



# **Mining Rehabilitation Funding Solution**

A smarter, more efficient way to  
meet rehabilitation obligations

## 1 The mining rehabilitation challenge

Mining businesses carry a long-term responsibility: restoring the land once operations come to an end. To demonstrate readiness, the Department Of Mineral and Petroleum Resources (DMPR) requires mines to maintain verifiable financial resources throughout the life of the operation, resources that must be accessible when rehabilitation begins.

Although essential, meeting these requirements often introduces financial strain:



For many companies, rehabilitation funding becomes something they have to do, rather than something that can contribute to financial efficiency.

But there is an alternative. With the right structure, your rehabilitation provision can help **free up liquidity, reduce long-term costs, and support smarter financial planning.**

## 2 A modern funding approach: the integrated solution

Momentum Wealth and Guardrisk provide a solution that strengthens compliance, creates financial efficiency, and introduces a level of structure and oversight that traditional approaches often lack.

## Two pillars working in unison

### Guardrisk Rehabilitation Liability Guarantee

Guardrisk offers a DMPR accepted guarantee that reflects the mine's assessed closure liability.

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#### Key features:

- No collateral or banking security required.
- A structured policy with premiums that build up in an experience account.
- Coverage for both planned and unplanned closure scenarios.
- A guarantee format already accepted by the DMPR.

### Investment with Momentum Wealth (Flexible Investment Option)

The mine's rehabilitation-related premiums are invested with Momentum Wealth through the Flexible Investment Option (FIO), using your choice of suitable investment solutions approved by Guardrisk as acceptable investment components.

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#### This approach enables the following:

- Potential steady, risk-controlled investment growth.
- Aligning assets with the changing liability over time.
- Reducing the overall financial drag of the guarantee through ongoing yearly adjustments.
- Benefiting from transparent reporting and structured oversight.

### 3 Built-in yearly optimisation

Mining operations evolve, and so do rehabilitation requirements. The Mining Rehabilitation Funding Solution includes a yearly review cycle to keep everything aligned.



The outcome is a more agile, better-managed funding structure that keeps pace with your business.

### 4 Funding options available to mining companies

Mines typically rely on one or more of the following mechanisms. Each comes with its own strengths and shortcomings.



#### Section 37A Rehabilitation Trust

- Strict investment rules limit growth potential.
- Risk of accumulating more money than needed, with a complex reversal process.
- Contributions require regulatory approvals.
- Does not accommodate sudden or early closure events.



### Bank guarantee

- Requires full collateralisation or separate security.
- Yearly fees reduce available capital.
- No investment growth on money set aside.
- Uses up valuable banking facilities.



### Cash

- Immediate compliance, but capital sits idle.
- No opportunity to earn a return.
- Reduces money available for operations or expansion.



### Insurance guarantee (Guardrisk)

- Requires no collateral security.
- Premiums accumulate in an experience account that earns investment income.
- Fully acceptable to the DMPR.
- Flexible to renew or cancel at the end of each policy cycle, provided guarantee is returned.

## Integrated guarantee and a Momentum Wealth discretionary investment (recommended)

By combining the Guardrisk guarantee with a Flexible Investment Option from Momentum Wealth, you gain:

A compliant, established guarantee solution.

An investment structure that grows over time.

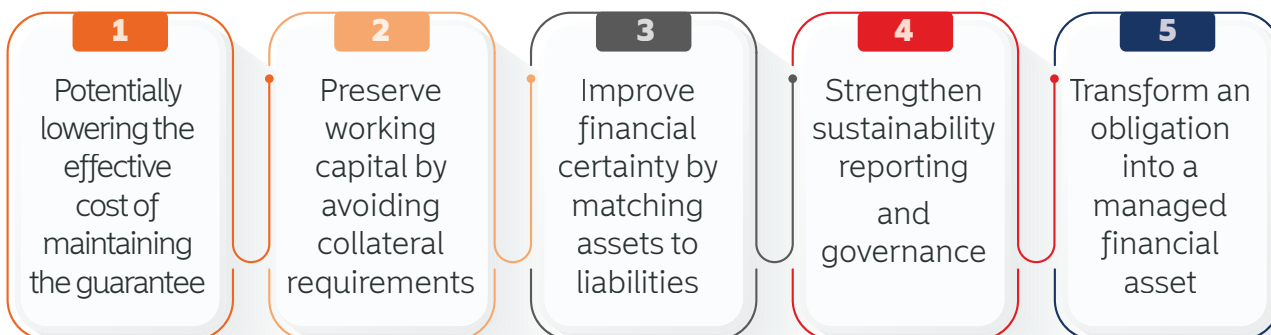
A reduction in long-term carrying costs.

Yearly alignment between liability, cover, and investment value.

Clear governance and oversight.

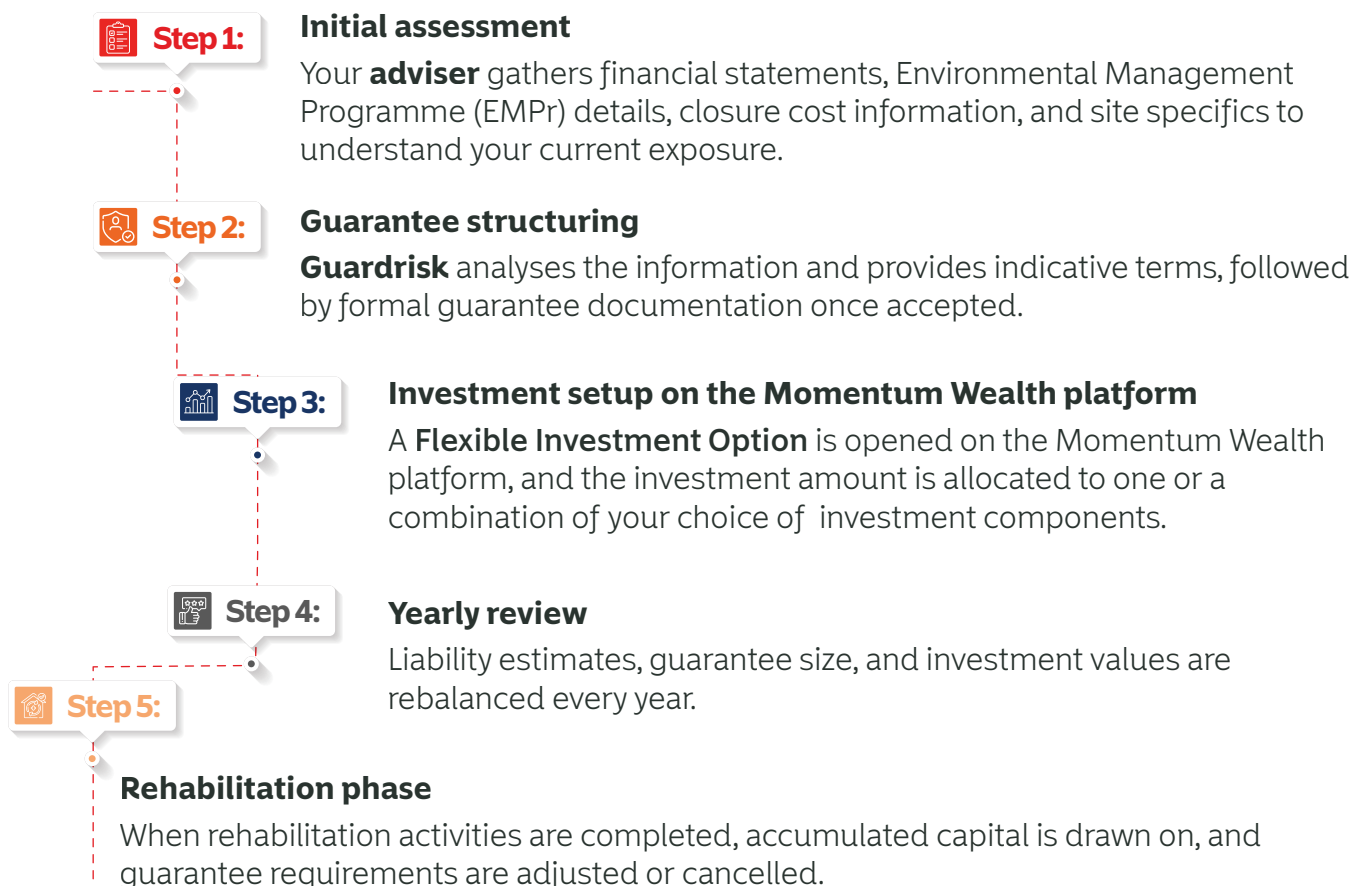
## 5 Financial and operational benefits

As the investment grows and yearly adjustments are made, the integrated structure can:



This is a forward-looking, actively managed approach rather than a static funding mechanism.

## 6 How the process works



## 7 What advisers need to do



### Documentation to collect

- ✓ Audited financial statements
- ✓ EMPr extracts
- ✓ Life-of-mine details
- ✓ Management accounts
- ✓ Company and site information



### Engage with Guardrisk

- ✓ Submit underwriting pack
- ✓ Coordinate with Guardrisk on risk assessment and quote
- ✓ Facilitate guarantee issuance



### Set up the discretionary investment on the Momentum Wealth platform

- ✓ Complete the Flexible Investment Option application form
- ✓ Choose the investment component(s)
- ✓ Submit the application form and proposal



### Complete implementation

- ✓ Ensure the guarantee is accepted by DMPR
- ✓ Arrange for the payment of the investment amount to Momentum Wealth
- ✓ Record the formal advice process



### Manage yearly reviews

- ✓ Update liability and guarantee sizing
- ✓ Review investment performance
- ✓ Adjust structure as required
- ✓ Provide yearly reporting to the client

## 8 Why this approach makes sense

This solution provides a more strategic way to meet rehabilitation obligations by blending compliance, investment growth, oversight of advice, and cost efficiency into a single integrated approach.

You gain:



Rather than viewing rehabilitation funding as a sunk cost, this approach helps ensure it contributes to broader financial planning and long-term resilience.

### More information

Speak to your MDS Investment Consultant for more information.

## Contact us

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