



# Chapter 2 Project Rationale

**Fosterville Gold Mine Sustained Operations Project EES**

**July 2024**

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## 2.0 Project rationale

This chapter describes the rationale for Fosterville Gold Mine Pty Ltd proceeding with the Sustained Operations Project (the Project) and outlines the potential gold resource and the socio-economic benefits to the local Bendigo region and to the state of Victoria. Further details on the socioeconomic benefits of the Project are provided in **EES Chapter 20: Socioeconomic Impacts**.

Fosterville Gold Mine (FGM) is an existing, high-grade, underground gold mine operated by Fosterville Gold Mine Pty Ltd, a wholly owned subsidiary of Agnico Eagle. Agnico Eagle is a Canadian gold mining company, founded in 1957, producing precious metals from operations in Canada, Australia, Finland and Mexico. In 2020, FGM contributed 6% of Australia's gold production.

Gold is among the most valued commodities in the world, it is used throughout the world for bullions, coins, jewellery and industrial applications in electronics and computing

This chapter responds to the Environment Effects Statement (EES) scoping requirement (Section 3.3 Project description and rationale) that the Project EES describe the objectives and rationale, including its relationship to statutory policies, plans and strategies, and implications of the project not proceeding.

### 2.1 Objectives and rationale

FGM is Victoria's largest gold producer. Fosterville Gold Mine Pty Ltd employs approximately 600 full-time personnel and 200 permanent contractors, mostly from around the Bendigo area, and indirectly sustains jobs in mining and other supporting services and industries in the Bendigo region and Victoria. In the 2022 calendar year, FGM directly contributed around \$300 million in goods, services, and wages to the local economy.

The Project's objective is to sustain these jobs and drive future gold discoveries and production through a range of proposed activities that will be required to support the continuation of existing operations at FGM for at least another 10 years

### 2.2 Context of gold mining in the Project area

Victoria is a world-renowned gold province (Earth Resources Regulator, June 2021). Victoria has produced over 2,400 tonnes of gold, which is 32% of all of the gold mined in Australia and almost 2% of the gold ever mined globally.

Gold was first discovered in the Fosterville area in 1894, with mining activity continuing until 1903. Aside from a minor tailings retreatment in the 1930s, the goldfield lay dormant until 1988. Between 1988 and 2001, a total of 240,000 ounces of gold were poured from heap leaching ore derived from shallow oxide open pits<sup>1</sup>.

Mining recommenced in 1991 with Brunswick Mining NL and then Perseverance Corporation Ltd. (Perseverance), and over the following decade 21 open pits were developed to extract gold bearing ore for 2 crushing and heap leach pad complexes.

Perseverance was acquired by Northgate Minerals Corporation in 2008, and the 500,000<sup>th</sup> ounce of gold production was achieved in 2011. The operation has subsequently been in the ownership of AuRico Gold Inc., Crocodile Gold, Newmarket Gold Inc. and Kirkland Lake Gold Ltd.

In February 2022, Agnico Eagle merged with Kirkland Lake Gold Ltd and became the parent company of Fosterville Gold Mine Pty Ltd, the licensee of FGM under the *Mineral Resources (Sustainable Development) Act 1990 (Vic)* (MRSD Act).

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<sup>1</sup> AE website accessed 21 November 2022

### 2.2.1 Geology

FGM is located within the Bendigo Structural Zone in the Lachlan Fold Belt. The deposit is hosted by an interbedded turbidite sequence of sandstones, siltstones, and shales.

Mineralization at Fosterville is controlled by late brittle faulting. Primary gold mineralisation occurs as disseminated arsenopyrite and pyrite, forming as a selvage to veins in a quartz–carbonate veinlet stockwork. The mineralisation is structurally controlled. Mineralised shoots are typically 4 m to 15 m thick, 50 m to 150 m up/down dip and 300 m to 1,500+ m down-plunge and have average grades of 5 to 10 grams per tonne of gold (g/t Au), with individual assays up to 60 g/t Au.

Primary gold also occurs as visible gold at Fosterville and is found as disseminated fine specks (>1 mm) of gold within host quartz veins. The occurrence of visible gold is becoming increasingly significant at depth, and is observed more frequently below an approximate depth of 800 m.

Examples of the visible high-grade gold zones include the Eagle and Swan Zones in the Lower Phoenix area. The Swan Zone, currently the highest-grade mineralised zone at Fosterville, is 2 to 5 m in width, dips west and is presently defined over a 275 m strike and a 200 m vertical extent. The Eagle and Swan Zones remain open down-plunge for potential mineral resource expansion.

### 2.2.2 Fosterville Gold Mine

FGM is Victoria's largest producer of gold and is in the top 5 of Australian gold mines, in terms of production

During its initial years, FGM produced gold from near-surface, low-grade mineralisation. An EES was developed for the mine in 1996 (1996 EES) which allowed underground mining of the sulphide ore to commence in 2005.

A major inflection point was achieved in 2015 with the intersection of high-grade visible-gold bearing mineralisation at depth, leading to the discovery of the Eagle Zone and, in 2016, the ultra-high-grade Swan Zone. The discovery of these zones, particularly Swan, resulted in a significant improvement in the mine's overall mineral reserve grade, production profile and unit-cost performance. In 2016, exploration work documented similar visible-gold bearing zones at depth in the Harrier zone. Additional exploration progress early in 2017 resulted in new mineral reserve and mineral resource estimate for the operation being released in June 2017, which more than doubled underground reserves.

With continued exploration success over the remainder of 2017, an additional mineral reserve and mineral resource estimate was released in December 2017, with mineral reserves increasing another 65% from the June 2017 estimate. Continued drilling in the Lower Phoenix system during 2018 resulted in another significant increase in the Fosterville Mine mineral reserves to 2,720,000 ounces at an average grade of 31.0 grams/tonne (g/t).

Exploration results at FGM in 2022 continued to demonstrate the size and scale of the gold systems at Lower Phoenix, Cygnet and Robbin's Hill, and confirmed the presence of quartz with visible gold within each of these systems.

Based on current exploration results, the long-term goal for FGM is to establish the mine as a long-life asset through the successful replacement of mineral reserves. There is potential to discover additional high-grade zones that could potentially support higher production levels and improvements in unit costs<sup>2</sup>, which is the reason Fosterville Gold Mine Pty Ltd are seeking to gain approval to continue operations for another 10 years.

As of 31 December 2023<sup>3</sup>:

- Proven mineral reserves were 273,000 ounces of gold (679,000 tonnes grading 12.52 g/t gold).
- Probable mineral reserves were 1,409,000 ounces of gold (7,897,000 tonnes grading 5.55 g/t gold).

<sup>2</sup> AE website accessed 21 November 2022

<sup>3</sup> Information sourced from AEM Fourth Quarter and Full Year 2023 Results News Release, dated February 15, 2024

- Measured mineral resources totalled 108,000 ounces of gold (1,082,000 tonnes grading 3.10 g/t gold). Indicated mineral resources totalled 1,404,000 ounces of gold (10,528,000 tonnes grading 4.15 g/t gold).
- Inferred mineral resources totalled 1,461,000 ounces of gold (10,019,000 tonnes grading 4.54 g/t gold).
- FGM is targeting annual production range of 200,000 to 220,000 ounces of gold in 2024.
- In 2023 FGM produced 277,694 ounces of gold at an average grade of 13.61 g/t gold.

## 2.3 Sustainable extraction of resources

The Project seeks to continue operations at the FGM in a sustainable manner with consideration of the legislative and planning context for resource extraction in Victoria. The following sections describes how the Project and its rationale aligns with legislative and policy requirements.

### 2.3.1 Legislative context

State government policy encourages the sustainable exploitation of mineral resources. The *Mineral Resources (Sustainable Development) Act 1990* (Vic) (MRSD Act) is the principal legislation regulating mining in Victoria. Its purpose is:

*“to encourage mineral exploration and economically viable mining and extractive industries which make the best use of, and extract the value from, resources in a way that is compatible with the economic, social and environmental objectives of the State”.*

In 2021 DTP stated that FGM will need to be referred to go through the EES process in order to continue to operate. As a part of the EES process, DTP requested that Fosterville Gold Mine Pty Ltd incorporate all project components required to sustain current operations for the next 10 years.

The Project has been assessed against relevant Commonwealth and Victorian legislation and policy (see **EES Chapter 5: Legislative Context**). The design of the Project has evolved through the assessment process in response to risks and impacts that have been identified by the technical studies, and mitigation measures have been developed so that the Project is compatible with the state's economic, social and environmental objectives. These objectives are set out in various State government resource and planning policies, summarised below.

State policy regarding resource extraction in the area includes:

- *Victoria's Regional Statement* - identifies the diverse aspects of Victoria's regional economy. It is built on the recognition that every region is different, and therefore each region requires different management. Different economies rely on different factors from food, fibre, tourism, manufacturing and natural resources. It highlights that while some communities are growing, others are shrinking. The Statement proposes to give regional communities a louder voice in government decision making in relation to better healthcare, education and training, jobs and growth, quality of life, safer regional communities and transport and infrastructure. One of the regions specifically identified within the Statement is the Loddon Campaspe Region. Greater Bendigo is located within this region and is identified as one of the state's largest and fastest growing regional cities. The Statement seeks that the Loddon Campaspe region and in turn Greater Bendigo maintains its *'economic and social diversity while fostering its competitive advantages'*.
- *Loddon Mallee South Regional Growth Plan* – a strategic land use plan which seeks to guide the growth and anticipated change to the region over a 30-year period. The plan acknowledges that the region's rich goldfields history and its current earth industry resources, and how these are a significant driver for the local economy.

- *State of discovery: Mineral resources strategy 2018-2023* – the Victorian Government’s strategy to grow investment and jobs in the minerals sector within Victoria. It identifies that the State’s mineral resources, and mining operations are the economic backbone of many regional towns, providing employment and opportunity. The vision of the Policy is defined as *a growing and responsible minerals sector that is valued by the community*. The strategy seeks to grow investment and jobs in Victoria’s minerals sector and the responsible exploration and development of Victoria’s minerals by:
  - Building community confidence in social, environmental and economic performance of mineral exploration and development
  - Improving Victoria’s attractiveness for minerals investment
  - Strengthening Victoria’s position as a global mining and mining services centre

Key action areas of the strategy include outlining a path to confident communities and responsible explorers, while advancing geoscience and encouraging mineral exploration and development resulting in Victoria becoming a globally recognised mining hub.

FGM is highlighted in the *State of discovery: Mineral resources strategy 2018-2023*<sup>4</sup> as a prime example of the significance of mining to Victoria. FGM is used as a case study for Action Area 2 of the strategy which is “*Advancing Geoscience and encouraging mineral exploration and development*”.

The success of FGM is considered to be responsible for the recent uptake in mineral exploration licences in north-central Victoria as well as being responsible for maintaining Victoria’s reputation as the destination of choice for modern gold investment.

### 2.3.2 Planning context

This section aims to demonstrate that the Project and its rationale is consistent with the planning context of the area, with a particular emphasis on policies that reference economic diversification, mining and natural resource development.

The Planning Policy Framework (PPF) seeks to ensure that land use and development in Victoria meets the objectives of planning as set out in the Planning and Environment Act 1987. The PPF is general in nature and is often used to guide more specific planning policies within a municipality.

The Local Planning Policy (LPP) are included as sub-clauses within the PPF. The LPP is specific to each planning scheme and includes the Municipal Planning Strategy (MPS) at Clause 2, and individual Local Planning Policies (LPPs) as sub-clauses within the corresponding PPF at Clauses 10 to 19.

The MPS is a statement of the key strategic planning, land use and development objectives for a municipality and the strategies and actions for achieving those objectives. LPPs are policy statements of intent explaining the expectations of what the responsible authority will do in specified circumstances.

The following clauses are relevant to the rationale of the Project:

- **Clause 02** (Municipal Planning Strategy) and associated sub-clauses identifies that Bendigo is one of Victoria’s leading regional cities and it is the third largest urban centre outside of metropolitan Melbourne. Clause 02.01 identifies that the municipality serves a regional service role with construction, manufacturing, health care, education and financial services being major contributors for the municipality’s economic output, along with mining, retail and tourism.

**Clause 02.03-3** discusses land use compatibility and managing the interface between active gold mines and urban development and acknowledges that further work needs to be done to put in place explicit buffers to manage these interfaces. The following strategic directions are of relevance:

- *‘Manage the interface between urban development and incompatible uses including waste management facilities, gold mines and other uses with off-site amenity impacts to support land use compatibility.*

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<sup>4</sup> <https://earthresources.vic.gov.au/geology-exploration/industry-investment/mineral-resources-strategy>

- *Minimise land use compatibility issues through separating waste management facilities, gold mines, and other uses with off-site amenity impacts.*
- *Protect critical infrastructure from incompatible adjoining uses.'*

**Clause 02.03-4** discusses natural resource management. Mining is highlighted as a major industry for the region, and the Clause identifies that the expansion of the gold mine at Fosterville should be protected from incompatible land uses. The policy also emphasises the importance of mining being developed in an environmentally and socially responsible way. The following strategy is of relevance:

- *'Protect existing and potential sites to enable resource exploration and extraction.'*

**Clause 02.03-7** discusses economic development. Earth and energy resource industries (mining) play an important role for economic development of the municipality. The following strategies are of relevance:

- *'Develop and expand employment generating industries.*
- *Make well located affordable employment land available.'*

- **Clause 11** (Settlement) recognises the need for planning to contribute towards adaptation in response to changing technology, economic viability and the protection of environmentally sensitive areas and natural resources. Planning is required to prevent adverse environmental and amenity impacts created by siting incompatible land uses close together.
  - **Clause 11.01-1R** (Settlement - Loddon Mallee South) – this strategy identifies the need to support Bendigo as the regional city and major population and economic growth hub for the region, offering a range of employment and services.
  - **Clause 11.02-1S** (Supply of urban land) seeks to ensure that a sufficient supply of land is available for various uses as required, specifically identifying the need to *'maintain access to productive natural resources and an adequate supply of well-located land for energy generation, infrastructure and industry.'*
- **Clause 14** (Natural Resource Management) aims to assist in the conservation of natural resources including energy, water, land, stone and minerals to support both environmental quality and sustainable development. Further strategies to support this Clause include protecting the State's agricultural base by preserving productive farmland, the protection and restoration of catchments, water bodies, groundwater and the marine environment, protecting water quality, encouraging the exploration and extraction of natural resources in accordance with acceptable environmental standards and putting strategies in place to provide for the long-term protection of natural resources in Victoria.
  - **Clause 14.03-1S** (Resource exploration and extraction) seeks to encourage exploration and extraction of natural resources in accordance with acceptable environmental standards. Relevant strategies include:
    - *'Protect the opportunity for exploration and extraction of natural resources where this is consistent with overall planning considerations and acceptable environmental practice'*
    - *'Develop and maintain buffers around mining and extractive industry activities'*
    - *'Identify and protect extractive industry resources within Strategic Extractive Resource Areas, based on their current or potential contribution to state supply, access to supporting transport networks and proximity to demand markets'*.
- **Clause 17** (Economic Development) requires that planning provides for a strong and innovative economy, where all sectors are critical to economic prosperity. Economic growth is to be promoted by providing for land, facilitating decisions and resolving land use conflicts. Furthermore, this Clause recognises the need to strengthen and diversify the economy including the need to *'facilitate access to natural resources where appropriate, including sand and stone, minerals, timber and renewable energy potential'*.

The Project would support the continuation of mining in an environmentally and socially responsible way, with most of the systems to avoid and minimise environmental impacts already in place at the existing FGM operation.

### 2.3.3 Local policy

#### 2.3.3.1 Council Plan 2021-2025 (Mir Wimbul)

The Greater Bendigo Council Plan outlines the strategic objectives for the Greater Bendigo municipality, which are consistent with the rationale of the Project to continue the social and economic benefits of FGM for the local and regional community. The vision of this plan is:

*'Greater Bendigo celebrates our diverse community. We are welcoming, sustainable and prosperous. Walking hand-in-hand with the Traditional Custodians of this land. Building on our rich heritage for a bright and happy future.'*

The plan seeks to support Greater Bendigo's growth and development through provision of seven outcomes including to: *'lead and govern for all', 'healthy, liveable spaces and places', 'strong, inclusive and sustainable economy', 'Aboriginal reconciliation', 'a climate-resilient built and natural environment', 'a vibrant, creative community', and 'a safe, welcoming and fair community'.*

#### **Council Plan 2021-2025 (Mir Wimbul) goals:**

- *Inclusive employment opportunities for all, sustainable jobs and investment and a diverse economy*
- *Recognise and celebrate our significant national and international heritage*

*Prepare, plan for and progressively develop the infrastructure, facilities, services, businesses and workforce needed to maximise the benefits to Greater Bendigo and region of this projected major expansion in gold exploration and mining to the east and north east of Bendigo.*

#### 2.3.3.2 A Stronger Greater Bendigo 2030: Economic Development Strategy 2020-2030

The *A Stronger Greater Bendigo 2030* is an action plan for the future of Greater Bendigo. It recognises the vital role that the rural areas play in the continuing growth of the municipality. It plans for sustained population growth, a strong and diversified economy and a high quality of life. The action plan provides for four strategic directions:

1. Grow sustainable jobs and investment
2. Increase liveability for all
3. Better link jobs, education, skills and training offerings to the city and region's needs
4. Be widely envied as a leader in innovation, environmental and climate change initiatives.

Greater Bendigo has since developed fourteen broad initiatives that provide outcomes for the strategic directions above. Of relevance is initiative two: *'capitalise on opportunities presented by our new gold rush'*.

FGM is specifically mentioned due its economic importance in creating jobs and unlocking mineral resources from the ground. The continued mine operations have been identified as the regions' most significant economic development opportunity by not only generating jobs, but also supporting secondary industries within the region. Population growth needs to be shaped to support mining.

#### **A Stronger Greater Bendigo 2030 strategy highlights the need to:**

*Prepare, plan for and progressively develop the infrastructure, facilities, services, businesses and workforce needed to maximise the benefits to Greater Bendigo and region of this projected major expansion in gold exploration and mining to the east and north-east of Bendigo.*

The Project and its essential purpose of continuing mining at FGM is firmly aligned with this Strategy.

### 2.3.4 Social benefits

The Project will allow the existing social benefits afforded by the current operating mine to continue for at least 10 years. The potential closure of FGM should operations not be sustained by the Project will have significant negative social consequences for the employees of FGM and their families, as well as the Bendigo Region. More than 25% of existing employees indicated they would “definitely leave” the region if FGM were to close, and 71.3% of employees indicated it was at least possible they would leave the region. Similar percentages of employees indicated that it would be “unlikely” or “very unlikely” they would continue to participate in community activities should FGM close.

Apart from the continued social benefit of maintaining the workforce, another significant benefit that Fosterville Gold Mine Pty Ltd contributes is the community grants program. This has been running since 2005. Under this grants program, 254 local community groups have been provided over \$468,000. Other support mechanisms that are in place include direct sponsorship, university bursaries, education school tours, direct apprenticeships and university vacation work programs.

Agnico Eagle initiated the Community Partnership Program (CPP) in 2021. The CPP is an Australia wide program, forming long term partnerships that build capacity in organisations and communities that embed a lasting positive legacy for those communities. By the end of 2022, 25 partnerships had been formed under the Agnico Eagle CPP. The most recent (March 2023) recipients include YO Youth Bendigo’ Youth Take Over Loddon Campaspe Initiative, Make a Difference Change Our World (MADCOW), headspace Bendigo Work and Study Program, and the Strathfieldsaye & Districts Community Enterprise Axe Creek Protection Project.

It is also recognised that bushfires have far-reaching social and economic impacts on regional communities. KL Gold (now Agnico Eagle) donated \$1 million towards relief and recovery efforts for the regions affected by the bushfires of 2020 and established the \$400,000 Bushfire Readiness Grants program in collaboration with the District Country Fire Authority (CFA) to support local brigades in the Bendigo-Axedale-Goornong-Huntly region.

Employees of FGM contribute to the local economy and participate in community events such as volunteer Clean Up Days, local fairs and Open Days<sup>5</sup>. FGM also provides in-kind community assistance, for example, during the floods in October 2022. FGM’s emergency response team and 48 employees volunteered to provide relief efforts such as water rescue, sandbagging and evacuating residents. FGM pledged \$750,000 AUD in funding to support the Rochester community as they recover from the devastating floods. The funding has been put towards repairs and upgrades to the Rochester Recreation Reserve and to assist the Rochester Community House to create a new home and fully resource their team so they can continue to provide vital support services to the community.

FGM sponsors and helps raise additional funds for Lifeline Central Victoria which provides telephone crisis support for individuals experiencing mental health issues.

These social benefits would reduce or cease if FGM ceases to operate. Proceeding with the Project will extend the life of FGM for at least 10 years, ensuring that these benefits continue to be realised for longer. Further information is included within **EES Chapter 20: Socioeconomic Impacts, Technical Appendix M: Social and Technical Appendix N: Economic**.

### 2.3.5 Economic benefits

As of 2023, FGM was directly responsible for approximately 600 full-time equivalent (FTE) jobs, plus approximately 200 permanent contractors. Approximately 85% of these employees are from the local community. FGM is the 4<sup>th</sup> largest employer in the Bendigo Region.

Over the past 10 years to 2023, economic activity generated by FGM is estimated to have led to positive net impacts on employment in the Project Area, providing an average of 854 additional FTE per annum (both direct and indirect employment) as well as an additional 1,612 FTE in the state of Victoria, relative to the base case in which FGM did not operate.

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<sup>5</sup> [aef-quarterly-newsletter-autumn-2023](#)

Over the past 10 years to 2023, economic activity generated by FGM is estimated to:

- have led to positive net impacts on employment in the Project Area
- provided an average of 854 additional FTE per annum (both direct and indirect employment)
- provided an additional 1,612 FTE in the state of Victoria, relative to the base case in which FGM did not operate.

These jobs accrue to a range of industries including those involved in primary activities such as extraction, processing, refining, transport, utilities and construction, as well as several ancillary industries such as business services.

The estimated economic effects of the continued operations at FGM due to the Project include:

- Between FY 2024 and FY 2033, the mine is expected to raise GRP in the Project Area by a total of \$1.3 billion (present value terms, discounted at 7 per cent) relative to the base case.
- Over the same period, the mine is expected to support on average, 1,066 FTE per annum (both direct and indirect employment).
- Capital expenditure is forecast to total \$1.1 billion (undiscounted). This total capital expenditure comprises growth capital expenditure (including expansionary and developmental expenditure such as additional construction) and sustaining capital expenditure (including investments in mobile equipment, general projects, surface and processing, haulage etc. to maintain, replenish and ultimately sustain operations).
- Operational expenditure is expected to total \$1.9 billion and reflects spending on the day-to-day operations of the Fosterville Gold Mine. This component reflects various steps in the production processes including mining, processing, refining and transportation, as well as several ancillary services such as engineering, maintenance, geology and administration. The operating outlays also include costs relating to environmental management and ongoing monitoring.
- Royalties include third-party payments as well as payments to the Victorian Government, where government royalty payments account for almost 60% of the profile of royalties (\$153 million).
- State taxes include items such as payroll tax, stamp duties and land tax payments. Corporate income taxes dominate the profile of expected payments, with Fosterville Gold Mine Pty Ltd predicting that almost \$1.2 billion will be paid to the state of Victoria over the coming decade.

Further information on the historical and future economic benefits of the Project, refer to **EES Technical Appendix N: Economic**.

## 2.4 Implications of the Project not proceeding

The Project will allow operations at FGM to continue beyond the next 2 years, allowing the continuance of the economic and social benefits which FGM already provides to the community.

Fosterville Gold Mine Pty Ltd has a history of operating under the requirements of the original 1996 EES and for submitting and operating under work plans in accordance with the MRSD Act. The Project is a continuation of current mining operations and would be subject to the same regulatory regime under the MRSD Act as well as all regulatory requirements described in **EES Chapter 5: Legislative Framework**.

If the project is not approved, the existing day to day operations would continue for approximately 2 years or until such time as the site waste storage facilities reach capacity. The processing plant will then have to reduce tonnage throughput. Then, as the storage facilities start to reach capacity, the processing plant will have to slow down throughput or batch treat ore until the storage facilities are full. Shut down of the processing plant will then occur. FGM will then go into a period of care and maintenance prior to rehabilitation becoming enacted. Should the project proceed, operations will continue as normal and will incorporate the project components along with outcomes of the EES. Post EES and to allow regulatory approval from Earth Resources Regulator, the current rehabilitation plan and bond would be modified to incorporate the Project components.

Negative consequences of the Project not proceeding are largely social and economic:

- The beneficial impacts expected for the local, regional, and state economy through output, income, employment and direct and indirect expenditure from the Project would not be realised beyond the next 2 years.
- The Victorian Government will not fully achieve its objective of promoting the exploration and sustainable development of Victoria's mineral resources in accordance with State of Discovery, Mineral Resources strategy 2018 - 2023, State Government.
- The social benefits associated with employment would also reduce or cease if FGM ceases to operate. These include the social benefits that FGM employees and their families contribute to the community by living and working in the region, such as partaking in community and sporting events, using community facilities and being a core part of the community. This would have a negative impact on social cohesion and on long-term investment in businesses in the Bendigo area.
- Other social benefits associated with FGM that would be limited if the Project were not to proceed include those associated with the substantial financial sponsorship FGM and AE have invested into community groups and organisations from the local and wider region.
- FGM have an emergency service team who voluntarily help with emergency response in the area, an example is the recent flood events where staff from FGM helped with flood recovery. The team have also assisted with emergencies in the surrounding area, a recent example was a car accident on Axedale-Goornong road where an emergency service officer was on hand to assist the casualties and call the emergency services.
- A section of Campaspe Road and McCormick's road is voluntarily maintained by FGM through regular grading – this would no longer occur if the Project does not proceed.

Positive consequences of the Project not proceeding are:

- Potential environmental, social (including amenity) and cultural heritage impacts associated with development of the Project, as assessed in this EES, would be avoided.
- For example, the "no Project" option would be a positive impact in terms of biodiversity in that it would avoid the unavoidable impacts which are predicted as a result of the Project, such as:
  - Direct removal of approximately 20 hectares of native vegetation;
  - Deemed loss of approximately 10 hectares of native vegetation in the buffer area around the Project construction footprint;
  - Direct removal of 170 remnant trees;
  - Direct removal of 0.888 hectares of endangered EVCs from the construction footprint; and
  - Deemed loss of approximately 1.96 hectares of endangered EVCs in the buffer area around the Project construction footprint.
- These negative impacts will be offset by the purchase of third party offsets.
- This is an operating site and amenity and environmental impacts have been assessed and will be mitigated through the Environmental Management Framework for this EES which will integrate into the existing Environmental Management Systems (environmental management plan, risk register, risk treatment plans) which are already in place at the site. Therefore, it is expected that the increase/change in these potential impacts due to the Project will also be managed through updating the site's current environmental management plans (**EES Chapter 24: Environmental Management Framework**).