



Rehabilitation and the Stockman Project

Aeris Resources is currently assessing options to recommence mining at the old Benambra Mine site. This mining project is known as the 'Stockman Project'.

Upon starting construction for the Stockman Project, Aeris Resources will take on liability for all disturbances made to the site as part of its mining operations, with the exception of the old processing plant site at Waxlip Spur which will remain the responsibility of the Victorian Government. Key areas of planned disturbance include the Project's new processing plant footprint, access to the Wilga and Currawong underground mine workings, temporary waste rock storage facilities and redevelopment of the site's historic tailings storage facility.

At Aeris, mine rehabilitation is an integral part of planning and development activities for new projects, and also plays a central role in day-to-day operations at its existing mine sites across Queensland, New South Wales and Western Australia.

STOCKMAN PROJECT REHABILITATION PLAN AND REHABILITATION BOND

The Stockman Project's Rehabilitation Plan is a significant supporting document that forms part of the project's approved Mine Work Plan, and is underpinned by the rehabilitation concepts considered in the Stockman Project's Environmental Effects Statement. The Rehabilitation Plan is based on an approved rehabilitation strategy, and relates to the disturbance

that is expected to occur during the life of the operation. Importantly, the plan also identifies the rehabilitation liability that will exist at any point during the life of the operation.

The Rehabilitation Plan sets out agreed rehabilitation objectives; outlines activities required to return the land to better than or equal to the pre-mining condition; identifies any risks associated with implementing the plan and how the risks will be mitigated; identifies monitoring actions required in the years during and after rehabilitation; and details rehabilitation completion criteria that are required to be achieved prior to relinquishing the tenement.

It is incumbent upon Aeris Resources to fully fund all rehabilitation activities up to tenement relinquishment. However, prior to starting construction of the Stockman Project, Aeris Resources is required to calculate the maximum financial liability of the operation, which represents how much it would cost to close and rehabilitate the site at any point in time. Aeris is then required to secure a Rehabilitation Bond (Bank Guarantee) to cover the maximum liability value. This ensures that, under any circumstances, the costs of rehabilitation can be met, without a financial contribution from the State Government.

POST CLOSURE DEED AND MANAGEMENT PLAN

A recommendation of the Stockman Project EES was that a Post Closure Deed be put in place to financially account for monitoring and maintenance of the Tailings Storage Facility after the mine closes. In line with the Post Closure Deed for the Stockman Project, a Post Closure Management Plan has been developed, which outlines the monitoring and maintenance activities that will be funded by the Deed. The Plan was independently reviewed and deemed acceptable to the Victorian Government.

The costs to undertake post closure monitoring and maintenance activities are referred to as the 'Final Closure Amount'. Before commencing construction of the Stockman Project, AERIS Resources must secure an additional rehabilitation security to the value of the independently verified Final Closure Amount.

Following the end of mining, and the completion of final rehabilitation of the mine site, the Final Closure Amount must be paid into a Post Closure Fund, administered by the State Government, before the rehabilitation bond can be released.

Under this framework, the Victorian Government ensures the funds necessary to rehabilitate the mine site, including its tailings storage facility, will be available at every point in the mine's life.

The framework also ensures any ongoing costs for managing the tailings storage facility after it has been rehabilitated, will be available to the Victorian government following the mine's closure.



HISTORY OF THE STOCKMAN PROJECT

Operations at old Benambra Mine abruptly ended in 1996 when its former operator Denehurst ran into financial difficulties. Following the mine's closure, the Victorian State Government became liable for rehabilitation of the site, including its tailings dam and processing plant.

Events like this drove the modernisation of State environmental legislation. In its current form, legislation now places liability for the rehabilitation of mining sites squarely with licensees.

Today, State legislation requires mining companies to fully understand and disclose the environmental liabilities that will exist over the life of the mine and provide financial assurances for all identified liabilities. This framework ensures liability will not fall to the State Government in the event of the sudden unplanned closure of a mine.