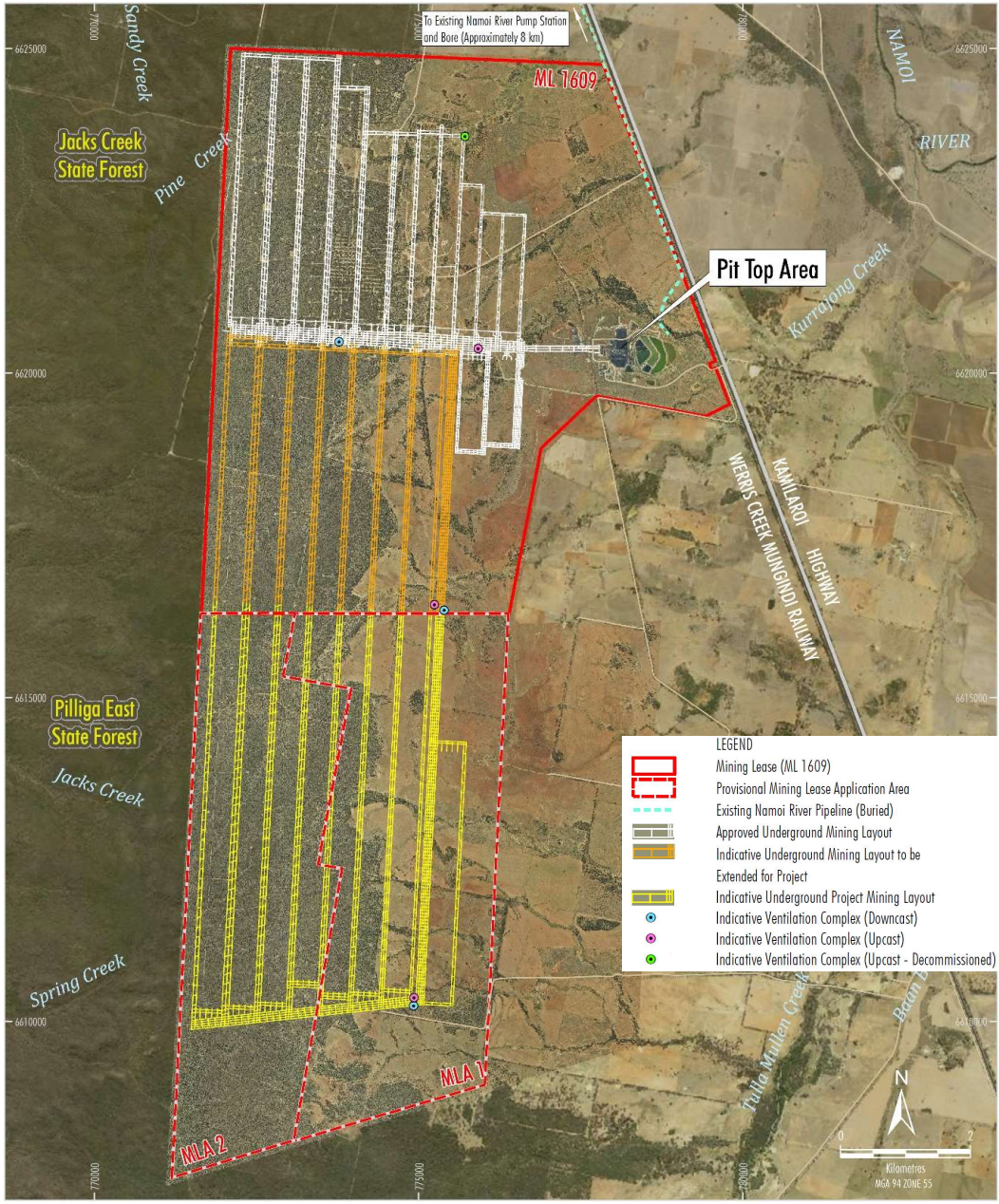
Page xiv, DPIE Assessment Report



# Project Overview

## Stage 3 Project

- Continuation of underground longwall mining of the Hoskissons coal seam.
- Southern extension into new Mining Lease Application areas.
- Additional 82 Mt run-of-mine (ROM) coal.
- Continued use of the existing and approved pit top and coal handling and processing facilities and other infrastructure.
- Up to 11 Mtpa ROM coal production.
- Micro-siting of surface infrastructure.



# Project Overview

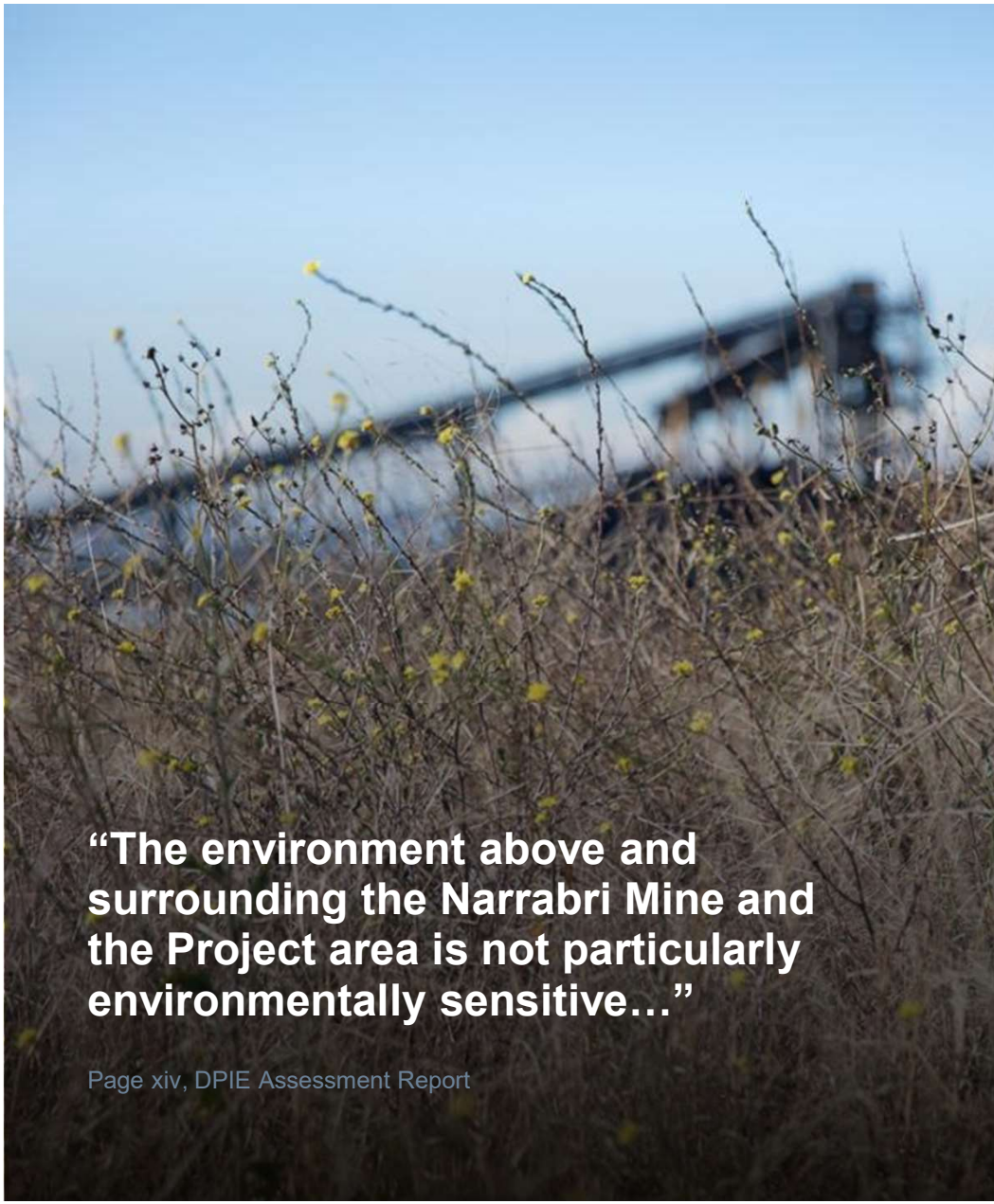
## Key Benefits

- Mine life extension from 2031 to 2044, providing continued **social and economic benefits** to the region.
- **Continued employment** of up to approximately 520 full-time equivalent personnel.
- Up to approximately **20 additional construction jobs** during development phases.
- **$259M** additional royalties to NSW.
- Total net benefit to NSW of $599M (net present value).

# Project builds on the existing Narrabri Mine

## Project Description

- Potential impacts are well understood.
- Existing surface facilities and services would be used for the Project.
- The site is well suited for the Project.
- No highly productive agricultural land.
- Minor impacts on highly productive aquifers, located approximately 5 km east of the Project underground mining areas.
- Existing management measures will continue to be implemented and/or improved.



# Assessment Process

- 94% supportive
- No agency/council objections

- Agency support
- Draft conditions


- Additional surveys
- Micro-siting and footprint reduction
- Flaring

- Make good agreements being formed
- VPA meetings with Councils

# Key Assessment Outcomes

- ✓ **Groundwater** – compliance with the 'minimal impact' criteria of the *Aquifer Interference Policy* with the formation of make-good agreements.
- ✓ **Water use** – licences to be held for all licensable take under the *Water Management Act 2000.*
- ✓ **Biodiversity** – micro-siting of infrastructure to avoid or minimise impacts on biodiversity values with offsets for residual impacts as per the *Biodiversity Assessment Method* and *Biodiversity Conservation Act 2016.*
- ✓ **Greenhouse gas** – commitment to flaring pre-drainage gas where conditions allow, a research program to improve abatement of Scope 1 emissions and preparation of a Fugitive Emissions Minimisation Plan.
- ✓ **Air quality** – compliance with *Approved Methods* criteria with compliance of relevant criteria at all private dwellings.
- ✓ **Noise** – compliance with *Noise Policy for Industry, Interim Construction Noise Guideline* and *Rail Infrastructure Noise Guideline* criteria or mitigation/acquisition upon request as per the *Voluntary Land Acquisition and Mitigation Policy.*
- ✓ **Cultural heritage** – no direct impacts from surface disturbance to identified cultural heritage sites.

# Make-good Agreements

- Draft agreements have been sent to the eight landholders who own the nine bores which are predicted to experience >2m of groundwater drawdown.
- Replacement bores are proposed to be installed within 2 years of commencement of the Project.

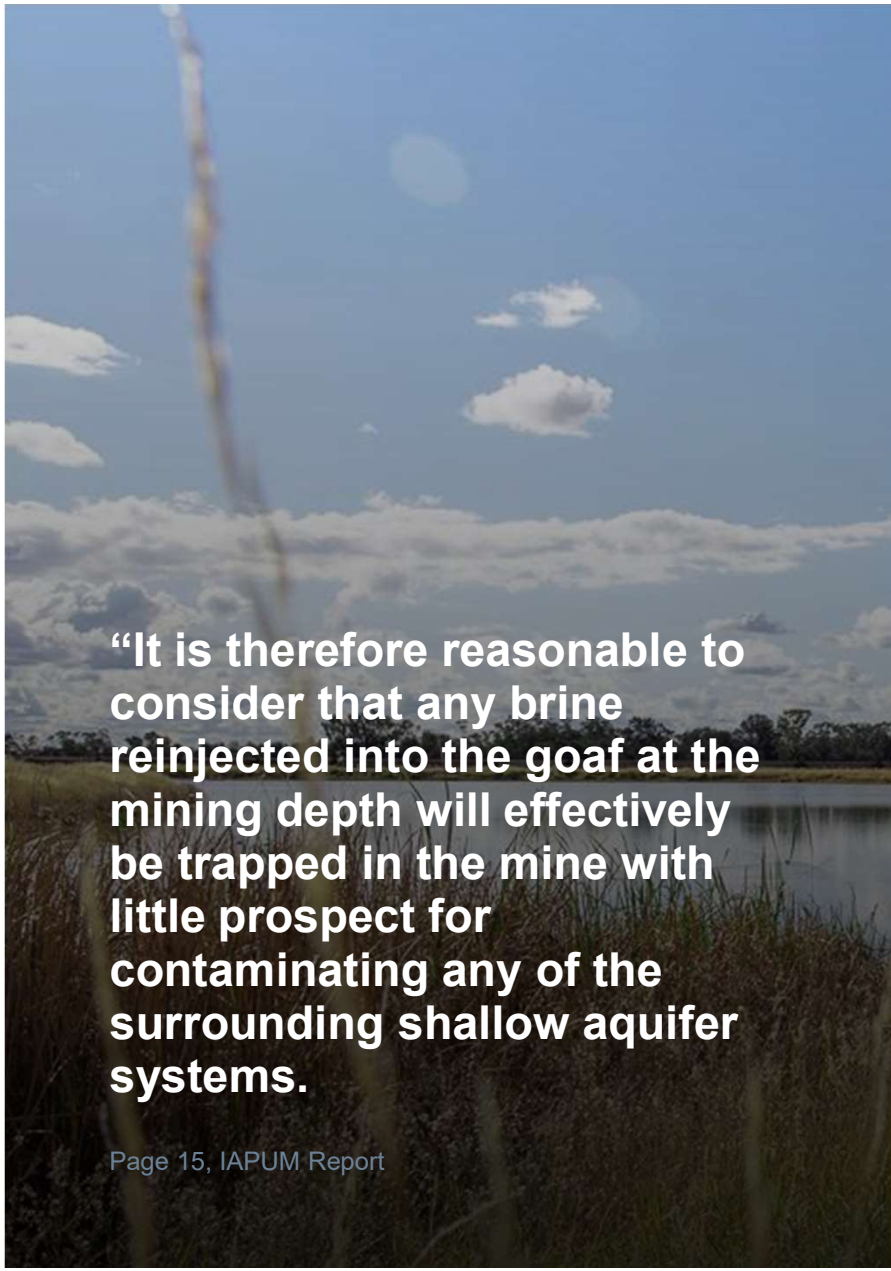
**"There are nine private groundwater bores that are predicted to experience more than 2 m of drawdown, with six of these predicted to experience impairment of water supply. While some of these impacts may not occur for decades, NCOPL has initiated contact with all these landowners and committed to implement make good arrangements. The Department has proposed conditions which strongly encourage NCOPL to make these arrangements within two years of commencing the Project."**

Page 36, DPIE Assessment Report

# Groundwater Assessment

## Brine Re-injection

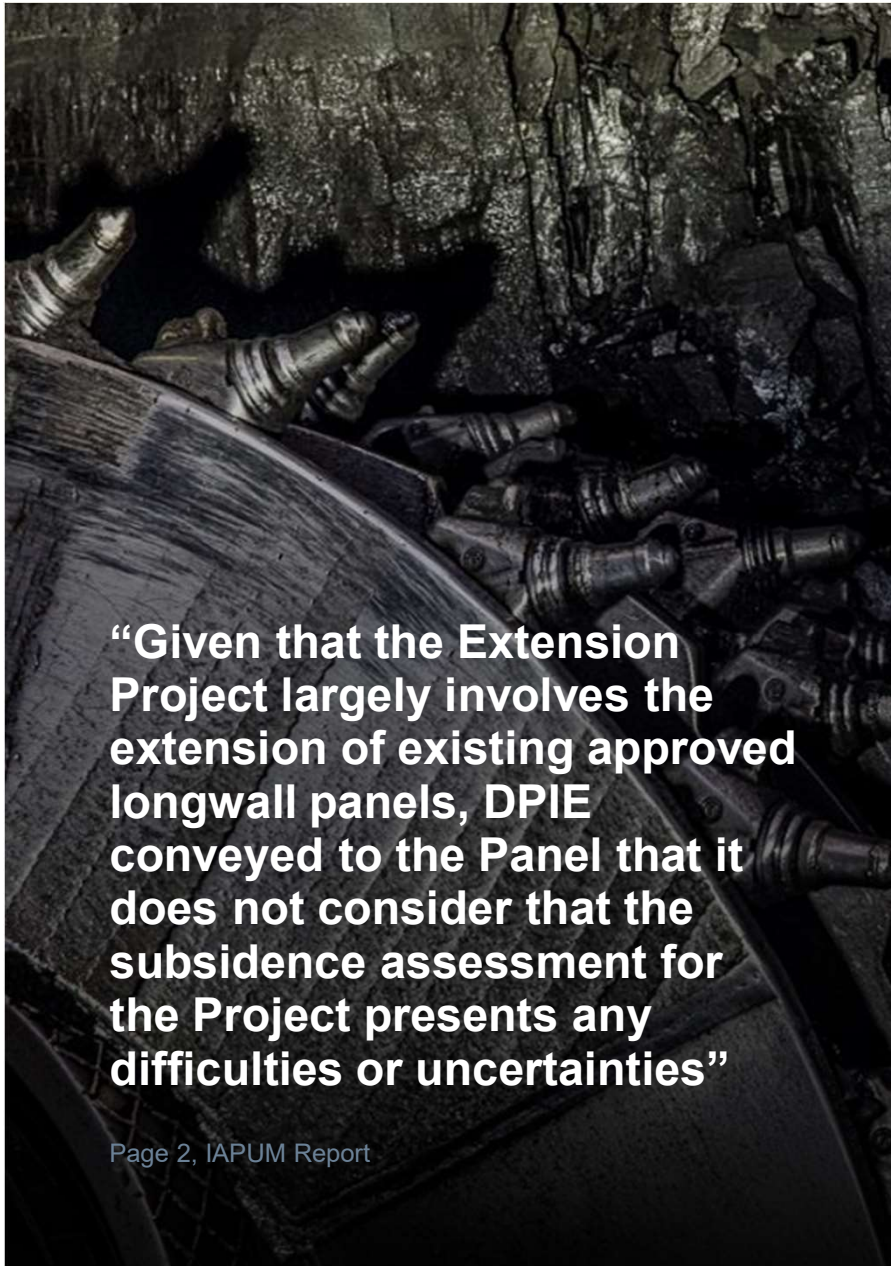
- Concept of brine reinjection approved for Stage 2.
- No known previous mining industry applications.
- Majority of the salt load in the brine came from underground in the first place (i.e. was pumped to the surface from the coal seam as part of mine dewatering).
- Calculations were undertaken to quantify the impact of brine re-injection in terms of total salinity – minor increases predicted.
- Post-mining re-injection is considered unlikely to affect potential groundwater usage in the Hoskissons Coal Seam since few, if any, water supply bores in the area target this unit on account of its high background total dissolved solids (TDS).



# Mining Method and Subsidence

## Potential for Impacts in excess of those experienced in the past

- Impacts on surface water losses from subsidence impacts on ephemeral creeks to date at the Narrabri Mine are assessed as negligible.
- Using conservative assumptions, WRM Water & Environment (specialist water consultants) predicted total of 4.2 ML/year of surface water losses, which is negligible when compared to WRM's assessed annual runoff from the Project area, being 5,524 ML/year.
- This impact would be licensed.



# Greenhouse Gas Assessment

## Feasibility and Efficiency of Flaring

**Pre-drainage would only generally take place when:**

- The in-situ gas content of the Hoskissons Coal Seam is greater than 3.5 cubic metres per tonne of coal.

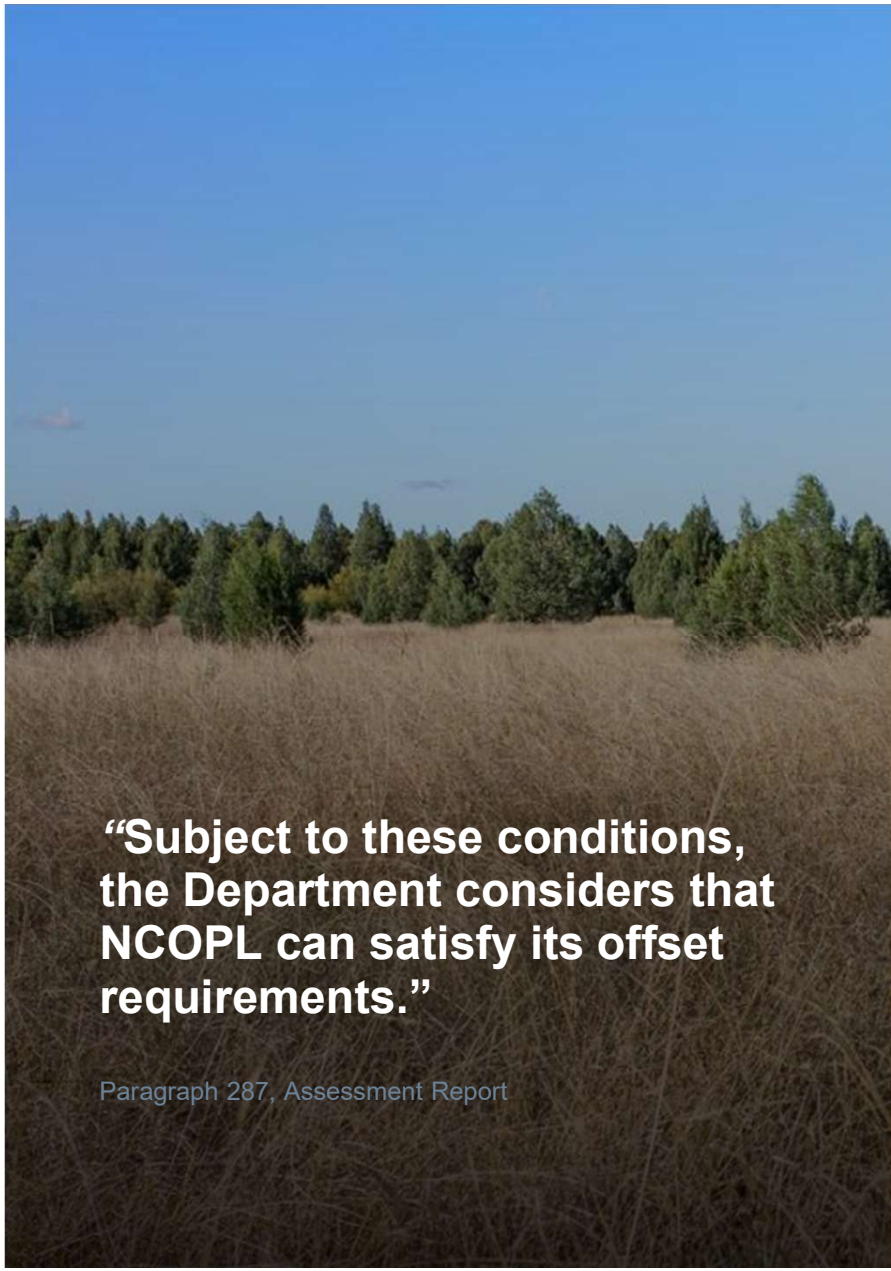
**Flaring would occur when:**

- The total gas stream from the pre-drainage has a methane content of greater than 30%, and an oxygen content of less than 6%.
- Portions of Longwalls 204 to 209 contain gas matching these requirements.
- DPIE's benchmark emissions intensities in paragraph 378 of the Assessment Report and Condition B16 are acceptable to Whitehaven.

# Biodiversity

## Potential BSAL in Offset Areas

- Whitehaven would address NSW offset requirements by one, or a combination, of the following options, consistent with the NSW Biodiversity Offsets Scheme:
  1. the retirement of biodiversity credits (either like-for-like or in accordance with the variation rules);
  2. the funding of a biodiversity conservation action;
  3. undertaking ecological mine rehabilitation; or
  4. payment into the Biodiversity Conservation Fund.
- Biophysical Strategic Agricultural Land (BSAL) is not a consideration of the Biodiversity Conservation Trust when considering offset proposals.
- Whitehaven's general observation is that land which does not meet BSAL criteria often provides better offsetting potential.



# Rehabilitation

## Potential for future Care and Maintenance phase

- Rehabilitation occurs progressively and following the decommissioning of gas drainage infrastructure and completion of drilling programs.
- Any future care and maintenance phase would require a Mining Operations Plan to be in place.
- This document would include progressive rehabilitation required for the relevant period.

# Voluntary Planning Agreements

- Most recent meetings with both Narrabri Shire Council and Gunnedah Shire Council held on 21 January 2022.
- Revised offers provided to both councils which propose accelerated payment terms.

**"A range of mitigation and offsetting measures for social impacts have been proposed by the Applicant. In particular, this includes offers of substantial VPAs to both NSC and GSC."**

Page A37, DPIE Assessment Report

## VPA contribution methodology

- Workforce is roughly evenly distributed across both Council areas.
- Traffic movements.
- Project located entirely within NSC.
- **Narrabri Shire Council offer = $2.66M**
- **Gunnedah Shire Council offer = $1.43M**

# Conclusion

- Mine life extension from 2031 to 2044, providing continued social and economic benefits to the region.
- Continued employment of up to approximately 520 full-time equivalent personnel.
- Up to approximately 20 additional construction jobs during development phases.
- $259M additional royalties to NSW.
- Total net benefit to NSW of $599M (net present value).

# Thank you

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