

APPLICATION FOR AN UNDERGROUND COAL MINING CONDITIONAL LICENCE

The complete application form (either as a pdf or in hard copy) should be sent to the Authority at : -
licensing@coal.gov.uk or

Licensing Team

The Coal Authority, 200 Lichfield Lane, Mansfield, Nottinghamshire, NG18 4RG

The appropriate application fee should be paid by electronic transfer or credit card as outlined in the scale of charges annexed to these notes.

Please complete the following information. If there is insufficient space in a relevant box please indicate and append the additional details.

1. Applicant

Company / Name	West Cumbria Mining Ltd		
Contact Name	Kevin Murphy	Contact E-mail	[REDACTED]
Address	Haig Mining Museum Solway Rd Kells		
Post Town	Whitehaven	Tel No.	[REDACTED]
Post Code	CA28 9BG	Fax No.	N/A
Company No.	07144109	<i>(if applicable)</i>	

Consultant for the purposes of managing the application (if any)

Company / Name			
Contact Name		Contact E-mail	
Address			
Post Town		Tel No.	
Post Code		Fax No.	

Legal Representative (if any)

Name			
Contact Name		Contact E-mail	
Address			
Post Town		Tel No.	
Post Code		Fax No.	

2. General

- 2.1 Please provide the following information. *Items in blue italics are not essential but should be provided if known at this stage:*

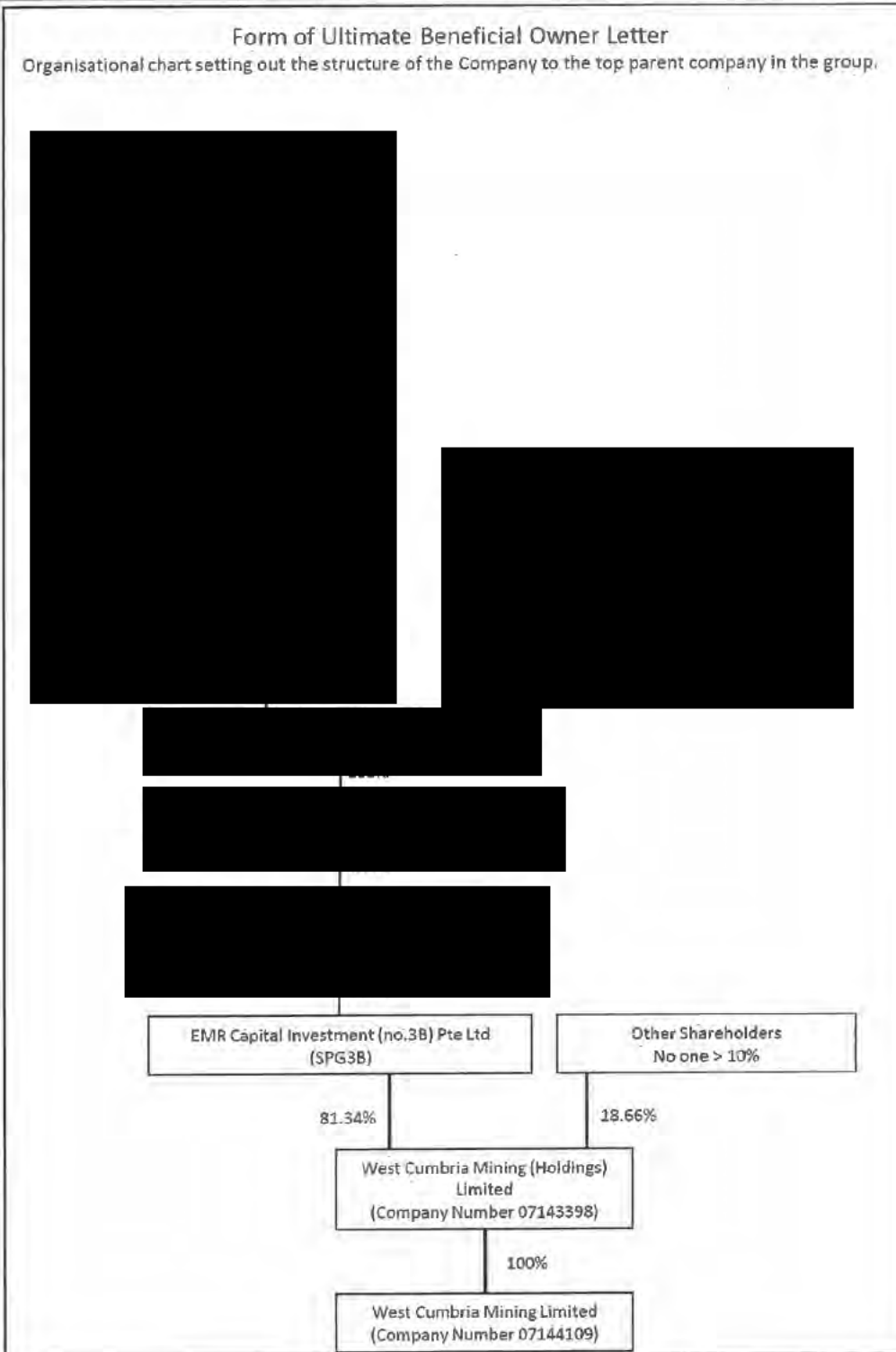
Name given to the proposed Licence applied for		Woodhouse Colliery South (CA11/UND/0184/N)
National grid reference of the centre of the application area		-3.68, 54.4 WGS84 (SRID 4326)
The application area in hectares <i>(Max. area = 10,000 ha)</i>		8,756
The relevant Planning Authority		Cumbria County Council
Type of Application	New Conditional Licence	Conditional Licence
	Extension of licence term	
<i>The estimated reserves in the project area</i>		
<i>The anticipated annual rate of extraction</i>		Up to 4mtpa ROM
<i>The proposed date of commencement of operations</i>		Q2 2025
The conditional term requested for the Licence <i>(Max. 8 years)</i>		3

3. Corporate Structure

3.1 Where the Applicant is not an existing licence holder please provide :-

Where the Applicant is a corporate body

The corporate structure of the Applicant including details and company numbers of holding and subsidiary companies. An explanatory diagram can be appended, if appropriate.



Details of any other directorships, offices, or employment of the Directors of the Applicant including whether they are directors, officers or employees of other companies with direct or indirect interests in coal mining.

The schedule below includes summarises other Director or employment interests. the only coal related interest is in bold:

Name	WCMH	WCM	Other
D A Carroll	Director	Director	Queensland Coal Investment Holdings (private) – Director (Family Trust) Director of Magnum Mining and Exploration (ASX listed) Kogi Iron Ltd - Director Cremorne Capital Pty Ltd - Director (Family Trust) Phoenix Water (Australia) Ltd. – Director (Family Trust)
O Hegarty	Director	Director	Chairman, EMR Capital Non-Executive Director, Kestrel Coal
R Round	Director	Director	Anglo Asian Mining PLC – Board Adviser Rambler Metals and Mining PLC – Non-executive Director Rimar Services Limited – Director
M A Kirkbride	Director	Director	Committee member on UK Government technical advisory panel CoRWM (Committee on Radioactive Waste Management) to BEIS

Where the Applicant is not a corporate body (e.g. individual or partnership)

Details of any other directorships, offices, employments or similar interests (either current or intended after the grant of a licence), including whether they are directors, officers or employees of other companies with direct or indirect interests in coal mining.

See above in bold

4. Technical Information to be provided

4.1 Please provide the following (appended to the application where necessary) :-

		Appended
An Ordnance Survey based plan showing the features described to the right (on a scale suitable for accurately delineating those features)	The licence application area defined by a red line	Fig. 0
	<i>The proposed location of the mine outlets</i>	Fig. 1 & 2
	<i>The proposed location of the mine offices and the means of road access</i>	Fig. 1 & 2
	<i>Current surface and major sub-surface structures and features above and at least full depth outside the licence application area (sub-surface features such as oil and gas pipelines; trunk sewers; water mains to be shown but not domestic services)</i>	Note 2 & Fig 3
<i>A generalised vertical section representative of the seams and strata relevant to the application area together with details of the seams above and below each application seam stating vertical distances if not shown on the generalised vertical section</i>		Fig. 4

Known details of the quality and intended market of the coal seam(s) to be worked

WCM is targeting a High Volatile Hard Coking Coal (HV HCC) product, suitable for blending with other coals to make coke for use in iron and steel production. (pg. 55 Part A DFS)

Details of any other minerals e.g. fireclay, to be extracted in the course of coal-mining operations

None

A brief summary of the geology of the application area including the sequence of coal seams to be worked, the geological structure, dips, faults etc

Appendix - Note 3. (also, see Fig. 4, and Chapter 5 DFS)

		Appended
Plan (s) showing the features described to the right (on a scale suitable for accurately delineating the features)	<i>The surface geology within and at least full depth outside the licence application area</i>	Notes 4, 5, 6
	<i>The outcrop position of any coal seams to be worked</i>	Note 5
	<i>Areas of unconsolidated deposits or material likely to flow when wet and any rock or stratum containing or likely to contain water</i>	Note 6
	<i>The surface position of faults or known lines of weakness</i>	Fig. 5.2

Plan (s) showing the features described to the right (on a scale suitable for accurately delineating the features)	<i>Any old workings in the seams in the application area</i>	None Fig. 6
	<i>Any old workings (with abandonment references if possible) which are themselves, or could be, connected to other old workings close to the surface which could allow the emission of gases or water at the surface if affected by the working of the application seams</i>	None Note 7
	<i>The location and details of all known abandoned mine outlets in or above the area to be worked</i>	Fig. 6 & Note 8.

<i>Details of any surface or underground boreholes which intersect the seams</i>	Fig. 7.1 & 7.2
<i>Sufficient interpolated seam contours to enable the gradient and geological structure of the seam to be determined</i>	Fig. 8
<i>Details of seam sections and proposed working section(s) at intervals through the application area</i>	Fig 9 & Note 9
<i>The outline of method and proposed phasing of coal mining operations to be undertaken during the first 5 years</i>	Note 10 Fig 10-13

<i>An assessment of any interaction effects with other coal mining operations likely to be caused by the proposed operations</i>
The are no other mining operations within or close to the proposed mining area, and WCM will maintain an 80m standoff from historic workings.

5. Other necessary rights, permissions or consents obtained

5.1 Please provide the following (appended to the application where necessary) :-

	Appended
<i>Details of the access rights obtained or needed for the proposed operations. Such access rights include the mine surface and other mineral rights if required and should include a certified Ordnance Survey based plan, on a scale suitable for accurately delineating the features, showing the area of the rights needed. If not yet obtained please give the anticipated timing for obtaining these rights</i>	Note 11
<i>A copy of (or the relevant electronic link to) the planning application for the proposed operation, including the certified application plan, or the anticipated timing for obtaining that consent</i>	
Minerals, Waste and County Council Planning Applications Cumbria County Council	

6. Financial Information

6.1 Please provide the following (appended to the application where necessary) :-

	Appended
A projected statement of year by year income and expenditure for the development of the project during the conditional phase (or the first five years if the project development is longer). This statement should be accompanied by any key assumptions on timing of exploration works, acquisition of planning consent and access rights etc.	Note 12
Details of how the Applicant is proposing to finance the development of the project during the conditional phase. This evidence can include current bank statements if working capital is to be utilised; letters of confirmation from the bank or other fund providers or formal Director's guarantees.	Note 13

Depending on the details provided, we may require further clarification or confirmation of individual elements of the Applicant's projections.

6.2 Where the Applicant is not an existing licence holder please provide (copies appended to the application or the relevant electronic link) :-

	Appended
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The most recent three years' audited accounts of the Applicant, where available. Where they are not available alternative supporting documentation must be provided.	
Link	<p>Please find provided as separate documents the last three years of audited accounts for the West Cumbria Mining Limited.</p> <ul style="list-style-type: none"> - Year ended 31st December 2021 - Year ended 30th June 2020 - Year ended 30th June 2019 - Year ended 30th June 2018 <p>The Company recently changed its year end reporting date to 31st December and the accounts for the 18 months ended 31st December 2021 are currently in an advanced stage of audit and drafting. These will be signed and filed in December 2022.</p>
Any consolidated accounts for the most recent three years of which the Applicant's accounts form part.	
Link	See Below
The most recent three years' accounts of any ultimate holding company if not part of such consolidated accounts.	
Link	<p>Please find provided as separate documents the last three years of audited accounts for the West Cumbria Mining (Holdings) Limited, which incorporates the group including West Cumbria Mining Limited.</p> <ul style="list-style-type: none"> - Year ended 31st December 2021 - Year ended 30th June 2020 - Year ended 30th June 2019 - Year ended 30th June 2018 <p>The Company recently changed its year end reporting date to 31st December and the accounts for the 18 months ended 31st December 2021 are currently in an advanced stage of audit and drafting. These will be signed and filed in December 2022.</p>
Any Interim Statements subsequently published (including any Notes, the Chairman's Statement and Report of the Directors), in respect of the Applicant and any ultimate holding company.	
Link	<p>WCM is a private company and as a result does not issue any formal interim statements.</p> <p>We have supplied as separate documents updates which the company issues to shareholders and noteholders.</p>

The information provided under 6.1 and 6.2 above will be treated as confidential

7. Security

- 7.1 We take security against any liabilities that could fall on the Authority through non-compliance by the operator of the terms of the Licence and associated Lease. This security level is assessed when an application is made to de-conditionalise a conditional licence.

- 7.2 The Authority will stipulate the Area of Responsibility for subsidence damage when an application is made to de-conditionalise a conditional licence.
- 7.3 The level of security and the Area of Responsibility for subsidence damage will be reviewed annually once a licence is de-conditionalised and becomes operational.

8. Technical Competence

Please give details of relevant expertise and experience which will be available to the Applicant for the proposed development of the project during the conditional phase.
See Note 14

9. Surface Hazards

- 9.1 A Surface Hazard in this context can be a surface collapse; flooding; landslip; the escape of gas or the effects of spontaneous combustion on or near the surface, due wholly or partly to Coal Mining Operations, which constitutes an imminent danger or hazard to any person. The management systems and contact details for surface hazards will be determined when an application is made to de-conditionalise a conditional licence.

10. Financial terms for acquisition of interests or rights in coal and other minerals

- 10.1 We charge a standard rate for the terms on which the Applicant will acquire an Option for Leasehold rights in relation to coal (and other minerals) owned by the Authority. The current rates, which are subject to periodic review, are shown in the scale of charges at Annex C.
- 10.2 If we revise our charges these Guidance Notes will be revised and the information will be published on our website (<https://www.gov.uk/government/organisations/the-coal-authority>).

11. Declaration

The Applicant as named in Section 1 above, hereby :-

- (a) submits an application to the Coal Authority for an Underground Coal Mining conditional licence, associated option for lease and non-exclusive exploration licence as described above;
- (b) certifies that the information provided is correct and not misleading;
- (c) certifies that the required application fee has been paid to the Coal Authority.

Print Name	Kevin Murphy	Date	07 February 2023
On behalf of the Applicant			

Figures

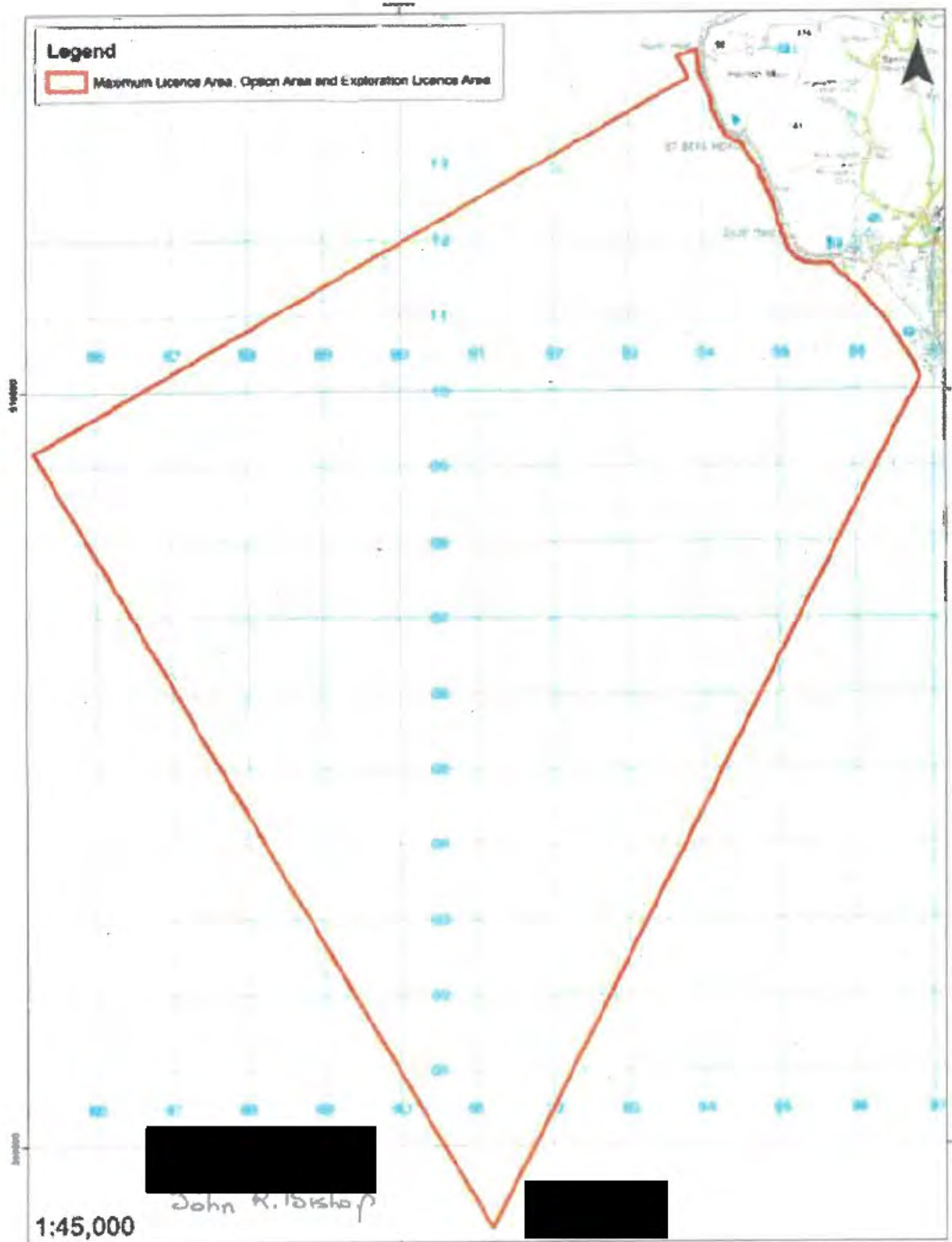


Fig 0 Licence Application Area

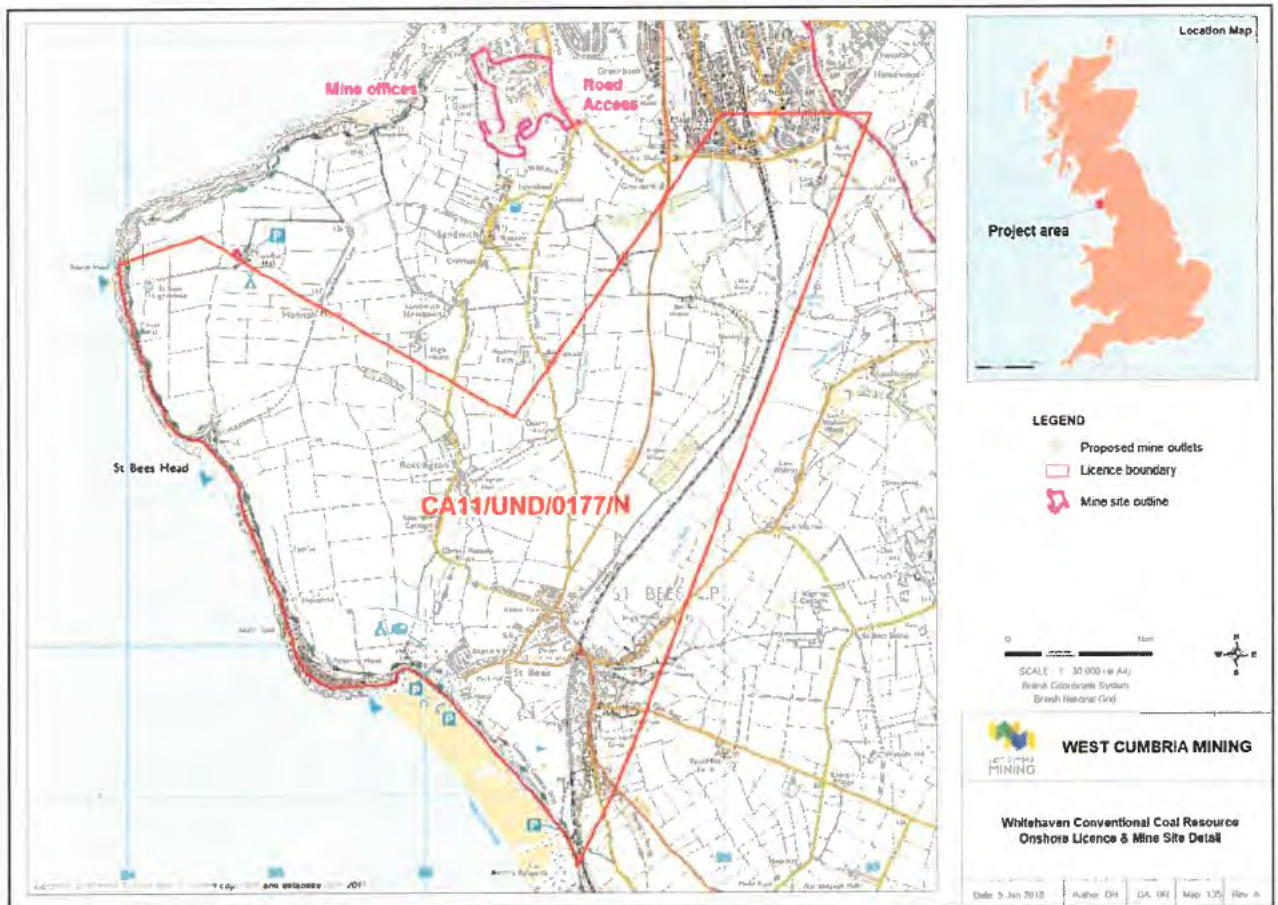


Figure 1 Location of Proposed Mine Outlets

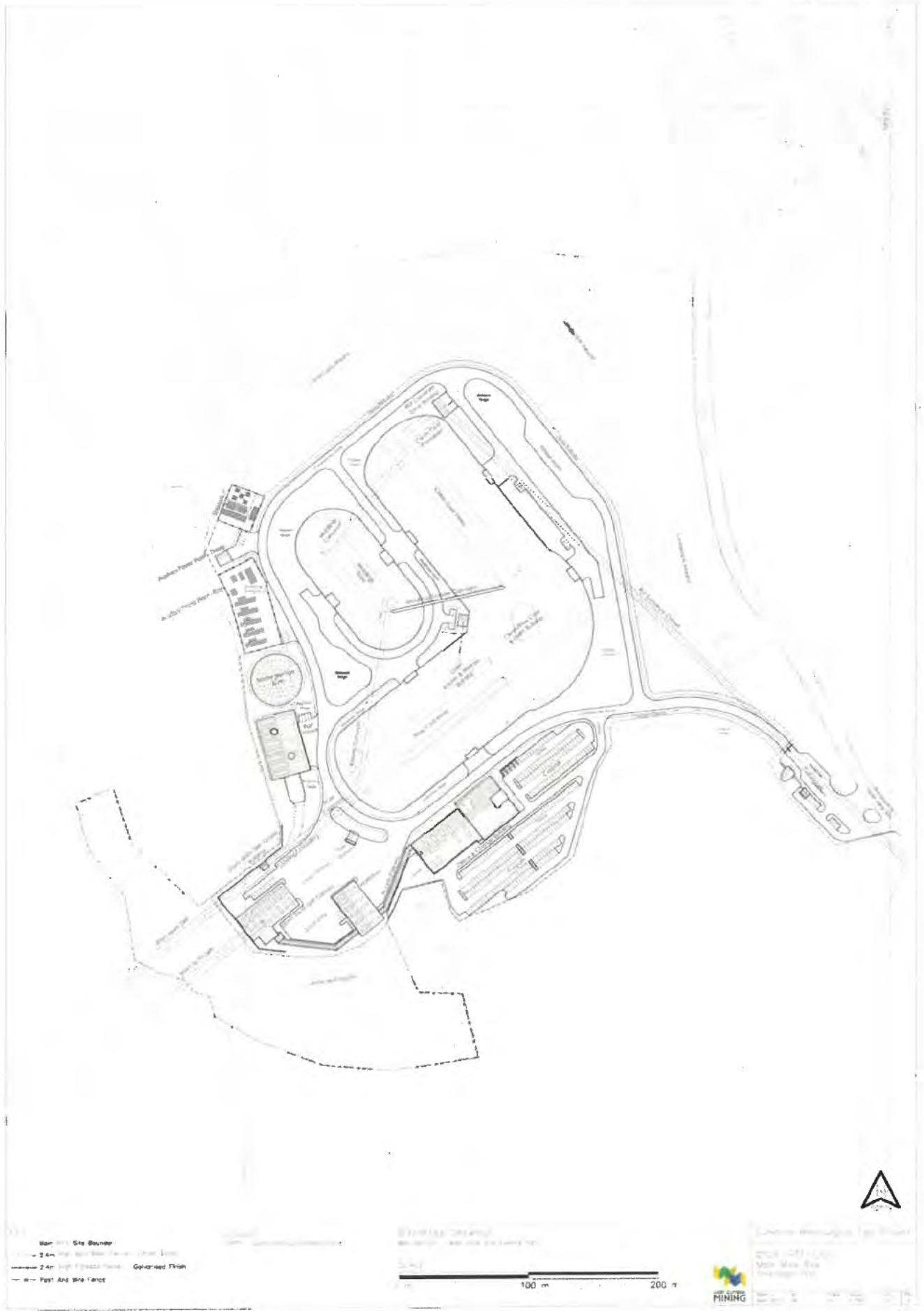


Figure 2 Main Mine Site Proposed Plan Offices and Road Access

Commercial-In-Confidence



Figure 3 Plan of Main Mine Site, Conveyor Route and Rail Loading Facility, Including Major Utilities.

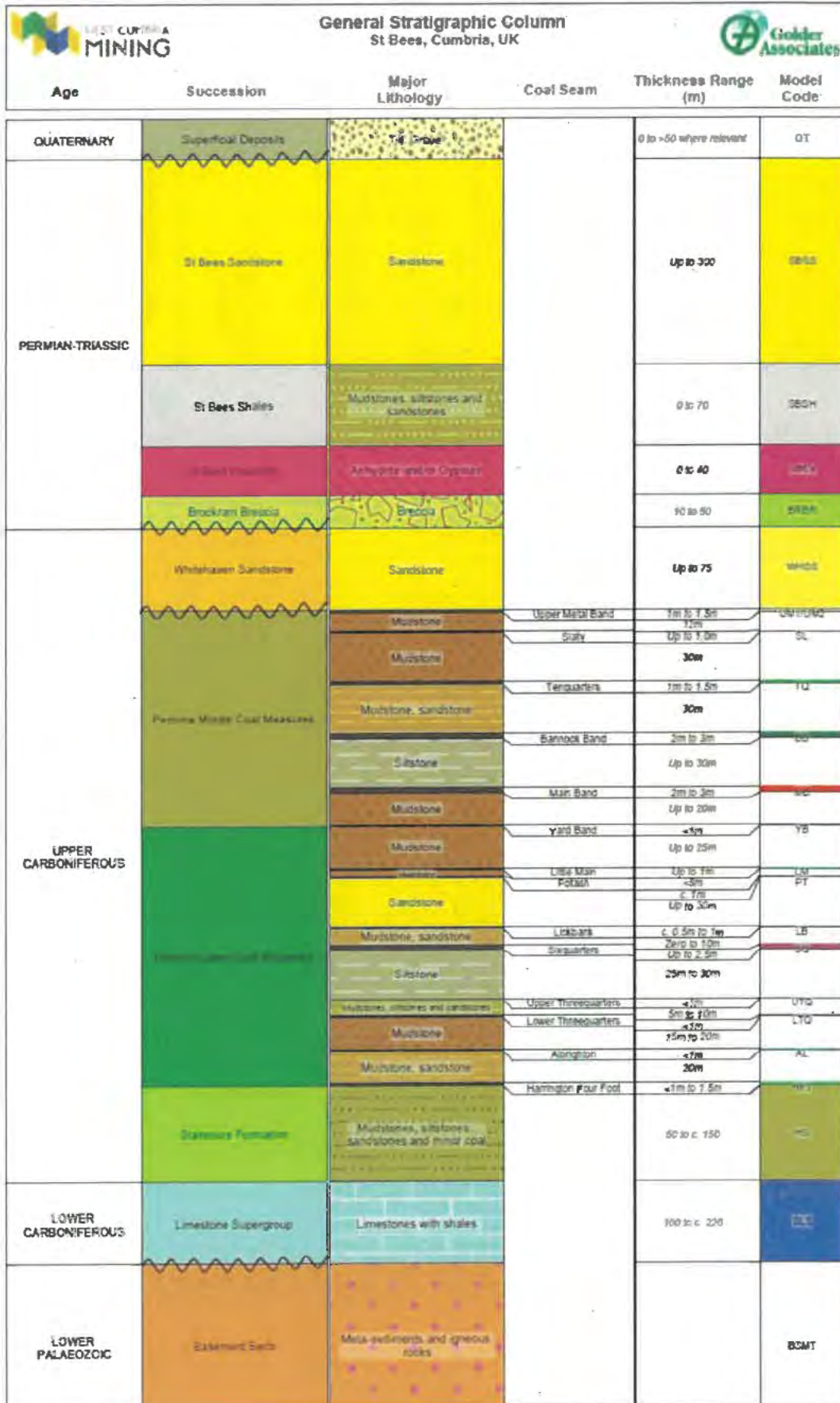
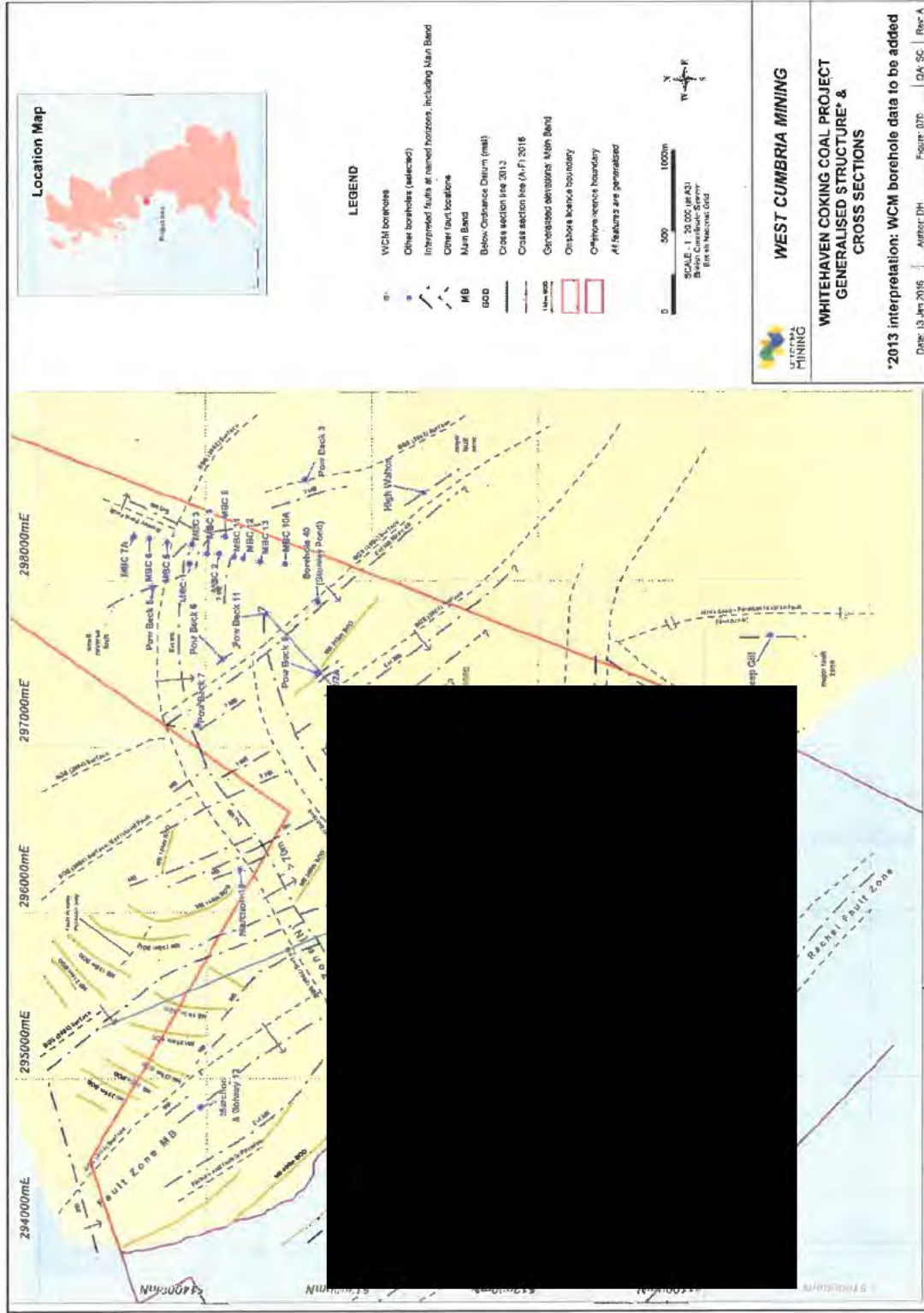


Figure 4 Generalised Stratigraphic Column

Offshore South



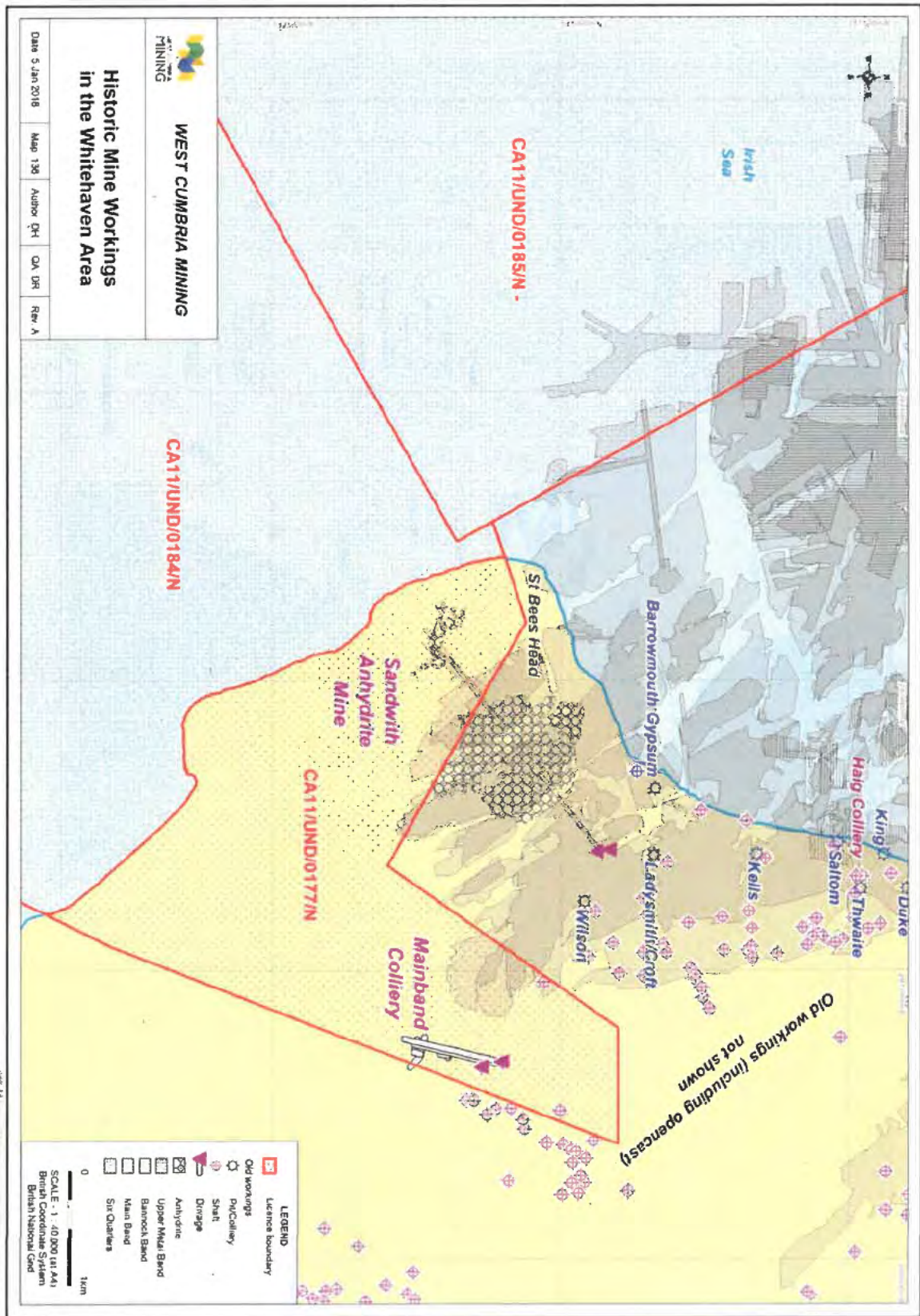


Figure 6 Historic Working in the Seams

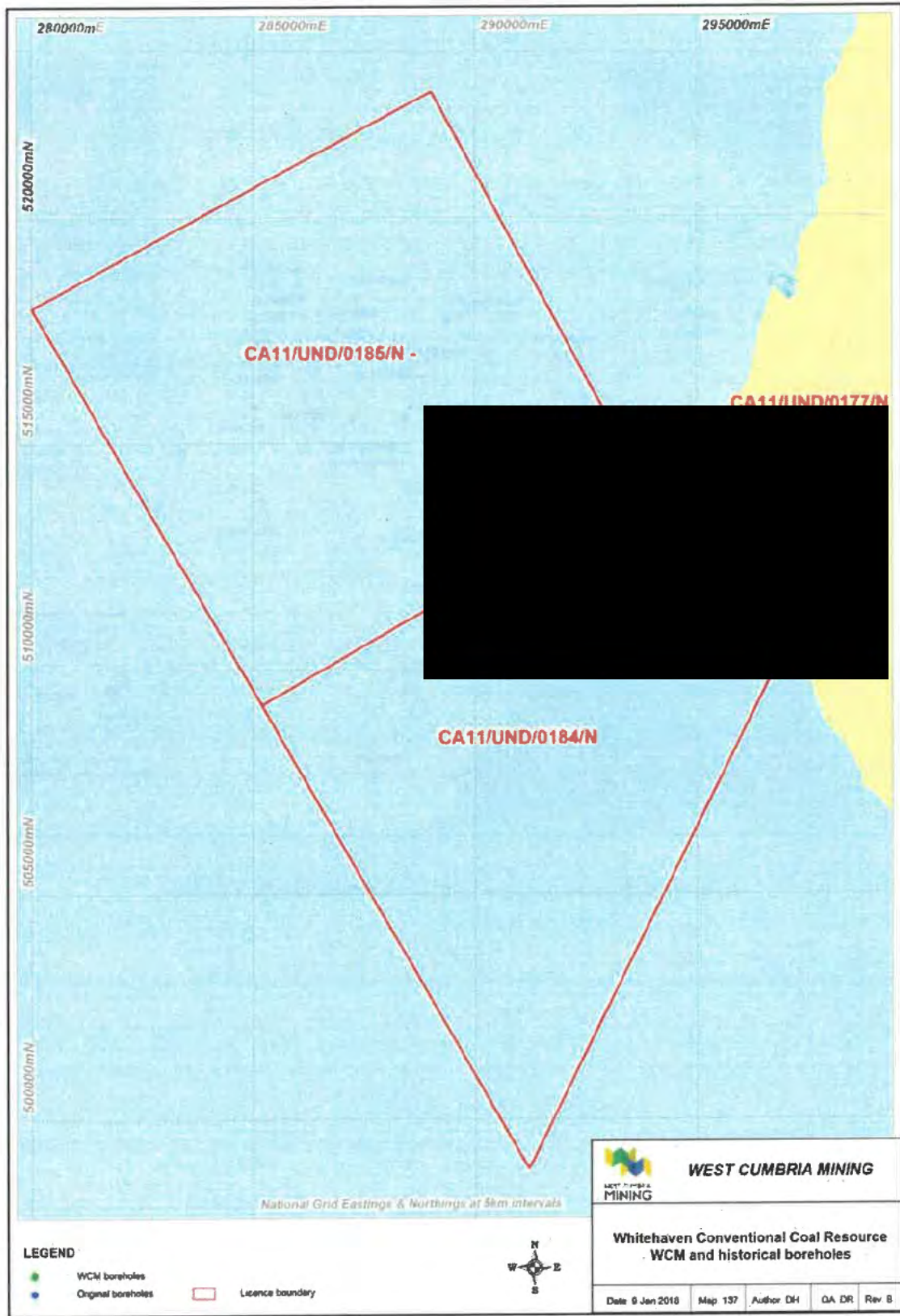


Figure 7.1 Surface and Underground Boreholes Which Intersect Coal Seams.

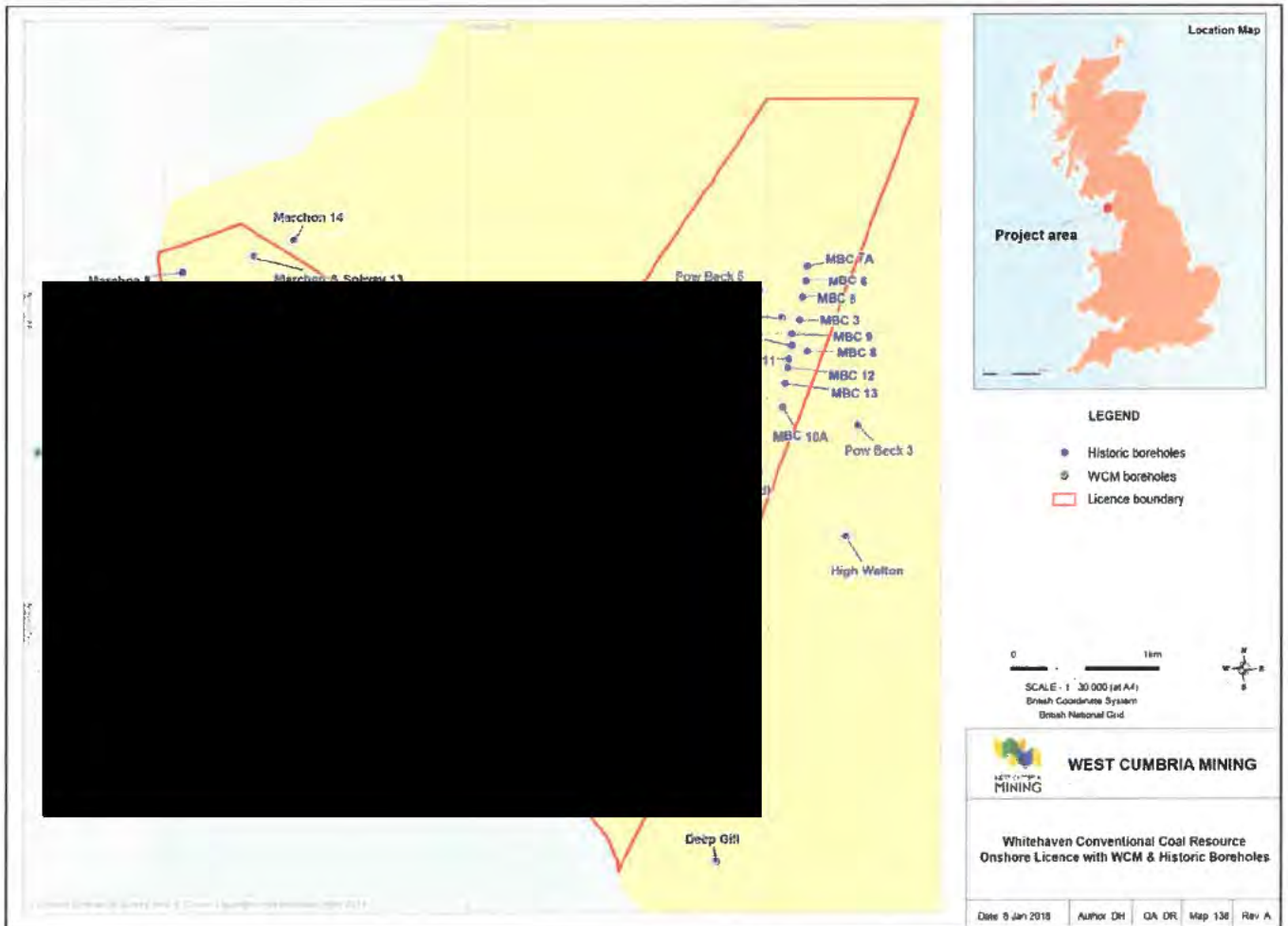


Figure 7.2 Surface and Underground Boreholes Which Intersect Coal Seams

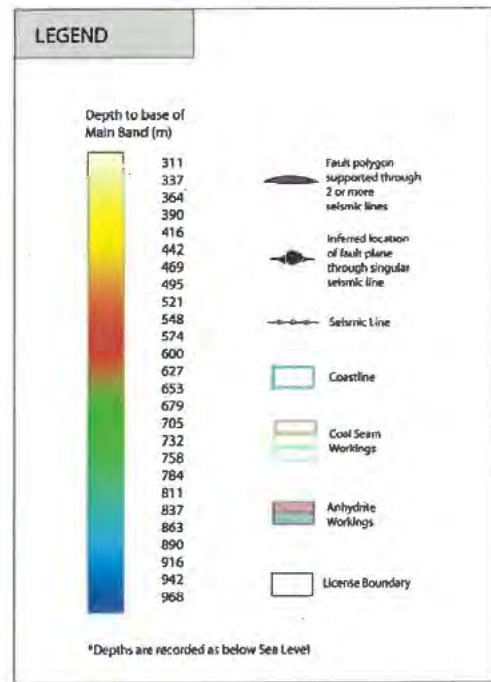
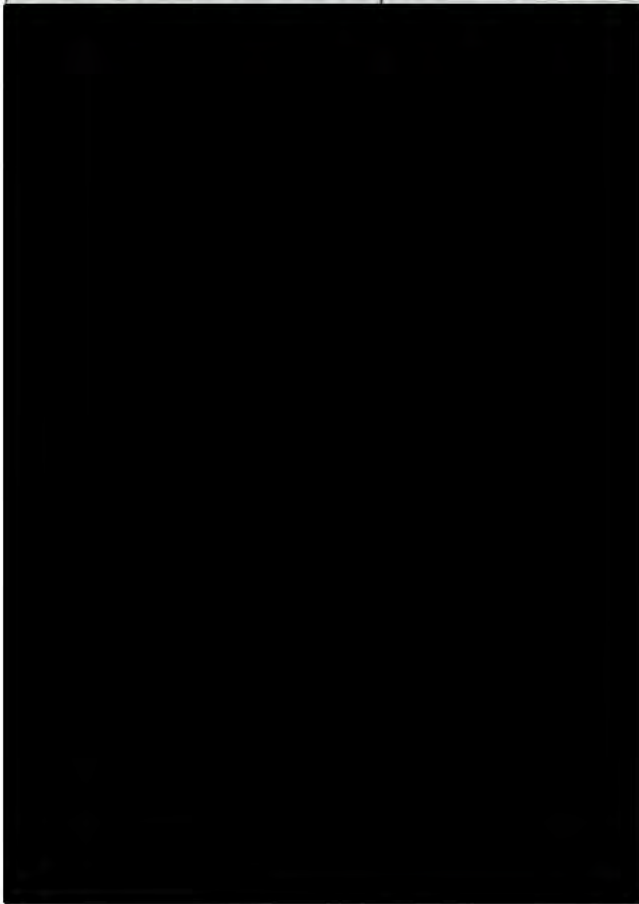


Figure 8 Interpreted Seam Contours with Structures - Main Band

PHASE 4 OFFSHORE EXPLORATION BOREHOLES_GEOTECHNICAL SAMPLES_ROOF AND FLOOR OF TARGET SEAMS

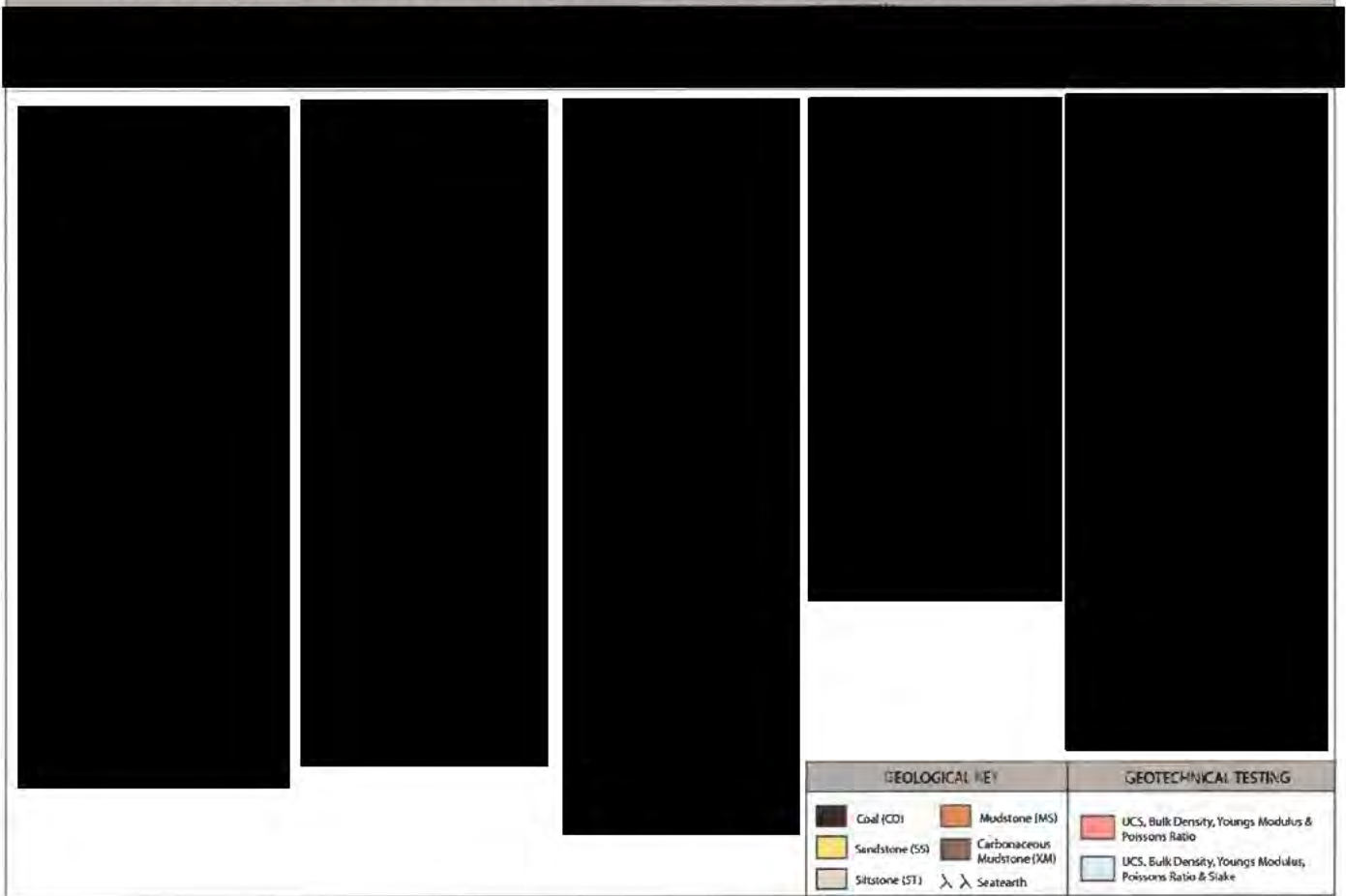


Figure 9 Details of Target Seam Sections in the Primary Offshore Mining Area.

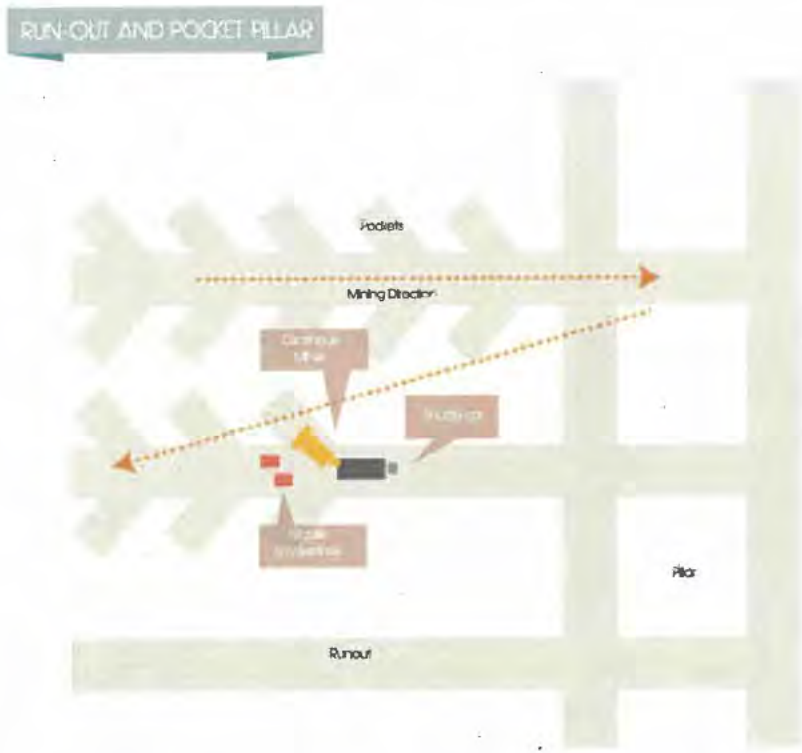


Figure 10 Run-out and Pocket Extraction.

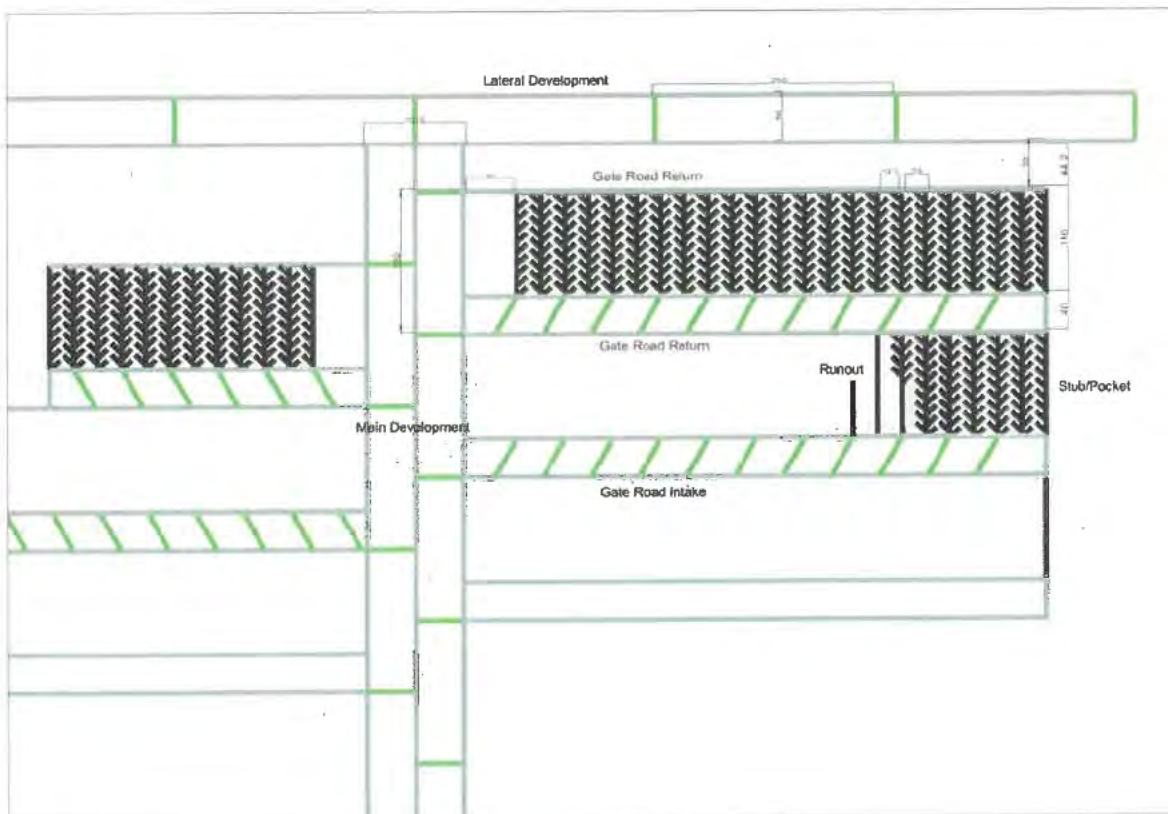


Figure 11 Development / Production Concept



Figure 12 Mine Layout (DFS)



Woodhouse Colliery 5 Year Mine Layout and Phasing

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Figure 13 Mine Layout and 5-Year Phasing

Notes

Section 4

The estimated reserves in the project area

1. [REDACTED] Probable Reserve. From a JORC resource comprising, [REDACTED] Exploration Target, [REDACTED] Inferred Resource and [REDACTED] Indicated Resource.

Current surface and major sub-surface structures and features above and at least full depth outside the licence application area (sub-surface features such as oil and gas pipelines; trunk sewers; water mains to be shown but not domestic services)

2. The total licence area is under the sea, Crown Estates mapping has no record of surface or subsurface infrastructure under the sea in the licence area.

A brief summary of the geology of the application area including the sequence of coal seams to be worked, the geological structure, dips, faults etc

3. The stratigraphic sequence is well established and is summarized in Figure 4. The target coal succession is considered to be typical of Upper Carboniferous deposits and is analogous to those seen elsewhere in UK coalfields. The main coal succession lies in the Middle and Upper Coal Measures and comprises of 14 named seams in a succession dominated by grey mudstones and siltstones, with minor fluvial sandstone beds. The target coal seams are the Bannock Band and Main Band. The grey strata are overlain by later Carboniferous red beds, which are further unconformably overlain by a succession of Permo-Triassic sediments. Fault density is believed to decrease westward, figures 5.1 and 5.2 show major mapped faults. The bedding dips of the coal seams were historically recorded as being gentle over wide areas, with dip increases on approach to key fault zones. Overall bedding dips are typically west/southwest.

The surface geology within and at least full depth outside the licence application area

4. The British Geological Survey (BGS) published (in 2004) a surface geology map at a scale of 1: 50,000 for the Whitehaven area. WCM usage has shown that this has uncertain accuracy in places, particularly regarding fault traces, although the general surface geology depiction is useful for background work.

The outcrop position of any coal seams to be worked

5. The total licence area is under the sea, no coal outcrops in the licence area are recorded.

Areas of unconsolidated deposits or material likely to flow when wet and any rock or stratum containing or likely to contain water

6. No such areas have been identified to date by WCM during the phases of exploration and design works.

Any old workings (with abandonment references if possible) which are themselves, or could be, connected to other old workings close to the surface which could allow the emission of gases or water at the surface if affected by the working of the application seams

7. Figure 6 shows existing coal and anhydrite workings in the area of WCM's onshore licence. WCM's planned seam workings will maintain an 80m standoff from historic coal workings and should not affect these old workings. There are none in this offshore licence area.

The location and details of all known abandoned mine outlets in or above the area to be worked

8. Although there are existing mine outlets within the onshore licence area, there are none within or above the area that is planned to be worked. (Fig. 6). There are none in this offshore licence area.

Details of seam sections and proposed working section(s) at intervals through the application area

9. WCM plans to work the entire thickness of the Main Band seam section. See graphic log (Fig. 9) for seam details.

The outline of method and proposed phasing of coal mining operations to be undertaken during the first 5 years

10. Full detail of the outline of method and proposed phasing of coal mining operations to be undertaken during the first 5 years can be found in Chapters 09 and 10 of WCM's DFS provided.

WCM intends to conduct a partial extraction method (Fig. 10), using a run-out and pocket design with a continuous/bolter miner arrangement, for secondary partial extraction of board and pillar systems (Fig. 11). Run-out and pocket involves developing supported short-life and length roadways. A continuous miner takes pockets off both sides of the roadway on retreat, in conjunction with mobile breaker-line supports. Figures 12 and 13 show a version of the mine plan and phasing of workings.

Section 5

Details of the access rights obtained or needed for the proposed operations. Such access rights include the mine surface and other mineral rights if required and should include a certified Ordnance Survey based plan, on a scale suitable for accurately delineating the features, showing the area of the rights needed. If not yet obtained please give the anticipated timing for obtaining these rights

11. During the Planning process a Section 106 agreement was developed and agreed by all related landowners to secure access rights to the mine surface areas including the Main Mine Site, the Buried Conveyor and the Rail Loading system. The Section 106 agreement has been formally signed off by all parties.

WCM has also historically agreed access rights for re-entry into the Sandwith Anhydrite mine, for various exploration works with both landowners and mineral rights owners.

Three plans have been provided (Figs 14, 15, 16) showing surface ownership and mineral ownership (lease and freehold).

At present WCM is of the view that it does not require any licence from the Marine Management Organisation for the coal mining activities beneath the seabed, as there is no operations within the Irish Sea, or any structures or other impacts to the seabed itself.

Section 6.1

A projected statement of year by year income and expenditure for the development of the project during the conditional phase (or the first five years if the project development is longer). This statement should be accompanied by any key assumptions on timing of exploration works, acquisition of planning consent and access rights etc.

12. The exploration phase of the project was carried out during the period 2014 to 2017 WCM, at which time WCM originally held the conditional licence for the onshore area and the two adjacent offshore areas. As a result, a JORC compliant DFS was produced and used as the basis to take the project forward.

In parallel with the exploration work WCM prepared a full EIS (Environmental Impact Assessment) based planning application.

The application was submitted to the Council on 31st May 2017. The application was approved by the CCC DC&R Committee on 19th March 2019, again on 30th October 2019 and for a third time on 2nd October 2020. On 11 March 2021 the Secretary of State “called in” the project and a Public Inquiry opened on 7th September 2021. The Public Inquiry concluded on 1st October 2021 with a report by the Inspector submitted to the Secretary of State on 7th April 2022. The decision by the Secretary of State was originally scheduled for 7th July 2022, but was postponed.

The final decision and approval of planning permission was issued by the Secretary of State on 7th Dec 2022.

From the point at which the project was called in in March 2021 WCM have not been permitted to progress the development as a consequence the conditional licence expired on 17th October 2022.

Cumbrian Metallurgical Coal Project - June 2014 to Oct 2022 Expenditure

Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
OPERATIONAL COSTS										
Environmental, design, planning, geophysics testing										
Site Activities										
Operational resources										
Total Operational Costs										
OVERHEADS										
Staff, property, legal & professional, IT, PR, etc										
Other costs										
Total overheads										
TOTAL CASHFLOW										

Source: Management Accounts
 1 2024 denotes expenditure from June to December only
 2 Expenditure for 2022 is 10 months to Oct 2022

Background

- Since June 2014 WCM has been supported by a [redacted] staged equity investment from its 82% Private equity shareholder, EMR Capital and from minority shareholders. In addition EMR and others have invested [redacted] of loan notes convertible in to equity.
- EMR Capital is an Australian-based Private Equity firm specialising in investments in mining projects
- EMR Capital is fully supportive of the development of the Cumbrian Metallurgical Coal Project ("CMCP")
- To Nov 2020, [redacted] has been invested in the CMCP based on Management Accounts.

Details of how the Applicant is proposing to finance the development of the project during the conditional/pliase. This evidence can include current bank statements if working capital is to be utilised; letters of confirmation from the bank or other fund providers or formal Director's guarantees.

13. WCM received a positive determination of the planning permission on 7th December 2022. Subsequently, the company has restarted the programme to discharge the anticipated planning conditions and construct the mine and look to deconditionalise the licences once construction is under way.

WCM cash position of [redacted] as at 8 December 2022, is sufficient to meet short term costs ahead of Phase 1 financial close in March 2023. Currently monthly spend is circa [redacted]

WCM has sufficient funding within the budget requirements and within the intended timeframe for issue and deconditionalising of the three Woodhouse Colliery Project licences.

WCM is concluding the work to close Phase 1 funding [redacted] by 15 March 2023. This funding will cover the initial 8-month period for the project to move into construction.

Phase 2 funding (full mine construction) is currently anticipated to be [REDACTED] scheduled to close by end September 2023. This is anticipated to be formed from a combination of equity (from a new investor) and supported by debt, if required.

Section 8

Please give details of relevant expertise and experience which will be available to the Applicant for the proposed development of the project during

14. WCM has a Board made up of individuals with a strong background in underground Coal Mining who have been with the project from its inception.

Don Carroll

Don is a senior resources executive with over 37 years' experience in a variety of leadership, technical, strategy, marketing and business development roles across a diversified range of commodities including iron ore, coal and aluminium. Don was a key member of the BHP Billiton merger and BHP Rio merger team and held roles including Country Head and President BHP India, Vice President and General Manager – Minerals Marketing and Vice President Investor Relations (Asia and Australia). Don graduated from Sydney University with a Bachelor of Engineering (Mining) and is a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors.

Owen Hegarty

Owen has more than 50 years experience in the global mining industry: including 25 years with the Rio Tinto group where he worked in most of their commodities, companies, and countries, and ultimately was Managing Director of Rio Tinto Asia and the Australian copper and gold business from 1989 to 1994.

Owen was the founder and Managing Director of Oxiana Limited, where he led the growth of Oxiana from a junior explorer to a major Asia Pacific base and precious metals producer. Oxiana became OZ Minerals which remains one of the top performing resources stocks over the past 25 years. Owen was Chairman of the Tigers Realm Minerals Group and until end of 2016 was Vice Chairman of Fortescue Metals Group; and he was also the Executive Vice- Chairman of Hong Kong-listed G-Resources and CST Mining.

Owen holds a Bachelor of Economics (Hons) from Monash University, is a Honorary Fellow of and former Director of the Australasian Institute of Mining and Metallurgy (AUSIMM), and a fellow of the Australian Institute of Company Directors (AICD).

Owen has served and continues to serve as a member of a number of Government and industry mining advisory bodies; and is the recipient of a number of awards and citations for his achievements and leadership in the mining industry. He was also awarded the Order of Australia Medal (OAM) in the June 2021 Queen's Birthday Honours List for service to the mining and minerals sector..

Richard Round

Richard has a successful track record in senior finance and leadership roles in a range of quoted and private companies. Most recently Richard, as CEO, led the strategy and ultimate sale of a specialist small scale hydro-energy developer, Green Highland Renewables. Richard now holds several Non-Executive and advisory roles, including Chairman of Cyberhawk Innovations and Non- Executive Director at Anglo Asian Mining plc. Previously, Richard was Acting Chief Executive at quoted Novera Energy plc where he led the sale of the landfill gas, wind and hydro group; prior to this he held a series of finance director

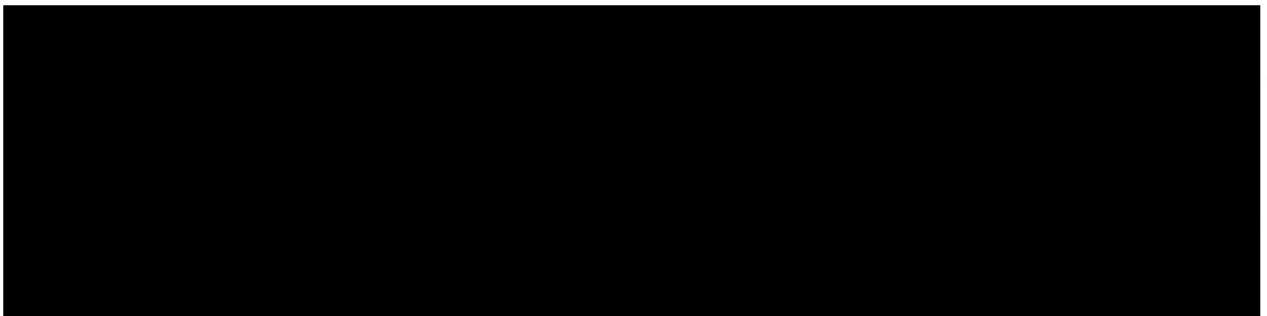
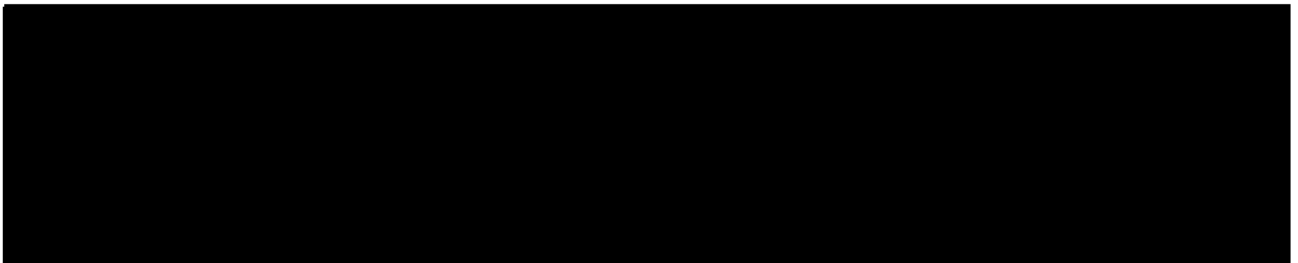
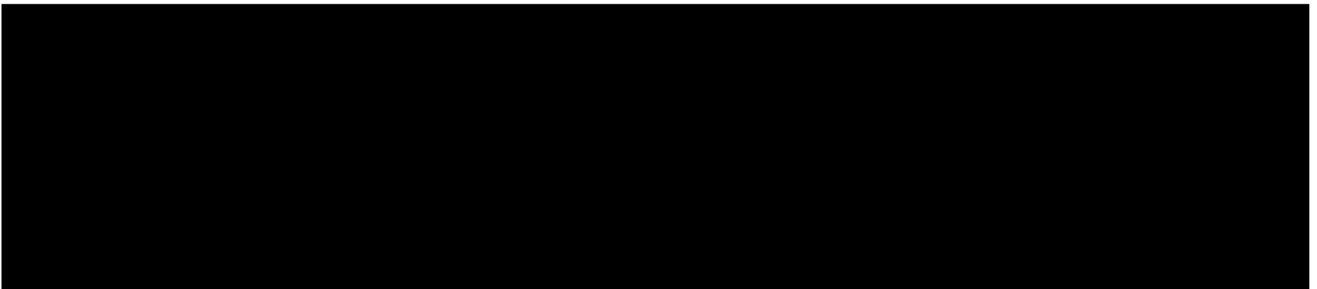
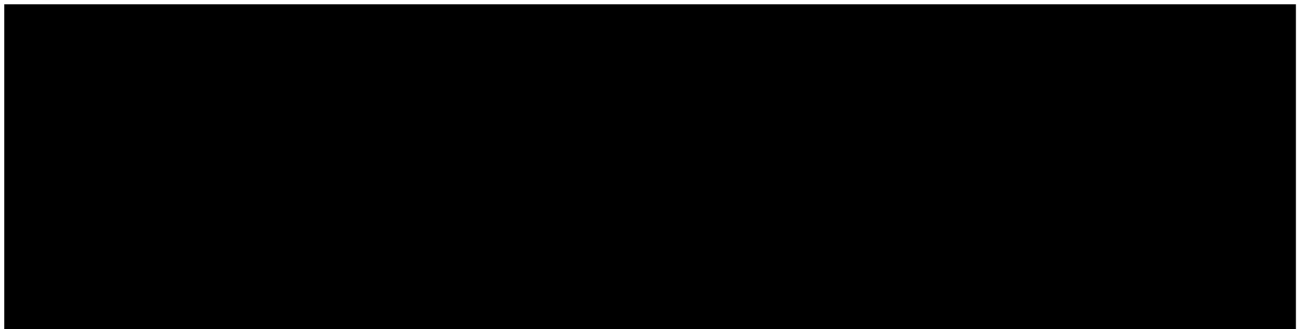
roles in the coal, mining and energy sectors, and has specific knowledge and experience in the UK coal sector.

Mark Kirkbride

Mark is a Chartered Mining Engineer and has acquired a wealth of senior management experience in the mining

and civil engineering sectors during his career. Before joining West Cumbria Mining, Mark held a series of senior roles including CEO at a specialist service provider to the infrastructure and engineering markets where he oversaw major expansion. Prior to that Mark spent 17 years with Skanska and Cementation Mining in a wide range of roles, including his formative years working in the UK underground coal mining industry as an engineer, as well as overseas on major mine construction projects. He holds a postgraduate research degree in mechanical rock cutting with machines. Mark is also a member of the WCM board.

On receipt of a positive planning determination WCM will also be able to utilise the following resources



Additional Roles

WCM has also identified a series of other new recruits to join the existing management team, including a Chief Operating Officer (a former UK deep coal mine manager), Mine Surveyor, Commercial Director, In-house Counsel, Underground Manager, Mining Engineers (x3), Project Managers (x3) and other key roles. At this time, due to confidential dialogue and disclosure, WCM has not included specific named personnel.