

A wide-angle photograph of a mining site during the day. In the foreground, a large conveyor belt system is visible, extending across the landscape. In the background, two large wind turbines stand prominently against a clear sky. The terrain is a mix of dark earth and lighter-colored soil, with some structures and equipment scattered throughout. The overall scene suggests a transition from traditional mining to more sustainable energy sources.

[FRAME]

Fund for the Rehabilitation of Australian Mines and Environment

Thousands of mines in Australia represent billions of dollars in rehabilitation liability and environmental hazards

~ \$ 18 B

rehabilitation liabilities for open-cut coal mines¹

60K+

abandoned mines scattered across the country²

7.4 M ha

of likely threatened species habitat³

[1]: Based on Queensland Department of Environment and Science rehabilitation costing data spreadsheet.

[2]: Abandoned Mines in Queensland: Toxic time-bomb or employment opportunity?

[3]: Fast tracking extinction: Australia's National Environmental Law

Australian communities are at odds with mining companies

Community Voices¹

“That hole **hurt me and my people** a lot, the mine’s poisoned our river, killed our fish and polluted our sacred country”

“The mine [has] rendered significant parts of Mirarr country **unrecognisable** today”

“We saw little animals starting to die. Then we saw people getting sicker. Then **we saw people dying** ”

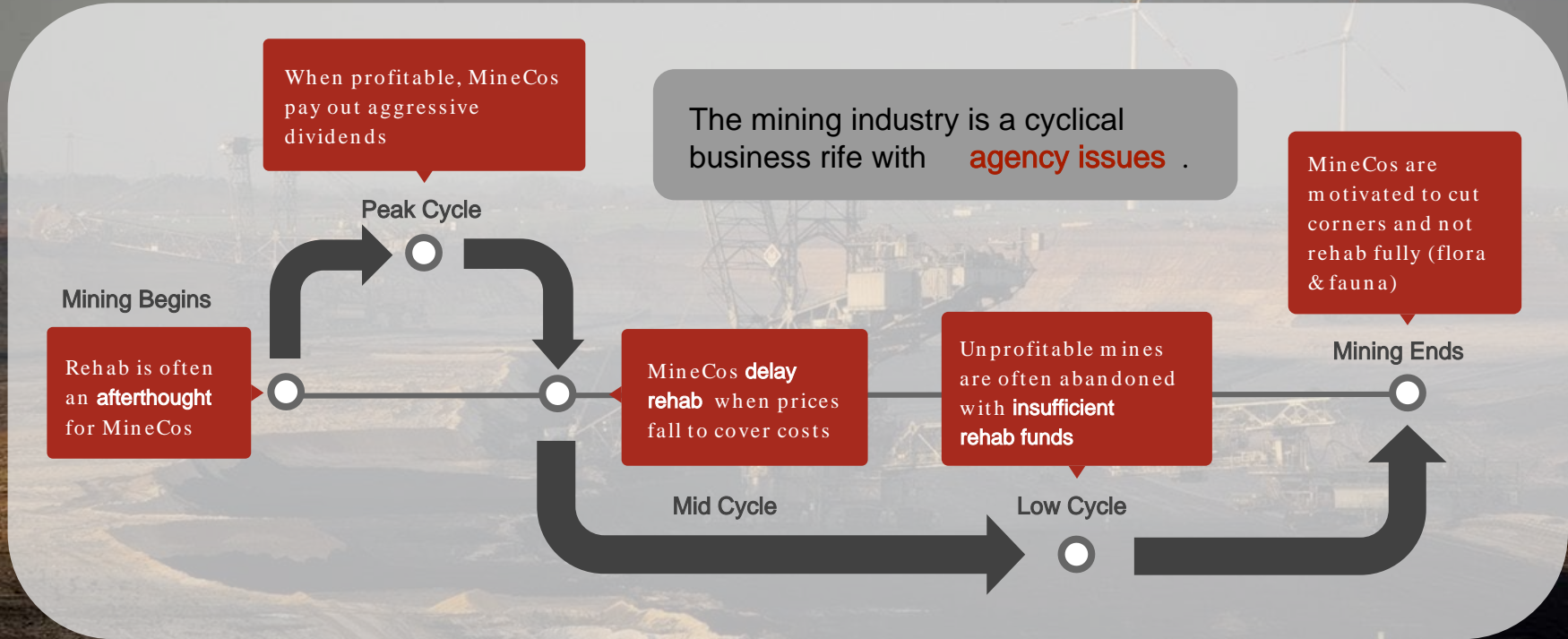
Mine Owners & Operators²

“[Peabody’s] bankruptcy is **putting a big question mark** around the company’s ability to commit to its liabilities”

“[MineCos] often **underestimate** the true, full cost of rehabilitation [and]... the standards the community are expecting”

“We see mines placed into care and maintenance where the **mining companies can avoid paying** out rehabilitation costs”

Why is this happening?



This problem is exacerbated with small MineCos, who have little experience in rehabilitation, fewer resources, and lower reputation concerns.

There is a **dysfunctional relationship** between the mining companies, the environment, and the local community.

Community



Mining
Companies



Environment



The FRAME Solution

FRAME helps restore Australian lands by:



Assuming ownership over rehabilitation liabilities



Implementing **concurrent rehabilitation** starting from day one of mine operation



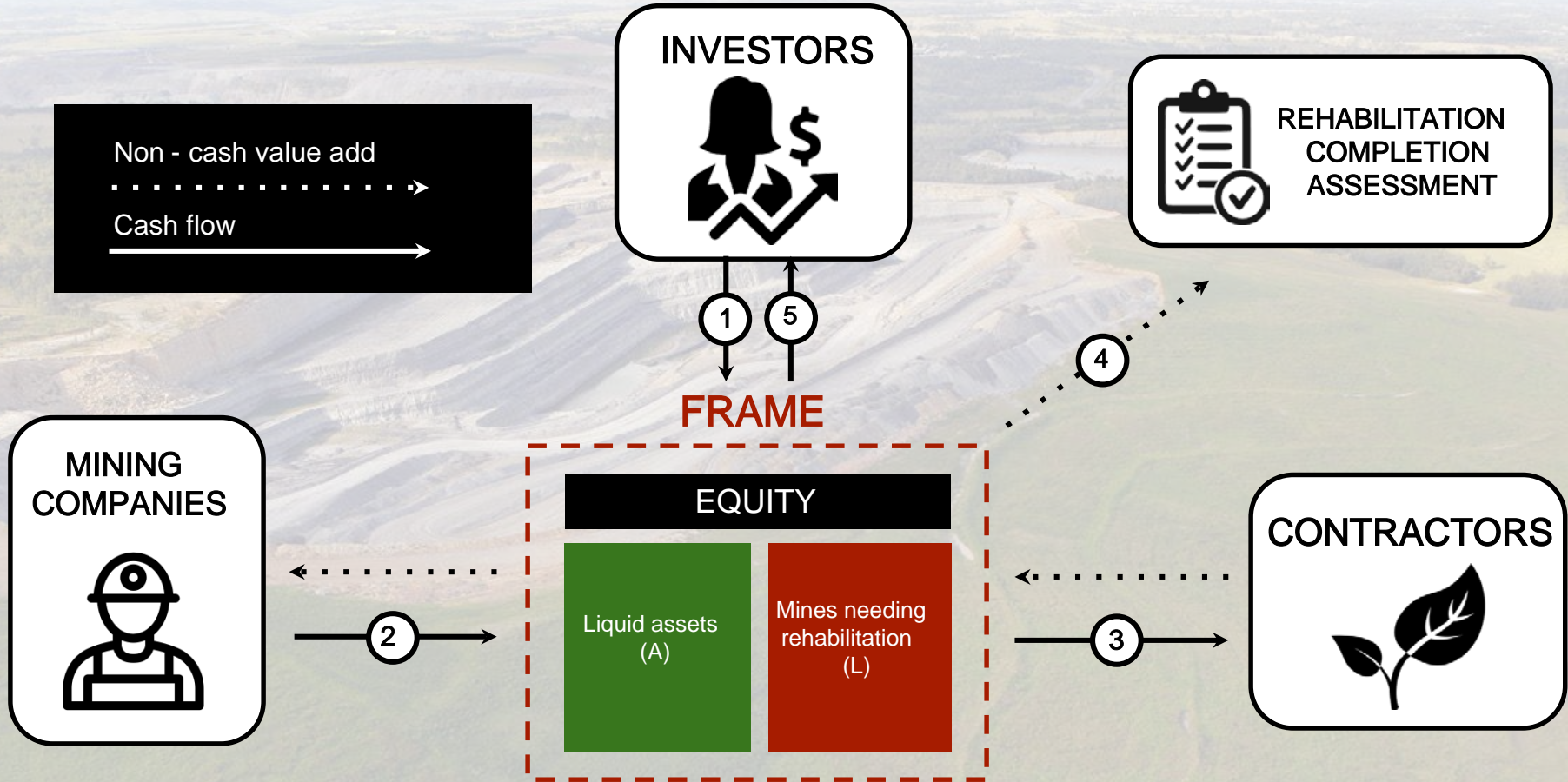
Ensuring compliance with rehabilitation completion standards ¹



[1]: set by the Performance Standards of the IFC

[2]: Photo source from BHP Billiton Mitsubishi Alliance's sustainability website

The FRAME Model



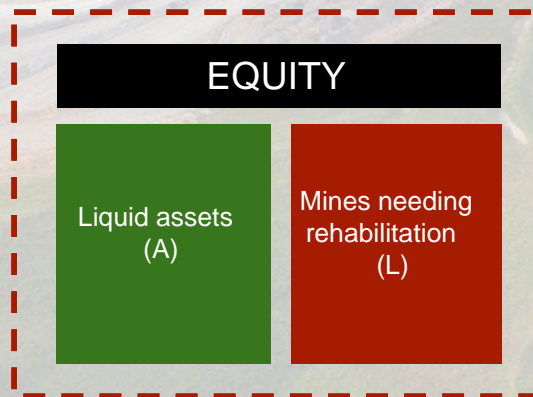
Step 1: Raise funds from private investors and partners

- Liaise with federal & local agencies
- Investors put in upfront equity of \$60m

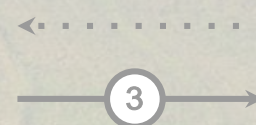


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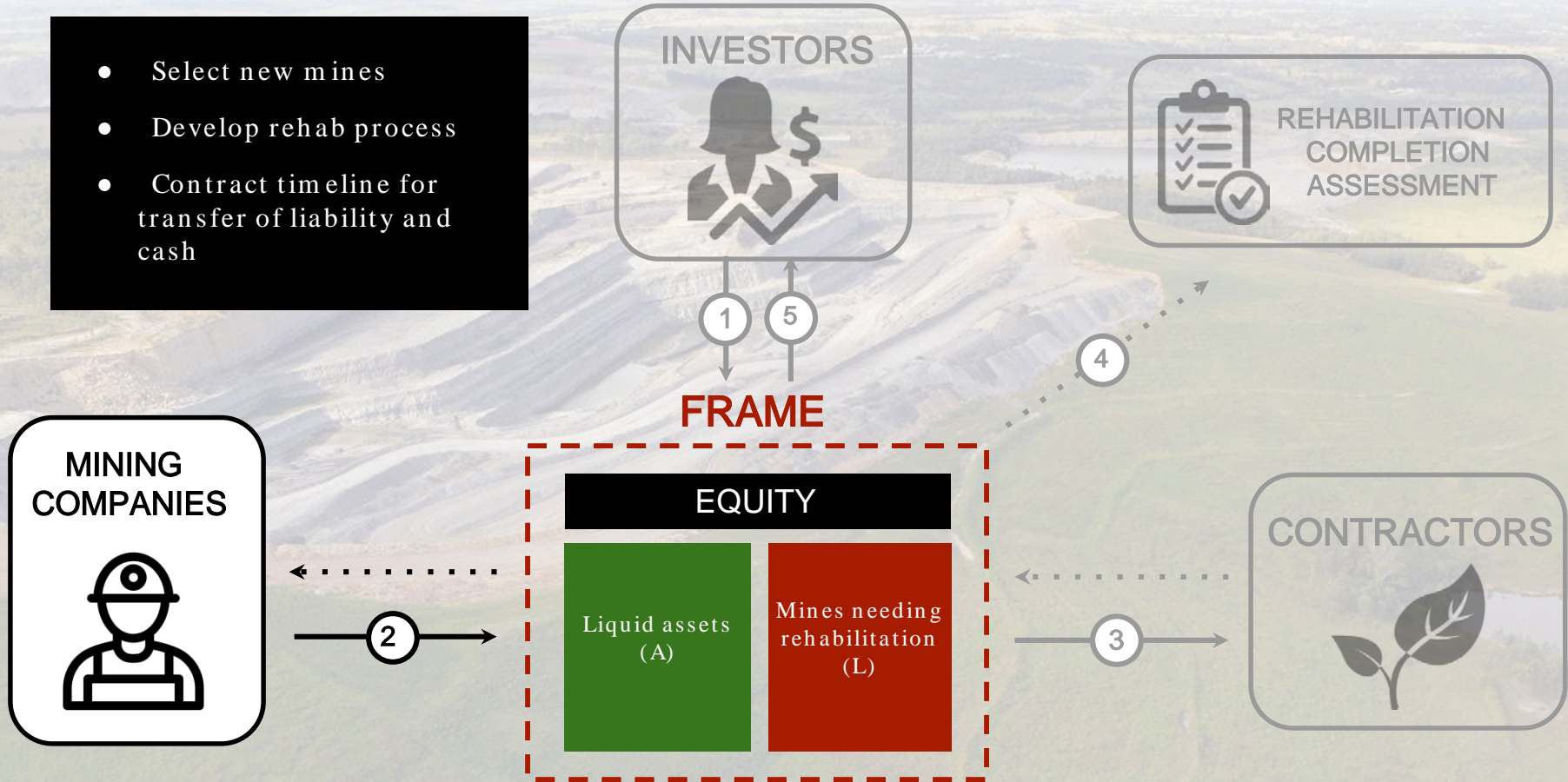


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Step 2: Acquire mines and corresponding liabilities

- Select new mines
- Develop rehab process
- Contract timeline for transfer of liability and cash



Step 3: Subcontract rehabilitation and facilitate monitoring

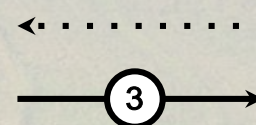
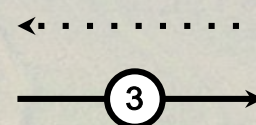
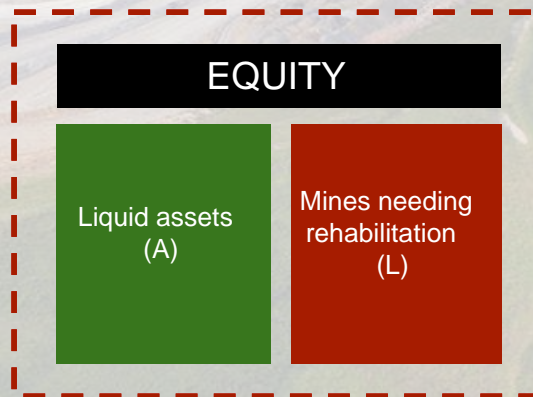
- Dewater
- Fill & Reshape Land
- Drain & Develop
- Topsoil & Reseed
- Remove infrastructure



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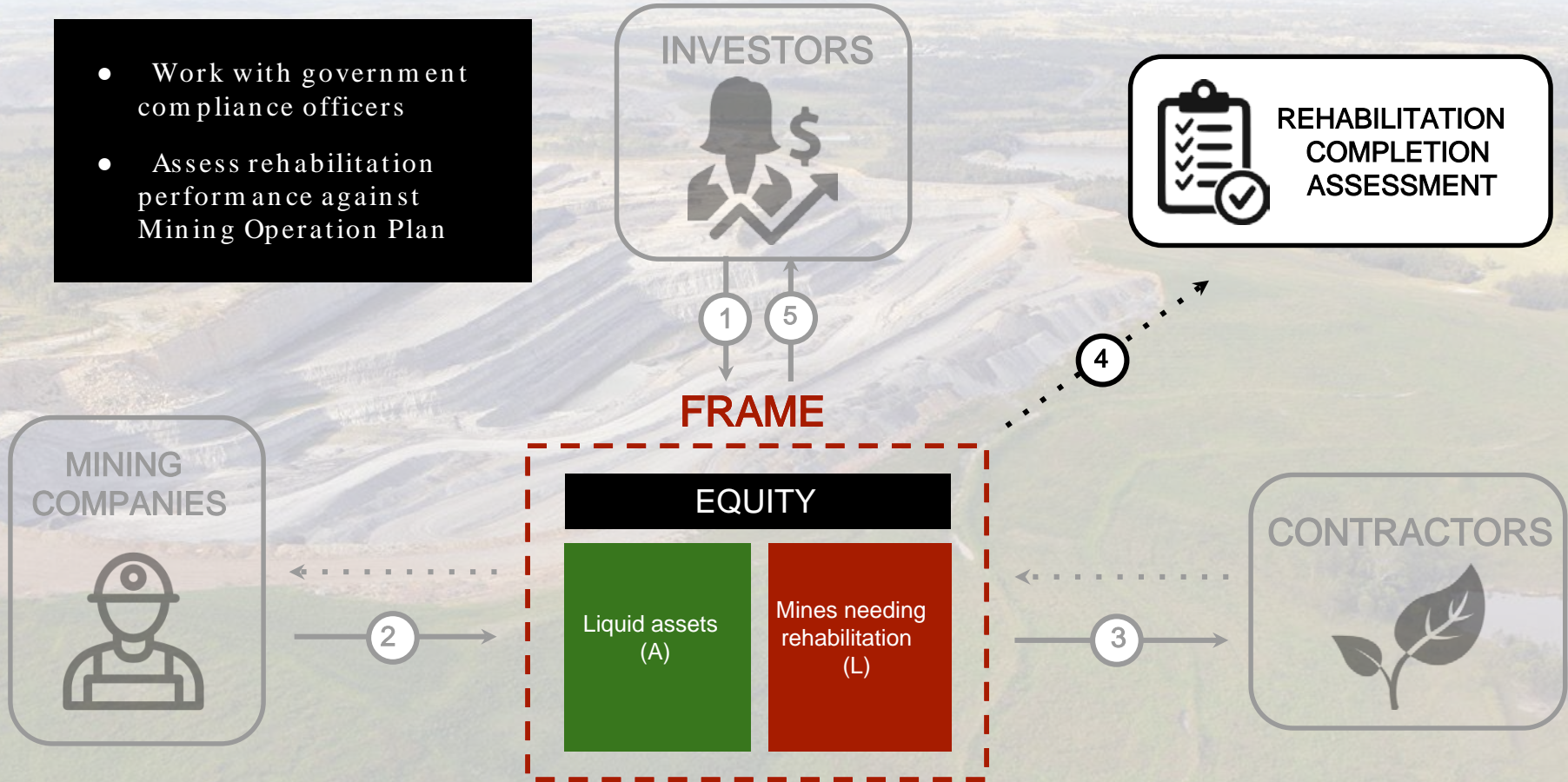
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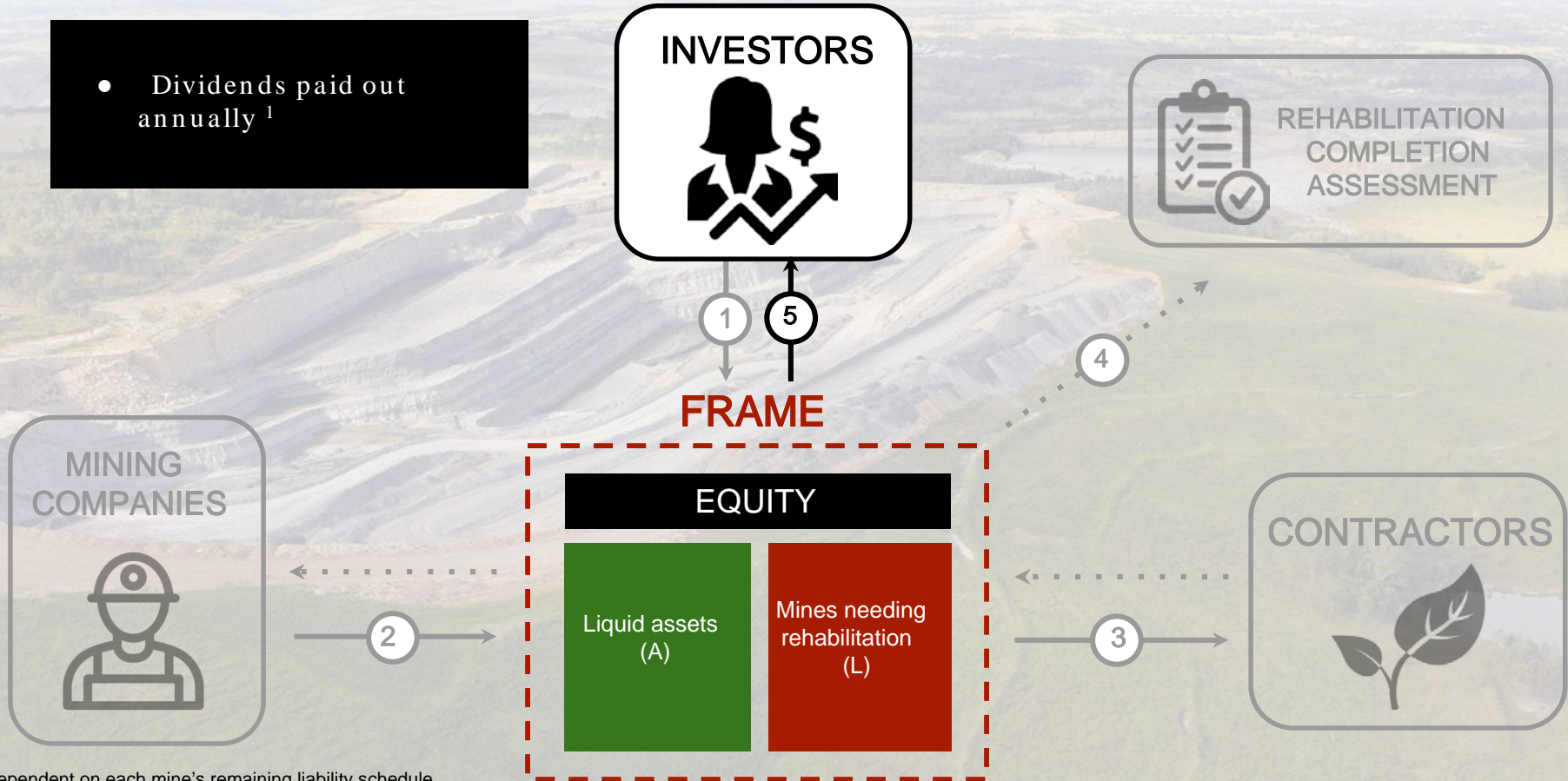
Step 4: Completion assessment and land reclamation

- Work with government compliance officers
- Assess rehabilitation performance against Mining Operation Plan



Step 5: Investors receive returns from cost savings

- Dividends paid out annually ¹



[1]: Dependent on each mine's remaining liability schedule

Why is FRAME better than current solutions?

Early partnership with mining companies to contract payments and define rehabilitation process

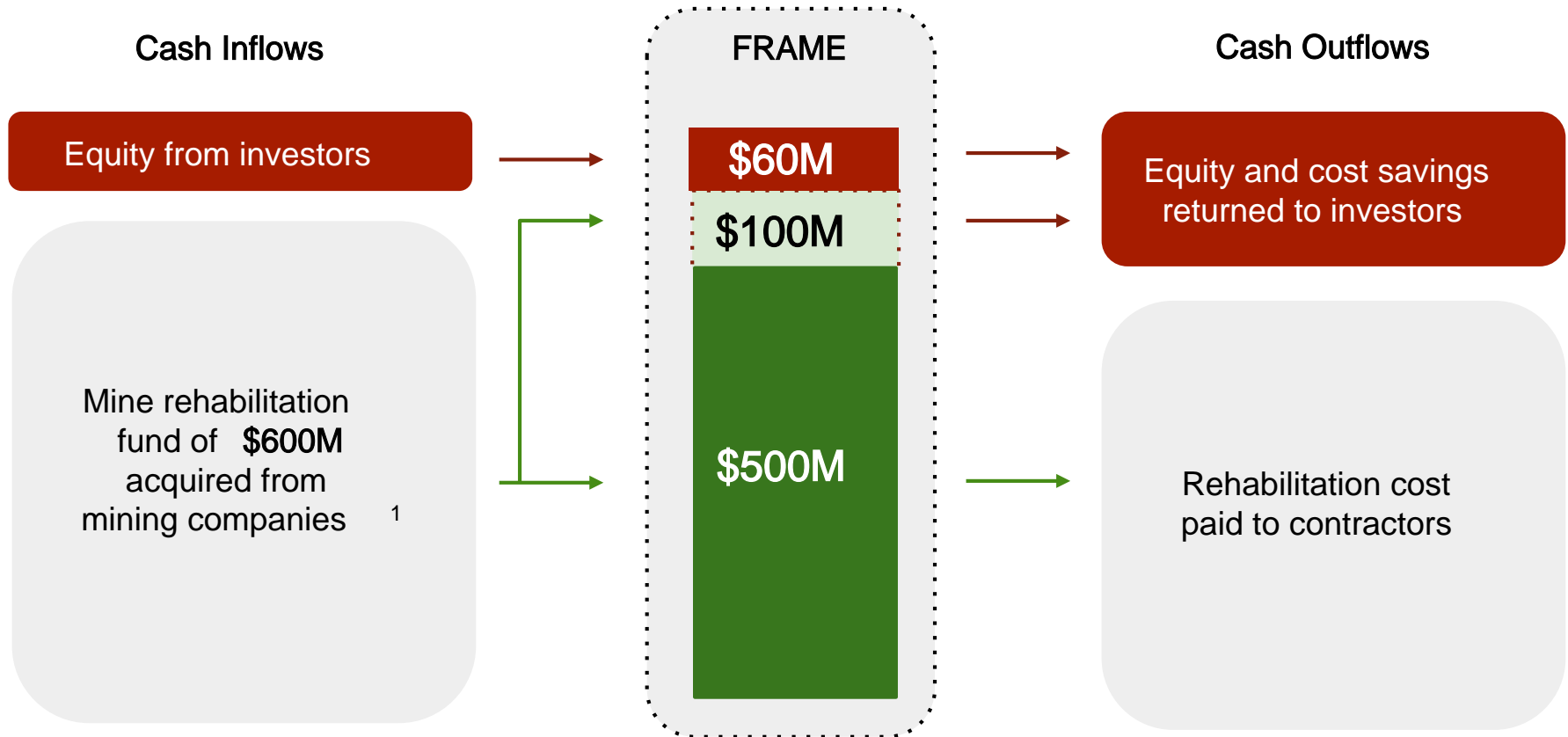
Diversification of portfolio will reduce exposure to cyclical, default risk, and overall rehabilitation cost

Onsite FRAME supervisor at each mine will monitor operations and help minimize footprint

Economies of scale will further reduce costs as a percent of total rehabilitation liability



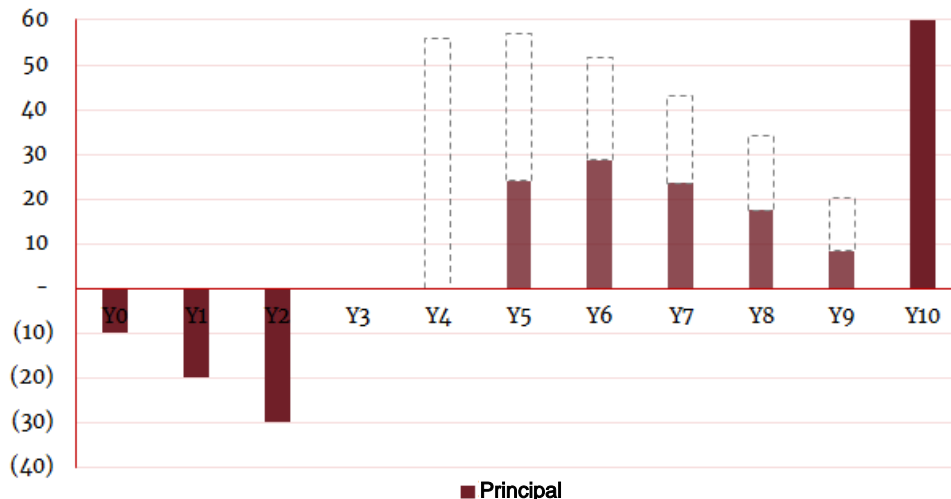
Overview of Cash Flows



Financial Returns & Cash Flows to Investors

Fund Profile

Fund Size	USD \$60M
Minimum Investment	USD \$100K
Time Horizon	10 years management with 5 year drawdown & 2 years extension option
Asset Class	Real Asset / PE SPV



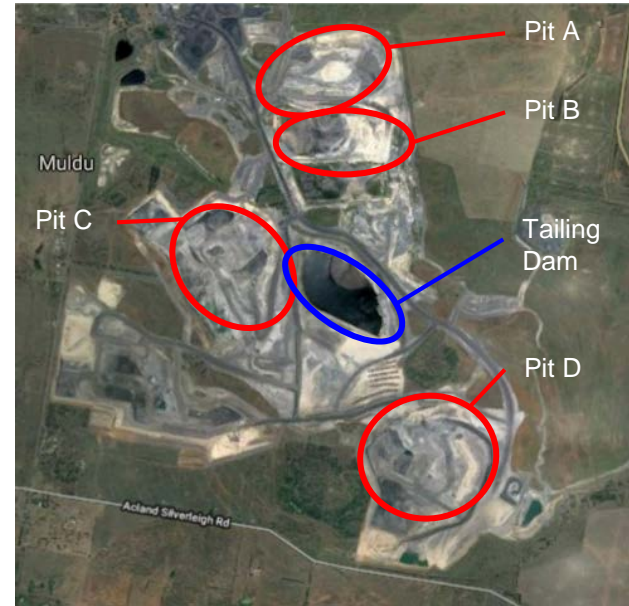
Cash flow to investors (\$m)	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Base-case CF	(10)	(20)	(30)	-	-	24	29	23	17	8	60
Base IRR	17%										
Base Cash-on-Cash	11.2x										
Upside CF	(10)	(20)	(30)	-	56	57	52	43	34	20	60
Upside IRR	42%										
Upside Cash-on-Cash	32.2x										

Investment Criteria & Example

Investment Criteria

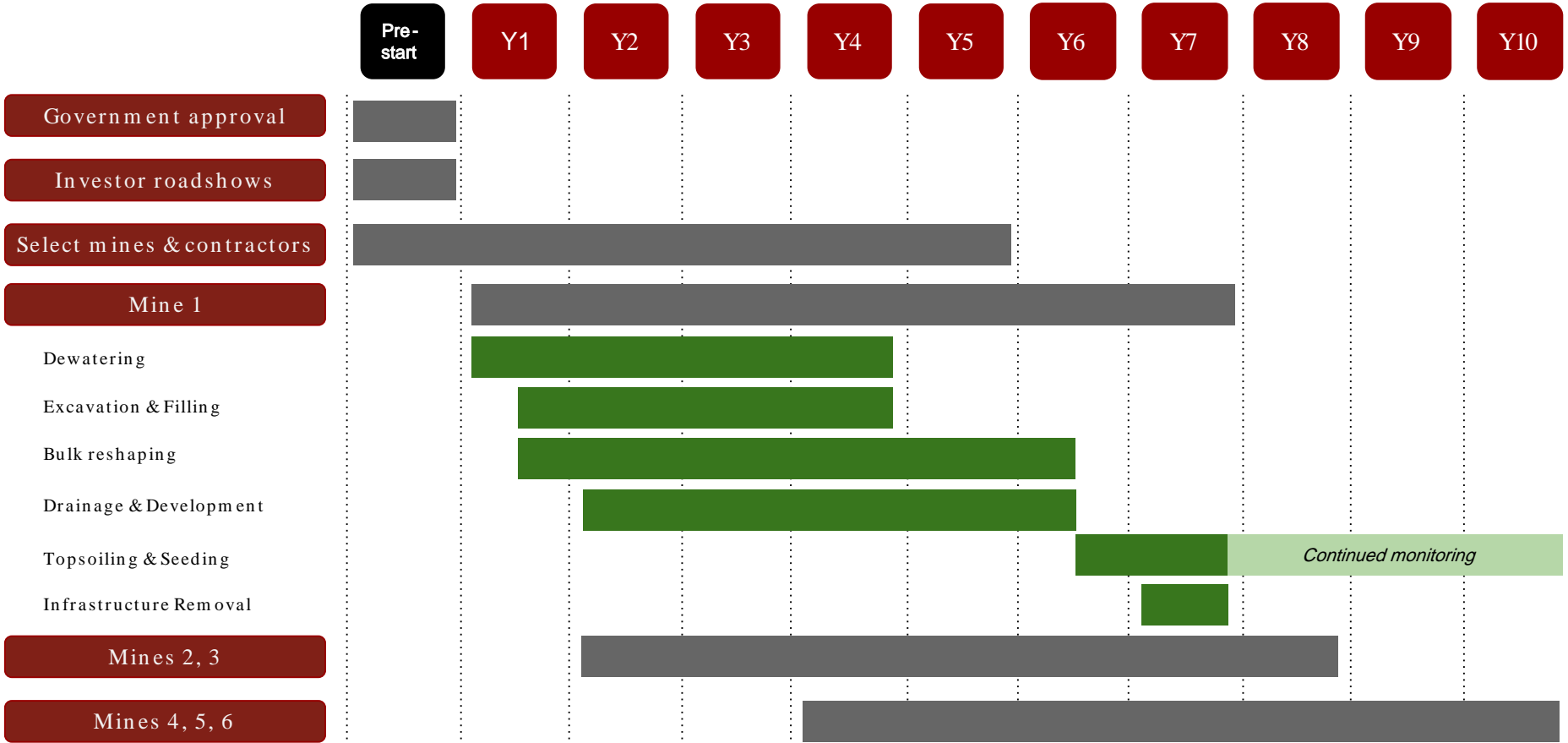
1. Average mine size of **800 - 1,200 ha**
1. MineCos with **full rehabilitation included** in mining operation plan
1. MineCos with fully funded rehabilitation liabilities **including the 15% capital buffer** as required by Australian regulation
1. MineCos must **agree to engage with accredited contractors**

Sample Target: Acland Coal Mine



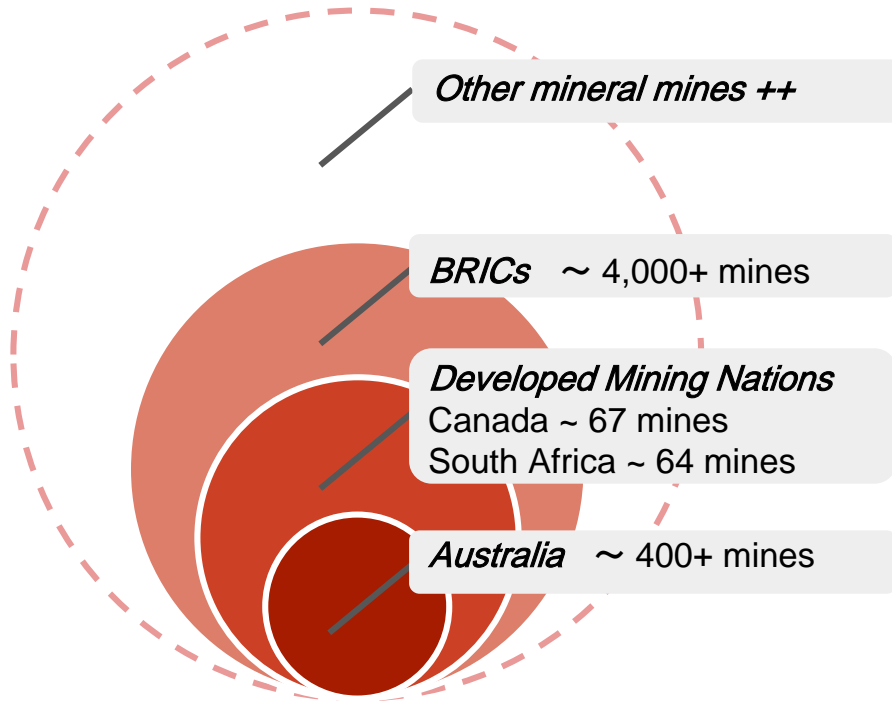
- 800ha / 4 pits + 1 tailing dam
- Rehab. liability fully funded with buffer

Execution Timeline



FRAME has scaling potential

Horizontal scaling



Vertical scaling

Post mine closure land investment



Former mine site converted to luxury hotel (Shanghai, China)

Benefits & Impacts

Environmental Benefits

Revegetation with local flora and restoration of fauna

Decrease number of abandoned mines

Investor Benefits

IRR of 17% over 10 years

Future investment opportunities in rehabilitated land

Social Benefits

Realign incentives for land rehabilitation

Job security post - mine closure

Mining Co's Benefits

Free up balance sheet for primary business activities

Increase ROA



Due Diligence

Risk Factor	Mitigation Strategy
Government approval	<ul style="list-style-type: none">• Highlight job creation potential• Demonstrate benefits over current processes
Cost overruns	<ul style="list-style-type: none">• Monitor rehabilitation costs from day one• Set contracts to limit exposure to spikes in variable costs
High leverage	<ul style="list-style-type: none">• Diversify mine types and geographical locations• 20% distribution waterfall cushion on top of 15% buffer required by government
Moral hazard	<ul style="list-style-type: none">• Onsite monitoring by FRAME supervisor• Contract provisions for periodic review
Change in regulation	<ul style="list-style-type: none">• Partnership with government entities

Thank you to our mentors

Karen Weigert , former chief sustainability officer for the city of Chicago

Priya Parrish , Managing Partner at Impact Engine

Guillaume Bonnel , Head of Impact Investing at Lombard Odier Investment Managers

Sébastien Gaudu , Energy & Infrastructure Partner at Orrick

Gabriel Santelices , Senior Consultant at MatrixConsulting, focus on Latin American mining projects



A wide-angle photograph of an industrial mining or processing site. In the center, a massive conveyor system with a complex metal structure extends across the site. To the left, another similar structure is visible. In the foreground, there are large piles of dark material, possibly coal or ore, and a dirt road. In the background, two large white wind turbines stand on a flat landscape under a clear sky. The overall scene suggests a transition from traditional mining to renewable energy.

Questions??



Appendix

Sources

Regulation

Queensland Government's Mining financial assurance calculator – ESR/2015/1824

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Assessment of Rehabilitation Completion Criteria for Mine Closure Evaluation

