

Annex 4 - ERB Estimation Formula (Section 71)

The method of calculating ERB shall be based on the surface area coverage, overburden waste reflected in the FMFS report and the actual production of mineral.

Environmental Restoration Bond (ERB) = $Ax + By + Cz$

Where, A = Surface area (Hectare)

B = Overburden/inter-burden waste (m³)

C = Production (MT)

The total surface area shall be the total demarcated mining area by the DGM. The value of x shall be:

= **Nu. 50000/hectare** for all talc mines

= **Nu. 20000/hectare** if surface area is < 10 hectares

= **Nu. 15000/hectare** if surface area is >10 but < 20 hectares

= **Nu 10000/hectare** if surface area is > 20 hectares

The value of y and z shall be Nu. **5** and **4** respectively.

Mode of Collection

- The ERB amount from surface area coverage and overburden waste shall be payable prior to the commencement of development of the mine.
- The ERB amount from production shall be payable on the actual quantity of mineral despatched in advance. The values of x , y and z shall be subject to revision from time to time.