

FOSTERVILLE GOLD MINE - ENVIRONMENTAL REVIEW COMMITTEE

8th November 2017

MINUTES

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| Tour Undertaken at 9.30am |
| Attendance: Tim Harrington Barrie Winzar Jeff Cummins |
| Areas visited: Proposed Paste Fill Location |

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| Meeting Opened at: 11:00am | Minutes by: Trudi Jackson |
| Attendance: Chairman : Clare Fountain Tim Harrington – Community Representative Steve Gannon – Fosterville Gold Mine (FGM) Felicia Binks – FGM Trudi Jackson – FGM Erin Simpson - FGM Joseph Hughes- FGM Ian Holland – FGM Ion Hann - FGM Grant McFarlane (ERR) Lynley Strachan (GMW) Barrie Winzar – Community Representative Cr James Williams (COGB) Morgan James (CoGB) Jeff Cummins – Community Representative | Apologies Ashley Elliot – Goldfields Revegetation Nick Tuohey - EPA Observers |

Meeting Commenced: Clare Fountain commenced the meeting and welcomed everyone. Clare also thanked the Community Representatives who volunteer their time to be a part of the ERC and we appreciate their efforts. Clare then asked the committee if anyone would like to declare a new conflict of interest to add to the existing register. There was no response from the committee and no new conflicts of interest recorded.

Minutes of the Previous Meeting

Moved: Cr James Williams

Seconded: Jeff Cummins

Action Items

Old Historical Tailings – Joe updated the committee around the sampling of the old historic tailings. Samples have been taken from Auger Holes 80 cm deep and the results have shown elevated Arsenic levels. The natural soil has 20 to 100 mg/kg and some results from the sampling program show As levels of 1010 to 1080 mg/kg. This comes as no surprise as there is only scrub growing on top and the elevated As will present a few issues to the process of removal. Tim then added that we would want to remove it. Felicia commented that we need to plan the

removal process with Ian also adding the timing will be determined in the next few months. Barrie suggested that it should remain as an action item.

RSF Approval – Felicia provided a summary around when approvals were granted for RSF1 and what the details were in the approved works. RS1 approval was granted in December 2013 to a maximum height of 10m. This was discussed at the February ERC meeting and in March 2014 the first lift of 2.5m was constructed. This current lift will bring the height to 5m and as a result there will be 5m left to go. The current lift should be completed by February 2018. At the moment there is a loose plan for the next lift to occur in 2020 however this will depend on TSF5 and the current paste fill project. Ian also added that there is no guarantee that it will go to full height.

Steve also added that before the new lift was to occur FGM would be in consultation with Worley Parsons and they would drill on the dam to measure compaction etc. A factor of safety would then be determined and this would dictate if we could do another lift.

Noise Monitoring – Felicia stated that she had been in conversation with Grant from Earth Resources regarding the noise monitoring at FGM, The final report has just come through for the continuous noise monitor and this report will be used in conjunction with modelling to look at noise sources. Jeff stated he would raise the noise breaches with the committee in the noise section of the Operations Report Presentation.

2016 Sustainability Report – This has been updated and feedback received. Grant informed the committee that ERR report on it internally and FGM provided everything required. Jeff asked if PM10 was now added to which Felicia replied yes.

Fosterville Family and Friends Day – The date was added to the most recent newsletter and Barrie thanked both Ian and Felicia for updating the community on the FGM operation and also said it was a good day and was well supported.

RSF1 – Grant updated the committee on RSF1 and noted ERR contacted ICOLD regarding all of the TSF facilities. He has provided the details that were supplied with by Steve for them to assess if any of the Facilities meet the ICOLD criteria, he will follow up to see if they are now on the ICOLD register. James enquired as to what the registers mean. Grant said the ANCOLD register is based on Australian construction guidelines and list facilities with potential risk for large scale failure having an environmental impact. James asked what are the implications for the mine and how do they deregister?

Grant said this was something that ERR needs to look at and there had been a seminar in Hobart but no one had attended. Lynley then explained that TSF4 has an operating licence with GMW and is a hazardous dam on ANCOLD. TS1 has no requirement for an operating licence. The TSF4 licence is issued for 15 years. Prior to 2004 GMW had no requirements to apply for operating licence.

James enquired about the decommissioning process and Lynley responded by saying an application needs to be lodged along with a fee. When the facility is full an operating licence is no longer required. James asked what the process was for decommissioning, who is responsible and if the facility is on Crown Land. Felicia responded saying it isn't on crown land and it is a part of the FGM closure plan and is discussed as a part of the community consultation process. It was noted that this action item will be continued so the ERC can be informed if and when TSF1 is placed on the register and the implications of being on the register.

PROJECT UPDATES

Proposed Paste Plant 2018 (As per presentation delivered by Steve Gannon)

Jeff opened discussions enquiring around the considerations given to environmental factors including contaminants especially within the heap leach, is there any information around encapsulated material and leachability? Steve responded by saying test work had been carried out in Perth on the thickener, curing time and

strength. The test material is cylinders of cured cores. Tests will also begin by running mine water over core to test leachability.

Jeff then asked, can we mimic long term situations? Ian replied saying that we will get rates of change. James said that he is interested in these questions given the brine issues at Bendigo. Tim asked if other mines are using Paste Fill and for how long for to which Ian replied Paste Fill has been around for decades. Tim asked why paste fill is more prominent now. Ian said it was due to technological advances, the depths of mines and it has been established as the best method for backfilling. James asked what the proportion of water in the slurry is. Steve answered by saying it would be 15% water and that our tailings are currently 70% water so we will actually be taking water out.

James asked if the water would be contaminated. Steve said no because it is process water. Lynley asked if the total dissolved solids would affect the stability of the paste. Steve said it was variable and depends on the binder, needs some more test work. Tim asked if it would be a cement only binder? Steve said lime and fly ash maybe added but it will mostly be cement. Barrie asked if the temporary plant would be quicker to come into operation. Steve said yes. Barrie asked what the disadvantages of an interim plant are. Steve expanded on this and said the disadvantage was that there would be two projects and the final plant is the goal. The interim plant however is cheaper and quicker. James made the statement that he assumes the backfill areas are areas that FGM no longer wants to mine? Ian explained that the paste will fill the voids and we will continue to mine adjacent to these areas. It will enable us to extract more and at the same time create more stability.

James then asked if FGM will backfill the mine on closure with Ian responding that there will be an opportunity to backfill areas of the mine. James commented on the well effect that has occurred in Bendigo because of the open voids.

Exploration Activities

(As per presentation delivered by Felicia Binks)

Lynley asked if Fosterville was doing any exploration between Trentham and Woodend? Ian said there may be some exploration in the area but it would be someone else. Jeff asked about the reaction of the Community to FGM's request for access to their land. Felicia said it was mixed. Ian elaborated that it was respectful but mixed. There has been some agreement and there is a significant number that we have yet to make contact with. Some have said no to access and FGM's position is that access is by agreement only.

Barrie then asked if we had had any response in relation to the aeromagnetic survey. Felicia said responses have generally been good, lots of people had prior communication and updates were posted to Facebook over the surveys duration. Ian said the survey covered 70-80% of the area we have under exploration licence.

Bio Solids

(As per presentation delivered by Joe Hughes)

Ian asked what was the preferred time of the year for the trial. Joe said they need to be setup for the autumn growing season and the RSF lift means that the equipment is also available. Jeff commented that RMCG who are consulting on this project are well known for their work. FGM needs to demonstrate there is no negative impact and if they do get good results what is the end game? Joe responded by saying it could be an option on RSF1 and as a part of the closure strategy. Ian added it may also be an option for Hunts/Fosterville and O'Dwyers South.

Lynley asked a question around why Phalaris was used and why the mix of plants? Joe said it was an option as it is a perennial dry land cover and sustainable by itself. Lynley stated she was surprised by the species chosen. Tim then said Phalaris is a fire hazard when no slashing is carried out. Felicia said we will put the mix to other people and seek feedback with Joe also adding that it can be changed.

Tim asked what type of surface area is the trial taking place on i.e. physical condition of the rock when the bio solids are mixed in. Joes said the area will have a light rip before seeding. Tim added that seeding rates may need

to be multiplied to give contact with soil. Joe said he will let people know who may want to be involved and the EPA had been contacted by the consultants that are engaged for this project.

OPERATIONS REPORT (As per Operations Report issued to members)

Safety

As per the report

Environment Report

As per report and presentation

Discussions

Felicia provided the committee with an explanation of the traffic light system and stated that we require all incidents to be reported so people don't make a judgement call in the field and although it might appear that we are not reporting it is only the red and orange incidents that are discussed in the ERC. Jeff replied by saying that Felicia's response was what I was after. Ian explained that the reporting of environmental incidents has a direct analogy with safety and we expect full transparency and an example of this would be a trip as someone is walking out the door. This incident would be report and document only.

Felicia then proceeded to discuss the two incident we had in Q3 with one being a hydrocarbon spill and the second the CIL tailings dust generation. In relation to the dust incident Jeff asked when the application of the crusting agent will occur. Felicia said it would happened the week after the 23rd of November. Ian added that the dig out will occur earlier next year. Jeff noted that the dust incident corresponded with a spike in PM 2.5 and that it was good to see the mine reacting to the immediate situation rather than waiting.

In regards to the Work Plan Approval Jeff asked about the variations and the progress of these. Ian said FGM has resubmitted 3 projects which include the vent rise, power upgrade and CIL hardstand. It is now approaching 30 days after submission and we are looking for approvals by the end of the year. Jeff asked when the Managed Aquifer Injection Project would be submitted with Ian stating that it would be later and that we would be looking to extend the trial first. It may not even be next year as we are looking at the RO facility.

Water Quality

As per report and presentation

Jeff noted that the arsenic result of 0.191 looks like an anomaly in BGL62

Air Quality

As per report and presentation

Jeff notes the 2 spikes in HVAS 2 were on the same day and wind conditions have a big impact.

Noise

As per report and presentation

Jeff raises the noises breaches that have occurred and asked what is ERR view? Grant said they had had discussions with the Chief Inspector of Mines and as a department they take into consideration complaints, breaches and volunteer monitoring. They have come to a conclusion that the don't believe a notice is needed at present. The department do hear what Jeff says but as long as FGM are working towards improvements then they won't be issued with a notice at this stage. In reaching this decisions they take into consideration what would be the net benefit of the notice and would the resident's life improve? Jeff then asked will it just be a continue to monitor approach? Grant responded by make an analogy with living near an airport and issuing a notice would

improve the quality of life and the regulator would be able to provide a net benefit and at this stage this is the reasons behind ERR decision.

Jeff said that FGM has a piece meal approach on noise abatement. He is concerned about the paste fill project and the noise attenuation as the history of the site would suggest that it won't happen. There is no strategic approach and the regulator seems happy with this. It is a compliance issue. Ian responded by saying we are under no illusion that silence is acceptance. The 2 keys for FGM is work towards full compliance which is not easy and even when we are fully compliance we can still irritate people. On our major projects we are absolutely committed to front end engineering on noise abatement. We are in the process of purchasing a new BIOX agitator and looking at a Variable Speed Drive on the SAG mill. These are all project we should see happen next year. We are aware we have a significant trajectory of breaches and number of complaints and we are fully committed to being compliant.

Jeff would like to know the results of the ACOM noise logger and the noise sources. Ian said feedback would be provided at the next meeting. Tim then said 20 years ago ERR regulators provided him an opportunity to have a discussion and at that time indicated that the processing plant should be under a shed. 20 years on and we now have drill rigs operating in shed and perhaps it is something that we should look with regards to the plant. The plant is old and parts wear out and generate more noise. The noise situation has come a long way since the beginning but still need to work on it. Any noise is a nuisance noise but appreciate the work that is being done.

Community

As per the report and presentation

James commented that the Community Grants were well received and that the ramp up in money would be very much appreciated.

Production Update

As per the report

Personnel

As per the report

Barrie asked the question is the extra nippers employed due to turnover. Ian responded saying that they are new positions. Barrie asked are the casual due to the budget process and when would they be converted to full time? Ian said yes and generally we work towards full time conversion.

Exploration

As per the report

In relation to exploration drilling Barrie asked if the drill rig on McCormicks Road is drilling to the east. Ian said yes it was and it is very steep. Barrie also enquired about Robbins Hill drilling. Ian said this was also drilling to the east and the rig on the Axedale- Goornong Road was drilling to the West.

Rehabilitation Report

As per the report

Jeff asked Grant where is the Rehab Bond Liability Review is at. Grant responded by saying it was happening and Bob was working on it. Jeff then added that he hasn't heard anything about it. Grant advised Jeff if he wanted to be involved with this process to get in touch with ERR. Ian said there is a 1.5 million increase to 8.9 million with the biggest driver of the increase being TSF4. Grant asked if the ERC would like a presentation on the Bond Review. Jeff said after the review we would like to know what inputs go into it. Felicia said she would deliver a presentation if that's what the committee would like.

OTHER BUSINESS

Fire Management – Tim recalls the fire this time last year and said it was quite dewy so it didn't really get going. Land Maps were going to be provided but they are not much use as people refer to areas by historical names. Perhaps when looking at internal systems FGM need to take this into consideration. Barrie said many years ago FGM was actively involved with the Goornong CFA and perhaps that would be something worthwhile to do again.

Community Grants – Tim also raised the subject of the Community Grants Program. He said it has achieved good things in the past and was brought about to raise the company profile. His concern is that the impact of mining is here at Fosterville and we should be looking at projects in this area. It would be good to have the funds redirected so they have a positive impact to the area, e.g. road side vegetation clearing.

Ian responded by saying the community grants charter is to award grants to projects that have a positive impact in the communities in which we operate and live. They are skewed and bias towards the closer community. There is now a wider scope due to the new Exploration Licences and this is strategic. There will also be an increase in the pool of money as of next year. We are not adverse to the concept of targeted projects and different types of projects not under the charter of the Community Grants Program.

Felicia added that the idea is good and could be funded by FGM but perhaps driven by a committee. A fund could potentially be set up for more localised projects. James said that the Fosterville community is bigger than just Fosterville and also takes into consideration it employees. The Roadside Project would be a complex issue. In conclusion Tim said he understand there is a broader community but the impact is here but is happy to keep discussing.

Other – Action Items

RSF1 – Inform the ERC if and when TSF1 will be on the ICOLD register and what are the implications of being on the register are

Old Historic Tailings – Removal Options and Timing

Noise monitoring – Progress of Noise Abatement

Bond Review Overview

Meeting Closed: 1-00pm

Next Meeting: Wednesday 14th of February 2018