

FOSTERVILLE GOLD MINE - ENVIRONMENTAL REVIEW COMMITTEE

2nd May 2018

MINUTES

Tour Undertaken at 9.30am
Attendance: Tim Harrington Barrie Winzar Lynley Strachan
Areas visited: Mine Water Treatment Plant and Gravity Room Construction Sites

Meeting Opened at: 11:00am	Minutes by: Trudi Jackson
Attendance: Chairman : Clare Fountain Tim Harrington – Community Representative Felicia Binks – FGM Trudi Jackson – FGM Joseph Hughes- FGM Ion Hann – FGM Rachael Spencer - FGM Lynley Strachan (GMW) Barrie Winzar – Community Representative Cr James Williams (CoGB) Paul Ratajczyk – EPA Sue Mills - FGM	Apologies Erin Simpson - FGM Grant McFarlane (ERR) Ian Holland – FGM Morgan James (CoGB) Jeff Cummins – Community Representative Ashley Elliot – Goldfields Revegetation 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

Tim raised the question around water usage at the diamond drill rig sites that was mentioned at the last meeting and if there was any more follow up and information available. Felicia said that the water trucks were parked up at the sites and being used as a second tank. Troy had looked into the water usage and there was no extra water being used relative to other drill sites.

Moved: Tim Harrington

Seconded: James Williams

Action Items

Hi Vol Results in Annual Report

The action item addressing the HI Volume Results being displayed on the website in the Annual Report was going to be addressed by Ian Holland while he is in Canada. The information has been provided to be uploaded.

Future Exploration Locations

In relation to the future exploration program locations Felicia updated the committee by saying that the AFE's for funding have not been submitted yet so the locations are still approximate and no further advancement has been made. Barrie commented that the locations look very close to the creek to which Felicia said that a 200m offset is required. Tim then asked if in Victoria the law specifies that drilling must be 200 or 400m off the river. Lynley said that exploration drilling is slightly different and the law indicated the offset is 200m. If doing exploration then a licence is not required but the same guidelines must be used as per an observation bore.

Cr Williams added that the council gets queries regards proximity of drilling to landholder bores. Felicia said it is a part of the planning process to consider neighbouring bores. Lynley asked if FGM notify neighbours as well to which Felicia said yes we do. Barrie asked when will we start the drilling to the North. Felicia said it would be three rig moves away, so in a few months' time.

Old Historical Tailings

Tim then enquired about the progress of the historical mine tailings. Felicia said FGM had done some testing for gold with Joseph adding that the XRF testing indicated some good gold results but the follow up lab tests indicated a low gold content. The metallurgists also want to do some testing around how the tailings will float. Felicia said the work was progressing but there are more tests to be completed. Paul added that as the tailings are within the mining lease their movement would require ERR approval so initially EPA may not be required. Felicia said she would confirm with Grant that this is the case. Barrie added by saying that previously DELWP preferred the bulrushes to grow over the site rather than moving it, but that may have changed now.

OTHER BUSINESS – to be discussed at end of presentations

Tim and Cr Williams both raised the issue of traffic on Axedale – Goornong Road.

PROJECT UPDATES

Mine Water Treatment Plant and Gravity Circuit Upgrade (As per presentation delivered by Sue Mills)

Tim asked what was the estimated rate of evaporation from the brine dam. Sue stated that evaporation rates are a part of the design calculations but she couldn't tell the committee exactly what they are. Tim then asked if there was a storage component for the treated water. Sue said there will be a series of a tanks to test the water. The circuit will consist of a water storage tank after which the treated water travels to a process water tank and then will be feed to the process plant. Tim asked what was the capacity of the water storage tank given the rate of water treated would be 2ML/day.

Felicia stated that the capacity is designed around the site water balance. Sue added that if the process plant is off then the RO plant would be off. Lynley asked what the size of the brine dam is. Felicia said 150ML. Lynley asked if FGM has a construction licence. Sue said she didn't have all the answers to the questions on hand but if there was a list of questions she would find out the answers and report back. Lynley then added if the back height was less than 5m then the capacity was not an issue.

OPERATIONS REPORT

(As per Operations Report issued to members)

Safety

As per the report

Cr Williams enquired regarding the elevated Arsenic levels seen in the two employees. Ion stated that this is the first time in a long time we have seen elevated levels. In both cases a second test was carried out with one employee coming back with a low reading but the second still reading high in arsenic. The employee was not exposed to the underground environment in their job. At this stage it appears unrelated to the mine. James then asked if this employee may have been drinking ground water.

Tim asked if the employee was new to site and what routine medical tests are done. Ion Hann commented that we do routine Arsenic testing, periodic lung testing for capacity and fine Silica issues. We also test for dust and diesel particulate underground on a quarterly basis. Tim then asked how the company guarantees the health of employees as it is something that has never really been communicated and would be good to share in the community newsletter.

Lynley referred back to the high arsenic level of the employee and asked what is the difference between organic and inorganic sources of Arsenic. Felicia said she believed the organic is plant based and easily absorbed, whereas the inorganic type is what we see in the rocks at Fosterville.

Ion Hann then raised the new condition that would see FGM registered as a major hazard facility. He advised that Fosterville are putting together a safety case to be presented to Worksafe. Paul asked if the major hazard facility was triggered by the multiple chemicals used onsite to which Ion said no, it was due to Worksafe reducing the threshold level of explosives at which triggered the major hazard facility classification. Ion continued by saying an Integrated Management System (IMS) was being implemented which encompasses a chain of expectations from top to bottom and will align with international standards. Paul added that this system would help with changes with the EPA.

Ion then said that FGM supervisors are also undertaking training with the Australian Institute of Management (AIM). Cr Williams mentioned that FGM might consider some form of involvement with the Loddon Leadership Program.

Ion said FGM has had a lot of new starters on site. Barrie asked if we find that some new starters give the underground environment a try and then decide it is not for them. Ion said not a lot but there are some. James asked if FGM was a member of the Bendigo Manufactures Group to which Felicia said no.

Environment Report

As per report and presentation

Discussions

Barrie enquired about the cultural heritage meetings and asked what were the concerns of the Dja Dja Wurrung. Felicia said that they want to be involved in identifying areas of high risk and low risk. Barrie said in the past the Sugarloaf area was low risk to which Felicia said it was not now. Lynley added that generally a 200m culture heritage overlay exists near waterways. Barrie said he had been involved with an assessment of the sugarloaf area with an archaeologist and member of the Dja Dja Wurrung. If he can he will bring the report to the next ERC meeting.

The two incidents were then discussed, the first being the disturbed tailings and the other the tailings discharge event. Lynley asked if the notice issued by the EPA regarding the tailing discharge was rescinded to which Felicia said no. Paul added that he had spoken to the investigator who said the notice was issued based on impact and culpability. The impact was low but with regards to culpability there needed to be better controls. Felicia noted that the EPA fined us prior to the final monitoring and impact report being completed and therefore the outcome of the incident was not taken into account. She also added this was a concern for FGM and

interactions with the EPA are a risk for FGM. Tim then asked what happens if someone takes a saw and opens up the pipe, he understands that the EPA did something but didn't think there was real value there.

Felicia said an action from the incident investigation was that the pipeline has been walked and photos taken of all the welds. These have been catalogued and will be checked and reviewed periodically. Paul then said if there is an active control then culpability is low i.e. with an inspection and maintenance program. He said he would take on the feedback but the EPA has been criticised for being soft, notices are issued first as the fix and then they will look at policy and sanctions.

Water Quality

As per report and presentation

Air Quality

As per report and presentation

Jeff raised some questions via email, he said he was concerned about the 6 occasions PM 2.5's and the 2 occasions PM 10's were exceeded. Were these reported as reportable incidents to the regulators and if not why not as they are a human health concern. Also he would be interested in the response from the regulators at the ERC meeting on these breaches as well as the adequacy of the AQ investigation proposed by FGM.

Felicia responded to Jeff's first question by saying they are being reported at the ERC and regulators are being notified through this forum, any exceedances have only been reported via the ERC previously. She also said one of the main sources of dust maybe McCormicks Road, the processing department have done particulate testing on the stacks and results had been very low. Joe then addressed the AQ investigation and said a metal analysis on the samples has been requested and will be sent to a consultant for review. He also said FGM are also looking into the efficiency and availability of the water cart to effectively control dust on McCormick's Road during summer months. Joe said that from the metal analysis a review of the occupational health risk will be completed along with calibration of both units. The consultant had recommended that given we can now determine the background dust levels as a result of the 2 dust monitors being in operation then the background levels should be taken off the data. Joe noted that this is something FGM has not done.

Paul said that PM 2.5 was mostly combustibles with Felicia adding that there are no health guidelines for PM 2.5. Paul said that the EPA would make a time to come to site and go through the information and dust results. Felicia said the question regarding the sealing of McCormicks Road had been discussed along with other options such as the use of dust suppressants on the road. Barrie added that when the approval to mine was given to FGM the community determined that they would prefer to see the junction of Axedale Goornong Road sealed rather than McCormicks Road and that is the choice that was made. Ion said any decision on sealing McCormicks Road would have to be made in consultation with the council to assure there are no other issues. Tim asked about the installation of a truck bay on McCormicks Road to which Ion said that one was being installed and we do have permission for this.

Felicia then raised some changes to waste rock management onsite as a result of a recent waste rock meeting. As the Ellesmere Pit is reaching its capacity some alternative locations for waste rock need to be considered. Approvals are currently in place to move waste rock into Falcon North Pit, this will require a change in the internal haulage road and this is currently being reviewed. Another option would be to extend McCormicks Waste Dump which will require a work plan variation. The final option would be Harrier Pit however this pit is the last option for mine water so the site water balance would need to be sorted first.

Tim said that if an extension to McCormicks Waste Dump was chosen the material would need to be covered quickly. Felicia responded by saying that our sulphide rocks are not like the shales seen in the open pits. Tests indicate the sulphide is not highly reactive. She said she would bring drawings to the next ERC meeting. Tim then asked if waste was to be put in the southern end of Falcon Pit would there be a buffer in front of the Portal to which Ion said Armco tunnelling would be required to maintain access. Tim also noted that the elevations would need to be considered with regards to noise.

Ion said that movement of waste rock is high at present. Felicia also said that with the introduction of paste fill it will reduce the capacity to store waste rock underground. Tim asked if at the next meeting FGM could present the expected ratio of waste rock underground to above ground.

Noise

As per report and presentation – Felicia noted that there appeared to be less monitoring in March but that was due to a double up in February.

Community

As per the report and presentation

Barrie commented that the community was very appreciative of the presentation of Open Day this year. Cr Williams asked if the FGM community website was up and running yet to which Felicia responded no.

In relation to the community complaint Lynley said the community member felt that FGM had breached licence conditions in drilling close to their bore. Those conditions however relate to the construction of a bore and not exploration drilling. Felicia added she appreciated that Goulburn Murray Water took the time to speak with the community member about their concerns.

Production Update

As per the report

Personnel

As per the report

Exploration

As per the report

Cr Williams commented that the community meetings went well and he thinks people appreciated the opportunity to air their concerns. Tim Harrington enquired about the depth of drilling and targets at Robbins Hill to which Ion said 500m, which is standard depth for an underground target. Cr Williams asked if the results have been better whilst KLG have been owners. Ion said it is better due to the dollars that are being invested back into exploration

Rehabilitation Report

As per the report

OTHER BUSINESS

Axedale – Goornong Road

Tim said after the community meeting it was clear the speed and traffic management on Axedale Goornong Road is an increasing concern. He said he has approached Cr Williams to discuss making the road an 80km speed limit. Cr Williams indicated that work is about to commence on an intersection along the road so it may be an opportune time to raise this as an issue. Tim provided some background on the road by saying when the road had a 15 tonne bridge there were no loaded trucks using this route. Council upgraded the road to make it open tonnage. The subdivisions occurred before the bridge upgrade. Tim believes the simplest solution would be to reduce the speed limit to 80km/h given there are a number of bends over a 4 to 5 km stretch and 100 private gate ways along the road. He estimates between 1000-1200 cars use the road each day and the changes would be in the community's interests. He asked if FGM would be supportive of the changes given it is a safety issue for its own personnel with regards to dust and water monitoring and drill site inspections. Ion said FGM's support would be in line with that of the broader community.

James said it will soon be 80km/h at the Barnadown intersection. He also said that in initial conversations with Maree Edwards there is \$100 Million dollars allocated in the budget for this type of work so there may be some scope for road upgrade and a strategy could be developed based on the safety issue. Tim added it is a bigger concern for all the parents and children who are travelling to school each morning. Lynley added that it is the worst road that she travels on. Tim said good signage is required as there are trucks, kangaroos and driveways. Clare summarised by asking James if he has enough information to make a submission to which James said he is in the process of gathering it all.

Other – Action Items

Hi Vol results to be displayed in Annual Report

Historical Tailings - is EPA approval required for any movement or just ERR, Felicia to check with Grant. Progress of rehabilitation or movement of tails

Dust Breaches – meeting to be setup between FGM and EPA to discuss

Waste Rock Management – Plans to be presented to ERC at next meeting with figures showing ratios of waste rock underground and above ground

Meeting Closed: 1-15pm

Next Meeting: Wednesday 1st of August 2018