NSW Resources

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30 October 2025

Gen Lucas
Department of Planning, Housing and Infrastructure
Gen.Lucas@planning.nsw.gov.au
Via: Major Projects Portal

ADVICE RESPONSE: Wilpinjong Coal Mine – Modification 3

Stage: Modification Report

Development Application: SSD-6764-Mod-3

Dear Gen,

I refer to your correspondence dated 30 September 2025 inviting the Department of Primary Industries and Regional Development - NSW Resources to review the information supplied and provide comments on Wilpinjong Coal Mine – Modification 3 (the Modification), submitted to the Department of Planning, Housing and Infrastructure by Wilpinjong Coal Pty Ltd (the Proponent).

NSW Resources Resource and Economic Assessment review is provided below. Please also refer to NSW Resources Regulator advice provided in Attachment A.

Proposed Modification

The Wilpinjong Coal Mine, located about 40 km north-east of Mudgee in central NSW, is an existing open-cut operation producing thermal coal for domestic power generation and export. The mine currently has eight approved open cut pits. Wilpinjong Coal Pty Ltd (WCPL) is seeking to modify Development Consent SSD-6764 to extend Pit 8 within Exploration Licence (EL) 9399, to enable the extraction of an additional 14 million tonnes (Mt) of Run-of-Mine (ROM) coal and extending mining operations by six months to 30 June 2034.

WCPL, a wholly owned subsidiary of Peabody Energy Australia Pty Ltd (Peabody), is the owner and operator of the Wilpinjong Coal Mine. Open cut mining operations are undertaken 24 hours per day, seven days per week. The Wilpinjong Coal Mine includes eight named open cuts, as well as ancillary and supporting infrastructure, including coal storage, coal handling and processing, rail spur, rail loading, internal roads, pipelines, electricity distribution, workshops and water management structures.

The Modification would also avoid the direct disturbance of the existing Cumbo Creek corridor and the Rocky Hill complex which are currently approved to be mined in Pit 4 and Pit 8, respectively, under the development consent for SSD-6764. This avoidance would sterilise 7 Mt of approved ROM coal and reduce the approved Wilpinjong Coal Mine surface development footprint by approximately 50 hectares. Any existing infrastructure within the Cumbo Creek exclusion area (e.g. soil stockpiles) would be removed and the area rehabilitated. No further disturbance would occur in the exclusion areas.

To offset the sterilised coal resource, WCPL is proposing a Modification to SSD-6764. Key components of the Modification include:

- open cut mining within the Pit 8 Extension area
- extraction of approximately 14 Mt of ROM coal from the Pit 8 Extension area
- an additional six months of mining operations until 30 June 2034 to backfill final voids and shape the final landform (currently approved until 31 December 2033)
- realignment of some public infrastructure (roads, powerlines, telecommunication services)
- in-pit crushing of waste rock
- development of additional water management infrastructure (dams, drains, pumps, and pipelines).

The Modification would maximise the use of existing infrastructure, augment coal production, and support current employment levels by creating an additional working face. This allows WCPL to evaluate a future extension proposal. There are no changes to the following approved components of the Wilpinjong Coal Mine:

- mining method
- timeframe for ROM coal production
- maximum annual ROM coal and waste rock production
- coal washing and handling systems
- product coal transport systems
- water supply and disposal systems
- hours of operation.

Resources and Economic Assessment Review

Resource Assessment

Size and quality of the resource

The Wilpinjong Coal Mine is situated in the north-western area of the Sydney Basin, forming part of the Western Coalfield in central New South Wales. The Sydney Basin is the southern portion of the larger Bowen-Gunnedah-Sydney Basin, located along the eastern Australian margin. The geology consists of the Late Permian Illawarra Coal Measures overlain by the Triassic Narrabeen Group.

The coal products mined at Wilpinjong are contained within the Illawarra Coal Measures. This group consists of coal seams, alongside thick layers of siltstones, mudstones, conglomerates, and sandstones.

The coal resources are largely found in the Ulan Coal Seam (the primary economic resource) at the base of the coal measures and the Moolarben Coal Seam. The main coal seams are composed of multiple plies separated by varying thicknesses of parting material and interburden. Within the Pit 8 Extension area, exploration identified a small deposit of igneous rock (basalt) that overlies the sedimentary sequence hosting the coal seams.

Structurally, minor intrusions, faults, dykes, and sills are present in parts of the mine area.

The stratigraphy at the Wilpinjong mine has a shallow, relatively consistent north-east dip of around 2 degrees.

Resource Assessment have verified that the Proponent has completed a coal resource and reserve estimation for the Project. This assessment was in accordance with the requirements of subpart 1300 of Regulation S-K. Subpart 1300 of Regulation S-K requires disclosure of mineral resources, in addition to mineral reserves, as required by the U.S. Securities and Exchange Commission (SEC). The resource estimation was completed by Emma Ewart and the reserve estimation was completed by Brian Neilsen. These statements are dated 31 December 2024.

Resource Recovery

Coal at Wilpinjong is mined via open cut strip mining methods using a truck and excavator system, due to the low strip ratio at Wilpinjong the pit advance is relatively rapid. The mine uses a variety of mobile equipment for the operation, including up to six major excavators, around 30 haul trucks, over 20 dozers, front-end loaders, drills, graders, minor excavators, and water carts.

Mined coal is hauled directly to a ROM dump hopper to be conveyed to the Coal Handling and Preparation Plant (CHPP) for processing or delivered to ROM pads and later rehandled to the dump hopper. This Modification does not include any changes to the approved maximum annual ROM coal production rate, and consequently, no CHPP upgrades are proposed. The existing approved infrastructure is considered adequate to meet the Project processing rates.

This Modification will remove 7 Mt of approved mining from the Cumbo Creek corridor and the Rocky Hill complex due to environmental and Aboriginal cultural heritage considerations. It will also add 14 Mt by extending the Pit 8 area (7 Mt net gain).

Economic Assessment

Economic Benefits of the Modification

WCPL commissioned AnalytEcon to conduct an economic assessment of Wilpinjong Modification 3, which was completed in August 2025. The economic assessment was prepared in accordance with NSW Government guidelines and include a cost benefit analysis (CBA) and a local effects analysis (LEA).

The CBA concluded that the potential net benefits to NSW from the Modification would be $21 million (based on a 7% real discount rate). The LEA concluded that the potential net benefits to the Lithgow-Mudgee SA3 Region from the Modification would be $24 million (based on a 7% real discount rate).

Based on the proponents Modification report and commercial in confidence data supplied to NSW Resources from WCPL, NSW Resources has calculated that total revenues from the Modification would be of the order of A$553 million in current dollars, with the net present value of this revenue stream being around A$405 million (at a real discount rate of 5%).

The assessment completed by NSW Resources in October 2025 has used export coal prices based on prices supplied by WCPL. NSW Resources notes that export coal price forecasting is inherently difficult and is subject to potential changes based on both supply and demand. If coal prices over the life of the Modification are higher than those assumed by WCPL then both revenues and hence royalties from the Modification would be significantly higher than those calculated in this assessment. Domestic coal prices for the domestic product to be produced from the Modification were supplied by WCPL on a commercial in confidence basis and no comment is provided on domestic coal prices by NSW Resources in this assessment.

Compared to the base case, the Modification would support around 60 additional fulltime equivalent (FTE) jobs in 2028 and around 220 additional FTE jobs in 2032. Between 2026 and 2032, the average annual operational workforce for the Modification is estimated at 645 FTE.

Royalty Calculation

<u>Assumptions</u>

- Total additional coal sales of around 4.5 Mt over the life of the Modification
- Price forecasts as provided by WCPL
- Real discount rate of 5%, as per NSW Treasury Guidelines, February 2023
- Allowable deductions from total revenue reducing the 10.8% statutory royalty rate to around 10.1% of total revenue received for each year of the operational phase of the Project life.

Total Royalties estimate

Using these assumptions and parameters, NSW Resources has calculated that the State will receive:

Parameter	$A (2025 dollars)
Total royalties received	$56 million
Net Present Value (NPV) royalties (5% real discount rate)	$41 million
Annual estimated royalties (average)	$7 million/year (approximate)

Summary of review

NSW Resources is satisfied that, should the operational outcomes be realised, the proposed mine design and mining method submissions adequately recover resources and is projected to provide an appropriate return to the state.

For further advice on this matter, please contact Sarah Maiorana, Project Officer, Industry Advisory and Mining Concierge unit on 02 4063 6860 or mining.concierge@dpird.nsw.gov.au.

Sincerely

SJAnson

Scott Anson
Manager Industry Advisory and Mining Concierge

for

Tony Linnane
Executive Director Strategy, Performance and Industry Development
Department of Primary Industries and Regional Development - NSW Resources.

Attachment A

NSW Resources
Resources Regulator

Wednesday, 15 October 2025

Gen Lucas
Department of Planning, Housing and Infrastructure
Gen.Lucas@planning.nsw.gov.au

Via: Major Projects Portal/NSW Planning Portal

Dear Gen,

I refer to the Wilpinjong Coal Mine Extension MOD 3 submitted to the Resources Regulator on 30 of September 2025 (SSD-6764-Mod-3). Based on the review of the modification report, further information is required in relation to the expected timeframe for completion of rehabilitation activities beyond the cessation of mining in 2034.

Should the modification be approved, it is the expectation of the Resources Regulator that the Rehabilitation Management Plan is updated to include the following:

- The life of mine rehabilitation schedule to include the schedule beyond the cessation of mining until rehabilitation completion.
- Topsoil balance to be detailed and stockpiling strategy to maximise viability of longer-term stockpiles.
- Managing topsoil quality relating to weed seed bank from derived native grassland areas with exotic grasses and it's impacts. Noting that Biodiversity Measure 6 refers to mapping Plant Community Types against the topsoil source.

LIMITATIONS

It should be noted that the Resources Regulator does not provide any endorsement of the proposed rehabilitation methodologies presented in the plans provided. Under the conditions of a mining authorisation granted under the *Mining Act 1992*, the Resources Regulator requires the holder to adopt a risk-based approach to achieving the required rehabilitation outcomes.

The applicability of the controls to achieve effective and sustainable rehabilitation is to be determined based on site-specific risk assessments conducted by the authorisation holder. An authorisation holder may also be directed by the Resources Regulator to implement further risk control measures required to achieve effective rehabilitation outcomes during the life of the mine.

REGULATORY REQUIREMENTS IF APPROVED

The proponent will be required to comply with rehabilitation requirements under the mining authorisations prior to the commencement of the works associated with the proposal.

The Resources Regulator may undertake assessments of the mine operators' proposed mining activities under the *Work Health and Safety (Mines and Petroleum Sites) Act 2013* and Regulation as well as other WHS regulatory obligations.

BACKGROUND

The Mining Act Inspectorate within the Resources Regulator undertake risk-based compliance and enforcement activities in relation to obligations under the *Mining Act 1992*. This includes undertaking assessment and compliance activities in relation to mine rehabilitation activities and determination of security deposits. To ensure consistency, the Regulator requests the opportunity to review a copy of the draft development consent prior to any approval of the project.

The Mine Safety Inspectorate within the Resources Regulator is responsible for ensuring the mine operators' compliance with the Work Health and Safety (WHS) legislation, in particular the effective management of risks associated with the principal hazards as specified in the *Work Health and Safety (Mines and Petroleum Sites) Regulation 2022*.

CONTACT

Should you require any further information or clarification, please contact the Regulator on 1300 814 609 (Press Option 2 Press Option 5) or email nswresourcesregulator@service-now.com.

Yours sincerely,

Anthony Margetts

Chief Inspector of Mines

Resources Regulator