

FACT SHEET

Rehabilitation Bonds

What is a rehabilitation bond?

A rehabilitation bond is a financial security provided by mine operators prior to works commencing to ensure that site rehabilitation can be undertaken by the regulatory department should the operator be unable to meet their rehabilitation obligations.

Does Fosterville Gold Mine have a rehabilitation bond?

Yes, the *Mineral Resources (Sustainable Development) Act 1990* and the MIN5404 mining licence under which Fosterville Gold Mine operates requires the mine have a rehabilitation bond. Fosterville Gold Mine's rehabilitation bond is held in the form of an unconditional bank guarantee.



How is the rehabilitation bond estimated?

The bond is calculated to reflect the rehabilitation liability of the site based on the works specified in the approved work plan. For both initial and periodic bond reviews, the rehabilitation liability is calculated using the estimated costs for achieving final rehabilitated landforms as specified in the site Rehabilitation and Closure Plan.

A mine's rehabilitation liability is typically estimated using the department's rehabilitation bond calculator. The bond calculator is a tool which applies standard rates for common rehabilitation activities (e.g. excavation, backfilling, stripping, seeding, etc.). These calculations can be adjusted where independent contractor quotations and/or rates are provided to support the bond assessment.



What does the Fosterville Gold Mine rehabilitation bond include?

Fosterville Gold Mine's rehabilitation bond addresses the works required to achieve the closure concepts and final rehabilitated landforms as detailed in the site Rehabilitation and Closure Plan.

The approved Rehabilitation and Closure Plan encompasses all aspects of the Fosterville Gold Mine site, including but not limited to the:

- Underground workings.
- Open cut pits.
- Processing infrastructure
- Tailings storage facilities.
- Overburden dumps
- Portals and vent shafts.
- Heap leach facilities.
- Buildings and workshops.
- Roads, drains and ancillary infrastructure.

The rehabilitation bond includes cost for rehabilitation activities, such as infrastructure demolition and disposal, earthworks and landform contouring, revegetation and ongoing monitoring.



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How and when is the rehabilitation bond reviewed?

Earth Resources Regulation is responsible for setting and reviewing rehabilitation bonds for the mining industry in Victoria. Bonds are periodically reviewed by the department to ensure they remain at appropriate levels during the life of the operation.

Earth Resources Regulation meets with Fosterville Gold Mine every 1 to 2 years to review and adjust the rehabilitation bond. The most recent bond review was undertaken in July 2019.

Fosterville Gold Mine also routinely reviews its rehabilitation liability to ensure estimated costs are commensurate with site rehabilitation objectives.



How do I find out more?

Please contact the Fosterville Gold Mine Community Team via the general enquiries email and phone details below:

Mail: Fosterville Gold Mine
McCormicks Road
Fosterville, VIC, 3557

Phone: 03 5439 9000

Email: FGM.Community@agnicoeagle.com

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When is a rehabilitation bond returned?

Rehabilitation bonds are returned when the Department is satisfied that the land has been rehabilitated in accordance with the criteria established in the approved Rehabilitation and Closure Plan. Rehabilitated lands must be safe and stable, non-polluting, with self-sustaining vegetation cover prior to the bond being released.

Fosterville Gold Mine undertakes progressive rehabilitation of disturbed areas no longer utilised by the mine. Where a significant reduction in the rehabilitation liability of the site is demonstrable via progressive rehabilitation, the operator may request a reduction in value of the rehabilitation bond.

