

# **Project Martha Community Meeting**

**Monday 4 November 2019**

The following is a record of the Project Martha community meeting held at 4pm on 4 November 2019. Where possible, we have tried to capture individual contributions at the meeting but these do not purport to be verbatim notes.

## **Welcome**

Kit introduced himself and explained that under the Project Martha consent conditions Oceana Gold is required to hold a meeting with an independent facilitator (Tim Clarke) and an independent minute-taker (Louise Fielden).

Tim said: Welcome everybody, it is 4 November 2019. Why an independent facilitator? The philosophy behind it is, "Good people (attending and participating), good process (will result in) good outcomes". Our role is to make sure that the conversation covers all the bases and we produce an independent set of minutes of the meeting. Those minutes are available by way of a computer link that Kit and the team will send out to you and the audio recording of this meeting (that helps to make sure the minutes are accurate) is also available. If you would like to receive a copy of the recording to listen to, or one of your neighbours would like to listen to the meeting because they weren't able to attend, then that's available too.

Kit said: The independent commissioners who decided the Martha resource consent, some of whom were the same people who had granted the approval of Correnso, thought that the Correnso community meetings which have been going now for 6 years were useful in that they allowed people to turn up in a venue like this and ask the questions that they wouldn't ask any other time. The commissioners have said in the first year of Martha there is to be a community meeting every 3 months (the next one will be February 2020). After the first year there has to be a meeting at least every 6 months and each meeting has to be looked after by an independent facilitator with an independent minute-taker.

Bill said: Prior to you people taking over there was blasting at 3 o'clock in the morning and a lot of dissent but communication is a key to both parties being happy, so that's great.

Tim said: Great, thank you Bill, I appreciate your comment. Everyone, if there is a question can you please indicate to me and it might be the case that the question can be answered on the spot or it might be the case that the answer to the question needs to be researched and brought back to you either in the minutes for this meeting or at the next meeting. Before we start the content of the meeting Kit, I'm just going to ask you all to please introduce yourselves and what your relationship is to attending the meeting. (See attendance box at the end of these minutes).

## **Introduction**

Kit said: We knew that (based on the resource consent conditions) we had to have a meeting (within 3 months of starting) but we don't actually have that much to tell you, which is why we haven't had a meeting. I'll do my very best to explain where we are (up to with commencing the project).

Those of you who were with us when we had the original meetings in the Baptist Church will remember this map and this is the map (see slide 2 below) where we said, "This is where we are now" and I pointed out to you that this was Correnso, this is Trio and we were heading out this way.

Slide 2



Kit said: At that time none of us realised there was an ore body under what we now call Rex but it turns out that we found that. We did know however that there was ore still left under the pit, and there's ore there for two reasons. The first of them is that when the (North Wall) slip happened it covered over 75,000 ounces of gold that we already knew was there. So, we'd already assayed that and then the slip happened. So, we needed to find a way of getting back into the pit and mining from the pit floor 75,000 ounces of gold that was there (I will call that surface mining). On top of that we also knew from the drilling that we had done that there is a significant amount of ore underneath the pit floor. When you think about it that's hardly surprising because we are down 265 metres and the old-timers went down 600 metres, so we're not even half way down where the old-timers went. That means there are still veins there that either they did not access because they didn't know they were there, because they were too difficult to find or their technology was such that it was inappropriate and not worthwhile them accessing them. As an example, we have found an area that the old-timers have backfilled with "waste rock" some of which is running at 12 grams per tonne which is way higher than our cut-off grade so we needed to find a way of getting underground.

*Joll arrived at the meeting at 4.19pm and was introduced by Kit as the Underground Mining Manager for Project Martha.*

Slide 3



Kit said: If you were at our meeting in the Baptist Church hall you will remember this graphic (Slide 3). This probably isn't the version that Joll would look at and say, "Yes, that's the way we're doing things". But, back then, we showed you this slide as how we thought we could access the underground ore underneath the pit.

We then showed you this (slide 4).

#### Slide 4



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INNOVATION PERFORMANCE GROWTH

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Kit said: We've also found a little ore body here (the blue rectangle at the bottom of the picture on slide 4) and I can show you that a bit better if I actually show you a photo (below).

#### Slide 8

### Rex



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INNOVATION PERFORMANCE GROWTH

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Kit said: The outline shown here is not definite because we aren't there yet but vaguely, bounded by the red line, is the area we are calling Rex. It might not go all the way down the rugby field here (to the left), it might not go all this way (to the right), it certainly won't go any further that way based on everything we know. We have to figure that one out as we go and the way we're figuring it out is by doing this (below).

## Rex



Kit said: There's one of the drill rigs directly behind the Gold Discovery Centre, it's totally surrounded by containers, it's bounded on this side by the building that you would know as the Tenix Building which we now own, and you can tell we own it because there's a whole load of core just over there. But going back again (to slide 2 and 3), we still haven't figured out how to get into Martha, we still don't know exactly what's there.

Bill said: Excuse me, where is Mueller Street?

Kit said: It's there (see slide 8), so Rex is bounded by Kenny Street, Gilmore Street and Mueller Street. Although the Gilmore part will go across, we think, to where the Baptist Church is.

Bill said: That's my place right in the middle, or my daughter's place (I'm not complaining).

Fred said: The drill rig directly behind my property has been drilling in the direction of my property for quite a while. Are you saying it still hasn't been ascertained that you're going to come that far yet? That you don't know?

Kit said: Yes, and the reason (drilling from there) is because that's the only place we can put the drill rig. If you imagine a fan shape, drill a hole, drill a hole, drill a hole, and then drop down a level and do the same, we don't know exactly where. We know pretty much what's there but we don't know exactly what's there. The thing is, we can't start putting a tunnel or a decline into that area until we know exactly what's there because otherwise if we tunnel through the ore essentially we sterilise the ore body, so we're being really slow and really careful. That doesn't help you because you just want to know, "Where are you (going to mine)?" and, "When are you doing it?" and I appreciate that.

Tim said: Kit, can I just ask you a question? All this area that you're exploring and developing a plan around, is the plan then to mine underground to the extent that it's well below the houses and andesite? (I mean, I assume) it's not the case that you're expanding the open cast? Do people know that?

Kit said: The three parts, for those of you who haven't been to any of these meetings, are the Martha underground below the open pit, Rex (underground) which we've been talking about and also laying back the North Wall which I will explain too.

Lee said: Is that an incline or a decline pencilled in under Rex already (in slide 3)?

Kit said: It was, but it was hypothetical and is "gone" from the plan so it doesn't look like that at all now.

Joll said: Drilling from the surface gives us an idea of where it could be once you come in and we are at that level already underground in the main two exploration drives. You can then tunnel basically across and then you go up and down from there, still well below the surface, nowhere near the surface but as you get closer

you set up a drill cuddy and do “infill drilling” rather than rely on “cores” to say, “There’s an area there we could mine”, you infill it and say, “Yep, now these are the bits that we can mine and make money”, because you don’t mine it all obviously so you get more detail and say, “We could mine this bit and this bit” and then, (once we know that) “Okay what’s the best place to put a decline now to mine those pieces”.

Tim said: So Joll, how do you get access to the cuddy?

Joll said: So all that access is from existing underground working, the existing underground drives.

Kit said: So places like all these little cuddies that are here (see the little yellow lines coming off the two yellow drives heading west towards the pit), we’ve been drilling from those.

Joll said: So currently those two yellow drives, I think we’ve got five or six diamond drill rigs underground, one at the surface but there’s another five drilling out of the rest of it and we’re starting inclines and declines now in the Martha bit when we got approval and for about six or seven different locations going up and down to start to access some of that stuff. It takes a long time, that’s 18 months to 2 years away, but we need to start now to be able to then start producing later on.

Kit said: We always drill from underground if we can, for several reasons. First of all (we can work) 24/7 as opposed to having a rig on the surface that we can’t operate at night-time out of consideration for people around it; secondly we don’t need to drill down through that first 130 to 150 metres which is irrelevant to us; and thirdly there’s no weather problems underground so if there’s a huge storm on the surface or there’s a lightning strike expected none of that’s a problem either. So, if we can drill from underground we will.

Lee said: Between those two tunnels (slide 2) that go into the pit and Rex, virtually parallel to those tunnels you’ve got the Royal which is a ginormous cavity, that’s where the house fell into.

Kit said: I should have brought a cross-section, those drives may be parallel (looking from above) but they are huge numbers of metres apart this way (depth-wise).

Lee said: Yes, I’m saying they are there, and between there and Rex you’ve got the Royal.

Joll said: So at the moment the decline access is planned to come around the eastern end of the Royal but we are looking at, and quite often it’s been done elsewhere where you drive across to the void, filling it with cement and then mining through it.

Tim said: So Joll, is that to address the Royal? You push the drive across and then fill it before you drill it?

Joll said: You either go around it or you go through it and you fill the section that you want to go through. So, if it’s a stope you would fill that particular stoping area, the old workings, and then mine through that fill once you’ve filled it, which is what we plan to do to get a lot of the gold out of Martha. We’re going to fill the old workings first so we can then take the gold that the old drillers left behind.

Tim said: Right, and was that the point of your question Lee, the void might have to be managed? Does Joll’s answer make sense to you?

Lee said: Yes, the Royal is a massive thing, I think it’s about 300 metres from top to bottom, 800 metres long and varying in width. You don’t mess with it.

Joll said: So, with us mining for the next 5 or 6 years including the tunnels to get in, will producing hundreds of thousand, in fact millions, of tonnes of waste rock, we’re actually managing that by filling those old workings. We’re doing the mass balance on how much there is and where we put it, we do a lot of work on probe drilling the old workings and then designing the access into them, that’s a big part of this programme.

Kit said: Which takes us back to the change to the initial approach shown on the early map (slide 4). A lot of what we are doing is backfilling old workings.

Bill said: You’ve got a solid piece of blue there (slide 4) and I was just wondering if there’s that much gold wouldn’t open cast be a better way to get that out? I suppose your hands are tied on that one, but it would appear to me to be the better way to do things. But that would be your problem I guess.

Joll said: Can I just answer that? That's in "plan view" so it looks like a big section of blue. It's actually a fairly thin ore body going deep (on an angle). It's actually what we call narrow vein mining. That blue section is between 1 and 2 metres deep and that would basically rule out open pit because of how much wastage there would be to get a little bit of gold.

Fred said: Can I make a suggestion for future meetings? I think we've mentioned it before, to have some sort of a three-dimensional map so we could understand it a bit better.

Kit said: Good point. In fact what we will do is when we do the minutes we will include one because it is difficult (to see) from what we have provided. (See attached to the end of these minutes).

Kit said: So that was the mining engineer's answer about why there is no open pit. Here's the sociologist's answer about no open pit. There are many ways of valuing gold but there are also ways of valuing communities and this is a long-established community with a heart and that heart is not necessarily a gold mine. We've got to think very, very carefully before we do things. Joll, correct me if I'm wrong, but my vision of the world is if this was in the middle of the desert somewhere we'd just have an open pit.

Joll said: It's a tough one because of the grade and the way it is in your existing pit. I've done a lot of cut-backs in big open pits in Australia and elsewhere and narrow vein and so forth, so I don't know whether it would. Rex wouldn't carry a pit out to that distance on the existing pit, I can say that fairly confidently. Martha itself, I think, would be a challenge. I think underground is still the right way.

Tim said: Underground is the right way regardless?

Joll said: Yes I think so. I take-on Kit's point of view, having set up mines under Ballarat and Stawell and places like that and in Adelaide Hills, that you would need to have that social licence to operate. For example in Stawell they want to take the top out and the community said, "No", and they were never going to get it. So, if you want to do it you have to think about doing it the appropriate way.

Colin said: Joll, the top of the Rex ore body, what depth is it approximately from the surface?

Joll said: We're still defining it. I think the resource we're looking at, at the moment, is around 180 to 200 metres below surface. We haven't got the drives or the stopes designed yet because we are drilling cores. As I was saying, we need to get closer to do more drilling to then start to see where we will go. We've done a lot of modelling on the blasting and so forth, so we're thinking about how we mine it. We'll probably have to mine it differently, even to what we did in Correnso and Favona, just to keep it under those levels and there are some different techniques of doing that. We are now mining with what we call air levers or narrow vein mining which is very "finessed", no big blasts.

Fred said: Surgical?

Joll said: Exactly, good word. So, quite small. If you think about the drives in the Karangahake Gorge walk, it's that size and style. It's not 5 metres by 5 metres with loaders going down it.

Tim said: Colin, does that answer your question? Roughly 180 metres but not defined yet.

Colin said: Yes.

Kit said: Fred, if you are fit and able we will take you underground and show you.

Fred said: I've been underground, I have no interest in going again thank you.

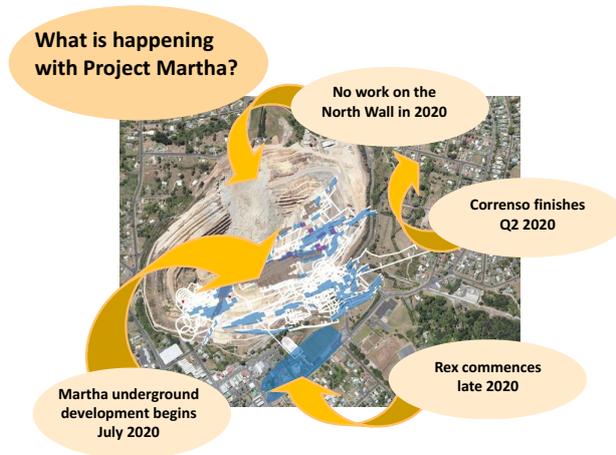
Kit said: If there are others of you that want to go then ask me afterwards.

Lee said: I would like to go.

Bill said: I would like to go.

[Arrange for Lee and Bill to be taken on an underground tour.]

## What happens now and when?



Kit said: This is what you got in the handout that we put in your letterbox. Could I say that if you would prefer to have the newsletter emailed to you rather than dropped in your letterbox, just let us know. Jeannine, I'm presuming there are email addresses on the register that people have just signed?

Jeannine said: I hope so.

Kit said: We get lots of people who prefer hard copy in which case that's fine. But if you would prefer both, one or the other, just let us know. This is what we know as of last week.

[Lee and Bill requested a hard copy of the newsletter.]

Kit said: Let's work our way round here (slide 5 above) and I'm going to come to North Wall last. The mining part of Correnso (the mine we're doing now out in Waihi East) finishes at the end of Q1, so we think in March 2020 we will have finished doing the mining. There will still be ore processing to go, so we put Q2, but the actual mining underground, underneath peoples' houses in Waihi East, will finish about March, give or take. Rex doesn't commence till late 2020, at a guess (it will be) a year from now before we actually do anything.

Fred said: When will you be able to tell residents where you are going to mine and not mine?

Kit said: Yes. Do you have an idea Joll when we will be at the stage when we can start talking to people?

Joll said: That mining would still only be development, it wouldn't be stoping, and the stoping is only cart and fill anyway which is another form of development, that's because it's a surgical method. But definitely, I would say, towards the end of next year we'd start to have an idea.

Kit said: Bearing in mind that the consent conditions say that 3 months before we have to come and see you and offer an ex gratia payment or house purchase, or whatever. If that says Rex commences late 2020 then we're (coming to talk with you) 3 months earlier than that, at least.

Tim said: So, there will be meetings quarterly and you'll be updating on the progress, and then 3 months (prior to starting) you are required to actually talk to home owners and say, "It looks like we're going to be under you, we need to start talking with you".

Kit said: Yes, correct.

Fred said: Just carrying on with what you were saying about that. When we had the meetings at the Baptist Church we had some pamphlets from Correnso on how residents would be treated. There were four or five options, that was just an example. At what stage will you have something in writing on how we will be treated with this? Or will it just be the Correnso one rolled over?

Kit said: I can categorically state that nothing changes from Correnso. So, things like, “We break, we pay” and ex gratia – those things stay, nothing changes there. Except, the only thing that changes is we used to say that, “If we stope under your property we will offer to purchase”. What we are now saying is, “If we put a spiral decline under your property we will also offer to purchase” (as per a stope), because we’d be there a bit longer. If this house was your section, with the tunnelling, we could be through and gone in a week, and out the other side. But if you had a spiral decline there then that’s almost the same as having a stope. That’s the only substantive difference between the Correnso consent conditions and this.

Fred said: The tunnel gets nothing?

Kit said: That would be an ex gratia payment, so you would get an offer of 5% of the value of your property based on a valuer coming in. The other difference, which won’t affect any of you but I might as well say it while I’m here, is we also would offer to purchase the Baptist Church and the Rugby Club. We don’t expect either of them will want to sell but we will offer and I’m imagining they would take the ex gratia payment.

Martha underground development begins July 2020, that’s Joll.

No work on the North Wall in 2020, here’s why. If you know the corner of Cambridge Road and Bulltown Road you will know that we have been working in that area, we have been purchasing property in that area, we already own some property in that area and you’ll know also that after the slip happened we did quite a bit of work in that area. You probably also are well aware that we have a consent condition to change the curve on that corner which means that we are going to shift a couple of houses. One we’re just going to shift out, the people who are in another one wanted to keep their house so we’re shifting their house to another place a little bit further down the road. To do all of that we’ve got to shift power, lights, water, fibre optic. All of those things have got to move and then we’ve got to work with the people in that area to make sure we do it right. Colin lives just slightly down the road from that corner and some of the people in that area have been saying, “Hang on a minute, if you ease the radius off that corner that will make it a more speedy piece of road than it already is”. So, we’ve got those sorts of things to work through with council and that’s going to take a while. Because that takes a while we will not be doing any work on that North Wall piece at all in 2020, it will stay exactly like it is. When we do get to do some work on there, we will start by moving those houses, changing the road ever so slightly, but there is no intention to close any piece of road. I keep bumping into people who think that for some reason we’re stopping a road somewhere and I think they’re thinking of how it happened with Miners Place that time. Cambridge Road will still be there, Bulltown Road will still be there, they’ll still join on to each other and we’ll have to figure out a way of getting that corner right for everybody. When we’ve done all of that we will then start working inside which means we will roll off the top of the pit and that means the pit will become a little bit wider out here (slide 5). It will obviously not come out as far as the road because the road needs to be there. Then when we’ve done that over 9 years, and that’s the last figure that I was given, over 9 years we will work on removing that and getting back into the pit so that we can get back down again and remove the 75,000 ounces of ore that is there. (See next slide).

## Slide 6

### Project Martha



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INNOVATION PERFORMANCE GROWTH

OCEANA GOLD

Kit said: You can see that from here (Slide 6). So, if you haven't had a look, obviously you don't see it quite like that as that was done with a drone, but if you stand up here on the Pit Rim Walkway you can look straight down and you can see that portal. This is a photo that I took a while ago from inside the portal. There's the slip on the other side, that's the other side of the pit and this here is from just inside that area there. Why have we put that there? Because we've currently got over 50 kilometres of tunnels underground and we ventilate that, bring air into that, by pulling it all in through the portal over at Baxter Road. That's fine when you've got something small but when things get a bit bigger you need somewhere else as well. So, right now we are still pushing air out Joll, but one day we will suck air in there.

Joll said: There's another portal 300 metres to the right. We're actually mining towards it now to break through and there'll be one in and one out as well as the portal and the vent shaft.

Kit said: The freakiest thing of all was that there are doves living in the old workings. We found that out because on the day that that finally broke, I had the drone and I was sitting there and darn near lost the drone when that broke through. The doves that are living just inside some of the old workings also got blown out – not killed, just flapped around for a while. One dove got a bit lost underground and one of our guys found it. So, have a think about that for a while, you're in the dark underground by yourself and something starts flapping around your head. So, we are ages away from doing anything on project Martha.

Tim said: So Kit, about the North Wall. I didn't want people to get worried if they see clean-up going on down the bottom. Is nothing going to happen for a whole year or might there be some bits and pieces?

Kit said: We're doing tiny little bits down the bottom. When I sent you that (*Kit held up a paper copy and referred to the bottom left photo*) there's the portal and there's a big container there which is our refuge chamber. If something goes wrong we've got air con, first aid and water in there. In fact, just last week or the week before, we did an emergency exercise assuming that something had gone wrong and looking at how we would we get people from there back to the surface. It turns out it's quite a climb, or a helicopter. So, just little things Tim, there will be nothing big happening at all. There won't be big yellow machines doing stuff at the bottom.

Pearl said: The preparatory work you were doing on the road on the North side (Bulltown Road) – when will that be starting?

Kit said: My understanding is that's a 2020 exercise so that will start happening next year but we can't do anything until we shift the house and we can't move that before the other house. It gets a bit complicated, it's like playing chess, you can't do this until you've done that. My understanding is that we will be working on that piece of the road next year. Quite when I don't know but by our next meeting in February I will have much better answers as to exactly when and how.

Anton said: Kit, just going back to this North Wall thing and this is a question that's come up before. Half the walkway is there up to behind where you backfilled. Can't you drive a bulldozer up there and recreate a track? I've watched people come out there, we used to have a really big pit walkway, they look down the road and go, "Stuff this", and they walk away. That's a really big asset that this town has always had and how much is it going to cost to re-establish it? You own the land and the amount that you would have to bulldoze (is small) because part of that walkway is still there. I know you have to move the end of the road and all that but it's only a bit of clay.

Kit said: I can't defend that it hasn't happened because I agree with you wholeheartedly.

Anton said: I'm not asking you to defend it, I'm saying, "Get off your butt". How much does it cost?

Kit said: I don't think money is even the issue. You won't get an argument from me because I 100% agree. I think what has happened is we thought we were going to start this earlier than we obviously are and therefore we didn't shift the Pit Rim Walkway back. I 100% fully agree that we had an absolutely amazing facility there, it was number two on Trip Advisor, it keeps popping up on all sorts of social media. I see at the weekend it was there again on Waihi Grapevine as being a fantastic place and how tidy it is, and then you get to that bit which is on the road and you go, "Huh". And the other thing that annoys the heck out of me is that you used to be able to put your kids on the Pit Rim Walkway and say, "See you in an hour" and you knew they were never near a car. You can't do that now. I will find out where we are up to and what's happening. What I can tell you is that I do know that we have been making huge efforts to make sure that when we finally get around to doing the North Wall, the Pit Rim Walkway is fixed.

Tim said: So Kit, can we note in the minutes you will provide an answer for? Kit said: We can, yes please.

Fred said: It's a good point about that walkway. The amount of times I've come up there and all of sudden there's people all over the road. It's quite dangerous.

Kit said: I'm not sure where we are going to get to but yes, a very valid point. And I share your annoyance. (Kit to report back on the Pit Rim Walkway.)

The second is in relation to the request for the Pit Rim Walkway to be reinstated given that it will be at least a year before any work is done on the top of the North Wall.

***Insertion of Oceana Gold post-meeting answer:*** *Oceana Gold staff have begun to investigate a possible new route for the northern section of the Pit Rim Walkway. We hope to have construction underway in December. Once completed, the new section will mean that the whole of the walkway will once again be off the road.*

## Slide 7

### Rex



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INNOVATION PERFORMANCE GROWTH

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Pam said: I'm in Gilmore Street, will that be in Kaimai Futures? Will I be looking at my house being sold?

Kit said: Where's your house?

Pam said: I'm right on the corner of Kenny Street.

Kit said: So, you're in here somewhere?

Pam said: Yes.

Kit said: No, we're not coming to your house.

Pam said: Oh good.

Kit said: You're here under false pretences.

Pam said: So there'll be none of that going ...

Kit said: The one thing that we know, and I'm looking at Joll, is that Kenny Street is the boundary. So, we don't know quite how far this way, and we don't know quite how far that way, but we've got that line there of Kenny and that's what we've permitted

Joll said: Yes, that's what we permitted.

Pam said: So, whatever you will be doing there at Rex won't break our house.

Kit said: No. Oh, shake your house? You may feel us.

Pam said: I don't mind that. I don't want to sink that's all.

Bill said: I wondered what the time factor was for underneath the football field. My wife's house backs onto there so presumably she's not going to be mined under for a while.

Kit said: I can't answer that because I don't know. None of us know right now but by February we will know more. In an ideal world I would not have had this meeting (now) in November, because I don't have enough to tell you.

Bill said: It's absolutely not a problem. You've been extremely nice to us, so she's on top of the world but just curious as to when it's likely to start so the fact that you don't know tells me anyway.

Tim said: Cool, so that's on our list too, that there's going to be a report back in February. And the house backs onto the rugby ground, is that right Bill?

Bill said: It's behind the Baptist Church.

Kit said: The ones here?

Bill said: No, 1C it is.

Kit said: Oh right, I know where you mean.

Bill said: The mine's been really nice to us, she's delighted with the mine, she used to be totally against the miners now she's for them, so all good. Thank you very much for your kindness.

Kit said: It's the jam and scones that do that.

## Slide 8

### Rex



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INNOVATION PERFORMANCE GROWTH

OCEANA GOLD

Kit said: We can't go any further south than that line there, so that's a hard line. We can't go any further north than that line there, so that's a hard line. But I don't know where we are here and here, I just don't, and we don't and Joll doesn't yet, but we will, and when we do we'll be talking to people.

Fred said: So are you saying you're coming to the red line this way, or you don't know yet?

Kit said: What I'm saying is we can guarantee the top one and the bottom one (see slide 8 above) because they are consent condition lines. But that one on the left and that one on the right, until these guys have finished their work, we just can't guarantee exactly where.

Bill said: Well that tells us something too, it's going to be a while, that's great.

Kit said: It will be a while.

## Slide 9

### Rex



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INNOVATION PERFORMANCE GROWTH

OCEANA GOLD

Kit said: That's the photo I showed you earlier on to explain where the drill rig is/was. Jeannine is it still there?

Jeannine said: The rig is but it's not working at the moment.

## Slide 10

### Project Martha Property Policy

#### Introduction

The following programmes are offered by OceanaGold as the Project Martha Property Policy:

- We Break, We Pay
- Top Up
- Amenity Effect Programme
- BRANZ Inspections
- Property Support Purchases and Payments
- Waihi Community Forum

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INNOVATION PERFORMANCE GROWTH

OCEANA GOLD

Kit said: These (slide 10 above) are the programmes, that we have put in place. "We break, we pay" is real simple. If you think we've mucked something up, you then let us know. We then basically come and talk to you, you talk to us and if we have to we engage a third party. Let's imagine, for example, that this is your

building and you're absolutely sure that we've put a crack in the ceiling of your building. What you do is get in touch with us, we then organise a third party, or you can talk to Hauraki District Council and then if it turns out that we have mucked things up and the property damage is attributable to us we pay for it, we fix it.

## Slide 11

# Project Martha Property Policy

## We Break, We Pay

- Details of the complaint are logged by OceanaGold and must be investigated within five business days or as soon as practicable thereafter.
- If the resident does not agree with the findings of our initial investigation, we may engage a third party to investigate the complaint for both the home owner and the company and report back within 30 days. Alternatively, the resident may contact Hauraki District Council (HDC) and if the Council determines that a third-party investigation is warranted then OceanaGold shall commission and meet the reasonable costs of the investigation.
- If it is determined that the property damage is attributable to OceanaGold activities the Company will remedy the damage as soon as practicable in accordance with any recommendations made by the third party.
- If any dispute arises the consent holder will offer the resident the opportunity to enter into arbitration through HDC. If the resident does not want to participate then the consent holder's obligations under this condition are at an end.

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INNOVATION PERFORMANCE GROWTH

OCEANA GOLD

## Slide 12

# Project Martha Property Policy

## We Break, We Pay

### Example #1:

*Ron and Cheryl Landowner notice that a concrete wall in their garage has cracked. There is mining 300 metres away from their property, so they come to us. We engage independent experts to investigate. They find that there is an old drainage pipe running through the property which collapsed and was refilled before mining operations began and this is the most likely cause of the cracking. If Ron and Cheryl are not satisfied by the outcome of these investigations they can refer the issue to HDC.*

### Example #2:

*Joy and Eric Lifestyler contact us to say that water has flooded on to their property from the mine site during heavy rain and left silt in their orchard. We investigate and find that a drainage pipe on our land has cracked and storm water is flowing on to the Lifestyler's property. We repair the drain, remove the silt from the orchard, and reseed the grass.*

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INNOVATION PERFORMANCE GROWTH

OCEANA GOLD

Kit said: Let me give you some examples. We had a resident who was absolutely sure that the water pipe on their driveway broke because of our blasts. So, there was a blast and within half a minute there was water bubbling up. We sent a plumber around, before we got to the third party person, and the plumber said, "This is really old, this was going to fail", and we said, "Mate, while you're there fix it please" and he fixed it. With the same resident they had a big lampshade drop off the ceiling. The lampshade wasn't important but it dropped onto this really cool coffee table. We fixed it and it cost a lot of money to fix the coffee table, but it's easier to fix it than argue. But, let's imagine it got really big, as in, "Hey my house is starting to slip sideways and the foundations are starting to fall to bits". That's when we get in the third party people. We will always listen and will always send someone like Kevin Storer, who's a registered building practitioner, around to have a look. Three weeks ago I had someone ring me up and say, "There's a hole appeared in my front lawn, I'm really worried, could you come around?". I said, "Yes I can, but where do you live"? They lived about 1 kilometre that way, west, and I said, "It's not us but I'll tell you what I reckon it will be, it will be an old

septic tank”, because there are old septic tanks all over the place. I say, “Can you go and find a piece of wire and just have a poke around”. So, they did that and they came back again and they then put a spade in it and they found an old septic tank where the boards had fallen to bits and there was an old septic tank there. If it was us, obviously, we would go fix it. There have been others where we’ve gone around and looked at old septic tanks. We will do that because if you own your house, or you’re renting a place, and something feels like it’s going wrong the worst thing in the world is feeling that nobody cares. We aren’t always going to agree but we will make every effort to get there and try and figure out whether it’s us, and if it is us we’ll fix it. If there’s a dispute there is a mechanism for that, you can enter into arbitration through Hauraki District Council. So, say, for example Tim comes to me and says, “The roof has fallen off my house, I blame it on the mine”, we get a third party in, they say, “No it wasn’t actually that at all, it was the loud music that Tim’s been playing”, we say that to Tim, Tim says, “I don’t believe that”, then it goes to arbitration through Hauraki District Council. So, there is a way through. If you absolutely hate me or Jeannine or whatever, there’s somebody else that you can deal with, you don’t need to feel that it’s a personal thing.

Fred said: Could we go back to that last topic? Can we go back to the picture that you showed (slide 9)? This point here is my property, this is where the drill rig is. Quite a few months ago Jeannine came around and I showed you where the drill rig had had a spillage, you saw the photos, and everything from here came out of here and straight down through my property. There’s some council people here eh? So, I rang the drillers, Altons, and he immediately got down and rectified what he could which was great as it was Sunday afternoon. Then I went to the council and said, “I’m being flooded from here down to here”. They said this was not their property so it’s not their problem, even though I’ve spent three weekends flushing all this brown stuff down my drive and into their catch pit. The council wasn’t interested in coming and having a look. So, I came to Oceana and told them the problem that I had. No-one actually came to help clean up the mess. As I say, I had to waterblast the property to get rid of it. Even though it’s probably environmentally friendly stuff it was brown and horrible. It was from the drilling mud tank and it overflowed, it had been left on for the weekend and also there was a lot of rain. I did suggest that the environmental person from Oceana come and see me and I could advise them of what we might do to rectify the problem if it happened again. I was going to suggest possibly bunding here or putting up at least a silt fence to try and catch the stuff that’s coming off that property onto my property. No-one has come. How long ago did I come and see you Jeannine?

Jeannine said: I would have to look back on the records, it was one of the high rainfall times when we had all that flooding.

Fred said: I did get a load of firewood so that was awesome. I’m very paranoid about getting offside with you people so I just thought I’d leave it at that. I am a bit annoyed, and just so you can take this back to the council whoever the council people are, the council weren’t even interested even though I was washing all the crap down there because they said they weren’t interested unless it’s something coming off their property, or our property going onto their property. But it was, I was washing everything from here that came out of here down here and down their drain.

Tim said: Fred, when you talked to Oceana about the ideas of a silt fence or bunding or whatever ...

Fred said: No-one has talked to me about it.

Tim said: Did you get a chance to promote that idea?

Fred said: No, I didn’t get a chance to promote the idea. I did mention it when the two representatives came to see me about the issue but I haven’t heard back. The lady who came and wrote down everything I said was going to get back to me but never has.

Tim said: So, is there an answer? Has there been more work done in terms of what is the best way of managing it? Jeannine, do you know?

Jeannine said: I’d have to talk to Donna.

Fred said: All I’m saying is, going forward, “We break, we fix”, I assume that’s, “We dump crap on your property, we fix”. When I had my issue basically nothing apart from getting a load of firewood was done. The problem is still there. You can come now, tomorrow. Right here at this point you can almost see it, that dark point there is a hole and it goes right down through this little back shed of mine so every time it rains all the water off that property, which all falls down towards Bill’s and my properties, goes down through my property and out my front gate.

Tim said: Fred, help me with the firewood, how did that fit in? Who brought the firewood?

Fred said: Oh awesome, well the guys from the mine brought the firewood, we're grateful for the firewood, that's awesome. It's a bit annoying, it's good that Oceana ...

Tim said: But the problem has been identified and there is a potential solution there ...

Fred said: I just didn't feel there was enough back-up after my issue and you'd still walk up there and have a look today probably and you'll see residue along here that's come out from here. And that's only recent...

Tim said: Kit and Jeannine can we note that?

Kit said: Yes, Fred we take that on board but what I want to pick you up on is don't get paranoid about getting offside with us. We go back a long way.

Fred said: Yeah well that's why I never came because Bill and I don't want the aggravation, we just want to live our lives and I just had the feeling that if I keep agitating I'm not going to get helped out.

Kit said: No, please don't think that.

Fred said: All I'm putting out there is that's great if, "You break, you fix", but if you dump shit on peoples' property you've got to fix it. But it never happened at my place because I had to clean it by myself.

Tim said: So, we're going to note that for the answer. Kit is saying to ask anyway and not be worried about a negative response because Oceana just want to know that there's a problem and if they haven't done what they need to address your needs then ...

Kit said: I would rather be called out on the fact that we have not met our obligations.

Fred said: I did mention it when the ladies came to talk to me at my house and I suggested your environmental guy Russell come down and talk to me but I don't know if he's even been and had a look at the problem, he may have, but if he has nothing has been done about it, nothing.

Kit said: I'm not 100% sure about what I'm going to say to you but this is my understanding of what happened. There is a significant water-flow problem from here that way and we put a drain in through here which we thought had solved that problem but, as I say, I'm not 100% sure about that but I will find out.

Fred said: I assumed that all the water coming down here comes over out here or out here, there is a bit of a track here, the camber of the road leans back so when we have big rains from this area we get a stream.

Kit said: So from your point of view the issue is still there, nothing has been fixed.

Fred said: Yes, so basically why I bring that up is just to say that when we're sitting here listening to you say, "We break we will fix", all I'm saying is ... we have a thing at our work, "Walk the talk, don't just talk the talk". That's real good that you say you're going to do it, all I say is guarantee that you are going to do it.

Kit said: Yes, absolutely, and thank you for calling us out on that because if we haven't done it that makes me feel terrible. So, we will deal with that and we will get back to you.

Tim said: Cool, it is noted and there'll be an answer back Fred.

***Insertion of Oceana Gold post-meeting answer:*** On Monday 13 August 2018 Donna Fisher and Jeannine Wiki met with Mr Beadle. Over the weekend of 11-12 August very heavy rain had resulted in flooding from the main street through the area behind the Gold Discovery Centre where the drill rig was located and onto Fred and Raelene's property. Biodegradable drilling mud is held in large steel tanks called sumps. The storm resulted in the sumps overflowing and drilling mud and other material from around the drill rig being washed down to the Beadle property.

*Fred contacted Corey Ibbotson from Alton Drilling. We understand that Corey and Aaron Warn from Alton Drilling visited the site and arranged for it to be cleaned up. We understand that Alton Drilling staff said they had had a pump malfunction.*

We do not have the incident of 11-12 August logged in our complaints system as the original contact was with Alton Drilling, but we do have notes in our database from the meeting of 13 August. Since this time Alton Drilling have arranged for the sump levels to be kept lower and for all sumps to be cleaned out more regularly. We have also requested that any community concerns received by Alton Drilling be communicated to us.

At the meeting Kit said he thought that a new drain had also been put in behind the Gold Discovery Centre. This is correct, but we have since been advised that the modification was to the route the underground pipes took to get to join the main drain on Gilmour Street, and that this does not increase the drainage capacity of the system. The drill rig is still in place but is not currently operating.

Fred said: Thanks for your patience.

Kit said: That's what these meetings are all about and there's no point a smarty-pants like me saying, "We break, we pay" and then you're sitting there going, "Yeah right".

Fred said: I assume this is the forum to bring that up.

Kit said: Absolutely, 100%.

Jeannine said: I will check with Donna on the notes.

Kit said: Donna's back tomorrow.

## Slide 13

# Project Martha Property Policy

## Top Up

- Makes up the difference between the fair price offered by a purchaser and the fair market value sought by a vendor, by OGNZL paying the purchaser a 'top up' to add to the purchase price already offered and that is then paid to the vendor.
- The property should be on the market for at least four months; OGNZL would establish if the asking price was reasonable, through engaging an independent registered valuation if necessary.
- Available to all properties within the Rex area defined in technical reports as shown on the map. There are two areas, 'above' and 'adjacent'; variable depending on timing and proximity to mine.
- There is a limit of two applications per property for the one sale.
- Only one Top Up payment will be made per property.
- Real estate commission, legal fees and moving costs are to be paid by the purchaser and vendor in the usual manner.
- The Top Up programme may be terminated by OGNZL when actual property sales generally match the market values.

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INNOVATION PERFORMANCE GROWTH

OCEANA GOLD

Kit said: Top up basically is the difference between what someone wants to pay for your house and what it's worth. Let me give you an example, if we go back to photo (slide 8). We announced the Rex part of Project Martha and immediately at that time we bought a house, that one there from memory Jeannine?

Jeannine said: I think so, if it's 6B.

Kit said: We bought that because we said, "If your house is for sale on the day that we announce this project it's not fair on you, tell us what it's worth", and we bought it within, I think, a week and a half to 2 weeks.

# Project Martha Property Policy

## Top Up

### Example #1:

*Phil Resident has a house with a market value of \$300,000. He has the property listed for sale at \$320,000. It has been on the market for nine months. He receives a firm offer of \$280,000. Phil approaches OGNZL which agrees to top up the offer by \$20,000. Phil accepts the offer at \$300,000. The \$20,000 is paid to the purchaser to top up the offer, and Phil receives market value (\$300,000). Because the house sold at market value, there is no consequential reduction of values in the neighbourhood. The new owner gets a property for the value of his/her offer.*

### Example #2:

*Jenny Houseowner has a house with a market value of \$300,000. She has the property listed for sale at \$320,000. It has been on the market for nine months. She receives a firm offer of \$250,000. She asks OGNZL to Top Up the difference between the offer and her asking price. The company declines to make a Top Up payment of \$50,000 because it is not a fair offer.*

Kit said: But, let’s imagine, and as a totally hypothetical example, I’m going to use this building here (bottom left-hand corner of slide 9) which is the Wrightson building that is now painted grey, down here. Let’s imagine that we were going to mine under here as well and as we know there is the potential for the fact that we are mining under someone’s house to decrease the value of their property. So, let’s imagine that this is worth \$300,000, obviously it’s worth more than that but I’m making this up as I go along, and you’re trying to sell your house and it’s worth \$300,000 and someone comes along and says, “I will offer you \$260,000”. You then come to us and we say, “Okay, because it’s right above, directly above, where we’re mining we will pay \$40,000”. We pay it to the person who’s buying the house, not you, and there’s a reason for that. So, the person offers \$260,000, we then give them \$40,000, they then give you \$300,000 which means that \$300,000 is what’s recorded on all the records about how much the house sold for. We only do that once. You can’t buy a house for \$260,000, get a \$40,000 top up and then come back a year later and say, “Oh I’m selling my house now and I’ve got someone else who offered me \$1.52”. If someone had offered \$200,000 on a \$300,000 house the answer would be, “No”. All those things change depending on where you are.

# Project Martha Property Policy

## Top Up



Kit said: The top up area is currently this red line (slide 15) which is what we are calling the “above area” and this blue line, which we are calling the “adjacent area”. “Above” means that if we mine directly underneath

your house we will consider top up. In this area here we've already done two because it turned out that immediately after the announcement the people who owned the couple of houses here were not getting the value that they thought they should. You can't inflate the value and say, "Well it's on the market for \$300,000 but I'm trying for \$459,000", and you still need a real estate agent to say (what it's worth). We still go through the real estate agent with all those things because real estate agents get upset if they get cut out of things. But, that has worked, we did it immediately after the announcement, we haven't needed to do a top up since then. There is currently no top up on the North Wall and I use the word "currently" because it could be that later on we have to re-visit that. It could be that when we start work up here we have to start thinking about top up areas. That is going to take a while to figure out. Top up worked hugely on Correnso because we were under lots of houses, we're not under as many here.

## Slide 16

# Project Martha Property Policy

## Amenity Effect Programme

- Exists and applies to all areas of our current operations.
- AEP will be available to all residential properties in an area defined by vibration monitors.
- We will continue to monitor vibration effects and use the monitoring data to adjust the payments accordingly.
- Payment will vary during the life of the consent.
- Payments will be annually adjusted for inflation.
- Legal residences in commercial properties will also be eligible for AEP.
- More information about AEP may be found on our website [www.waihigold.co.nz](http://www.waihigold.co.nz)

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INNOVATION PERFORMANCE GROWTH

OCEANA GOLD

Kit said: AEP is the payment we make for the nuisance we cause even though we are within consent conditions. For example, even if we are within the consent condition of 50 or 55 decibels we know that if you are sitting out on your deck having a quiet beer after work and we don't finish work until 7 o'clock at night you can probably hear us. Or, if we shake your house even though we are within the consent conditions we know that we cause you grief and therefore we pay what's called AEP. It applies to all existing areas and the others and it will be defined by what the vibration monitors tell us. If you want to look at AEP it's on our website [www.waihigold.co.nz](http://www.waihigold.co.nz). Jeannine am I right in thinking the most we paid for AEP for January through to June of this year was about \$3,000? It was just under wasn't it?

Jeannine said: It was about \$2,000.

Kit said: It was \$2,000. It can change depending on where we are. Sometimes someone gets \$2,000 and then 6 months later for the next one they might get \$500 or nothing at all because of where we are in the mine and how the vibration monitors pick that up. We spent \$275,000 on AEP in the last 6 months.

Tim said: Kit I've always wondered how you work that out? Is there an algorithm?

Kit said: Yes there is and Russell really needs to be here to explain the algorithm. There are 22 vibration monitors out there. When we blast, those monitors pick that up. They then, through a complex algorithm, figure out, "Tim you live at this place here and the vibration monitors give us these readings, triangulating those off where you live your blast vibration should be this and therefore we'll pay you on that".

Tim said: So, it's not depending on whether someone had a good day or a bad day, the computer just ...

Kit said: No, and it's not whether someone complains a lot. Some people think if they complain a lot they get AEP. We get people who are surprised that they get an AEP cheque. We had one guy who used to give his away because he didn't think he deserved it.

John said: I have rung in several times when I've felt blasts where we are in Clarke Street. We just know it happens, but it is very pronounced and I think once I actually spoke to you about it. It was really quite a jolt.

Kit said: Yes you did. And we've had a few in that area that were quite pronounced and they can occur because we are higher, or, we had one about 5 or 6 weeks ago that was huge because we made a mistake and I think half the town, shouldn't say that, a significant part of the East End would have felt that one.

John said: We can hear it coming and then you just feel a slight ripple and then it's gone.

Kit said: That's the thing, you can hear it coming and you can feel it. Have you got a blast vibration monitor?

John said: No, we don't want one. I'm not fussed over it because it's the mine.

Kit said: You don't want one of those?

Jeannine said: We've got one at the Scout Hall which is the closest one to Clarke Street.

Tim said: Are you quite close to the Scout Hall John?

John said: Yes, not far away, we're just opposite Morgan Park, right opposite the skate bowl.

Kit said: So you will most likely feel us at Rex.

John said: We're not fussed, it doesn't worry me.

Kit said: Well, some people it does and some people it doesn't. There's no answer to it, some people are just "Meh", other people are, "That's the worst thing that's happened today to me" and you've just got to accept it.

Jeannine said: And it's Trio.

Kit said: Oh you'll be getting Trio, yes you're getting Trio. Can't even blame Joll for that.

John said: It doesn't happen very often, just every now and then we get a real big one.

Bill said: I'm within about 50 metres of the drilling rig and don't hear a sound, you've got containers there blocking the sound and I'm lower so it goes right over the top so I appreciate what you've done, that's great.

Brian said: Just a question on AEP. It says "residents", you must be fairly close to... I mean you've done a church, there's a rugby ground, they're not residents as such, but what about businesses and business building owners that you're fairly close to? Are they going to be included in AEP?

Kit said: No and the reason for that is it is AEP "Amenity Effect Programme" and we have no research that tells us that businesses are affected by blast vibration.

Brian said: What about the owners of the builders though, could they be affected? For example, the building that we're in or PGG Wrightsons?

Kit said: If you live in the building, and there are three on Seddon Street where people actually live there, you would be eligible for AEP. But if you don't live there, "No" because we can't see how a blast vibration of 5 seconds' duration in the middle of the day affects your amenity given you are there in the business.

Brian said: What if there's damage done to a building in town?

Kit said: That's different, that would be, "We break, we pay". AEP is not for damage to buildings. AEP is the recognition that we have the potential to affect your enjoyment of life.

Joll said: To give it context, I've come from a couple of other places in Australia where we mine under towns and cities, very similar, exact same situation and the consent limits that Kit is talking about are normally in the order of a magnitude lower than the level that might cause damage. In Australia there just isn't any case where there is an AEP payment even when mining under towns and cities. You would have to be two or three times higher than those limits before you damage anything.

Brian said: You don't know what level you're going to be at yet do you? You could be close to the surface?

Joll said: We won't get too close because then we would trigger those levels you see, so those levels are keeping us at a distance where you can't mine.

Brian said: So there's gold there but if it's too shallow you wouldn't touch it.

Kit said: We can't.

Joll said: You can't afford to. But here, even though you're in all your consent limits, the AEP is still paying for that level, which to me is very interesting.

Tim said: Joll, are you saying this (AEP system) is unique, more sensitive than requirements in Australia?

Joll said: Correct, and there's probably eight or ten towns that I could list off where that is the case.

Fred said: You've got to realise when mining first started in Waihi, not first started but this next generation of mining, it was quite widely advertised that this was going to take 15 to 20 years and in 20 years' time you're going to have a lake there and I think possibly that a lot of folk in Waihi feel as though they were short-changed. Some people who bought close to the open pit thought, "By the time my retirement comes up I'm going to have my yacht there", but it's not happening and so that's part of why there is a little bit of anxiety from people.

Joll said: There's a number of different elements in that.

Kit said: I think you're right Fred and that's one of the things that we've dealt with for quite some time where people have said, "You lied to us, you told us that you'd be gone and there'd be a lake here and you're still here" and here we have just said we're going to be here for another 9 years.

Fred said: And I'd say you'll be going here a lot longer than that.

Kit said: I couldn't possibly say. But Brian, do you get that AEP is not for building damage?

Brian said: Yes but you will look after damage to buildings?

Kit said: Absolutely, yes, and let's be specific and personal and take your example. If we were affecting your ability to conduct your business as a radio station which relies on complex and sensitive radio equipment then it would be incumbent on us to fix that. But, if it's not affecting the business as such and you just happen to feel us for 2 or 3 seconds then AEP doesn't count. So, AEP is purely about trying to find some way of recompensing people for the nuisance that we know we have even though we are within consent conditions. But, if there was a business problem you should be letting us know straight away.

## Slide 17

### Project Martha Property Policy

#### BRANZ Inspections

- All properties in the Rex area will be offered BRANZ inspections.
- This survey will cover the interior and exterior of each property, and include driveways and paths.
- Benchmark for property owners if they later consider that their property has been affected by our operations.
- These inspections will be offered prior to any tunnelling or mining starting.

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INNOVATION PERFORMANCE GROWTH

OCEANA GOLD

Kit said: We are offering BRANZ inspections to all the properties in the Rex area. BRANZ stands for Building Research Association of NZ. If we are going to potentially mine under your house then we will say to you, "Would you like a BRANZ inspection?" and the BRANZ people turn up and they videotape your entire house. Do not just throw stuff in the wardrobe because they're going in there, they go everywhere and they videotape absolutely everything and the fantastic thing is they check every corner of everything and every door and every piece of skirting board and then they give you either a DVD or a memory stick and we get one as well. I live in a house at Kauri Point, I've lived there for 18 years and we built it there. I was just so pleased with it, but the first morning I woke up, as the sun rose over Matakana Island I lay in bed and thought, "This is just ... really?". Because of the way the sun was shining there was what looked like a crack in the ceiling and then after about 5 minutes after the sun moved round you couldn't see it at all. The thing about a BRANZ report is it records that, it's like a time capsule which means that if you do what I did and wake up and say, "Bloody mine, look what they've done", then we get out the memory stick or the DVD and we look at it and go, "Well, actually no, it was there before it's just you didn't notice or your eyesight's got better", or whatever it happens to be. It's a great thing because it guarantees your peace of mind I guess and it also guarantees us in terms of if we have done something we are going to need to fix it. So, those things are not cheap but they will happen. It also includes driveways and paths.

Sarah said: What about concrete floors in houses? Most of the new ones have got concrete floors.

Kit said: Yes, I need to be careful how I say this, there are often ... there was a driveway which was laid but didn't have any stress joints put in and it cracked and we said, "Well, it wasn't done correctly ..." and we ended up having to agree to disagree and it didn't go any further. It turns out also it didn't have any builder's mesh in it which didn't help. But, yes absolutely, bearing in mind we wouldn't expect the BRANZ people to pull up carpet or vinyl to look at concrete floors, but if it was obvious that something's happened. The other thing I have to say is all houses shift and move and creak and groan, they just do. I'm not trying to get out of anything here, but if you think we've mucked something up this helps.

## Slide 18

### Project Martha Property Policy

#### Property Support Purchases and Payments

- Same as programme provided for under Conditions 46 and 47 of the Correnso land use consent.
- Before we construct a development drive (a tunnel) beneath any residential property we will contact the owner and offer an ex gratia payment equal to 5% of the market valuation of the property.
- Before we stope (mine) beneath any residential property we will contact the owner and offer to purchase the property at market valuation or provide the ex gratia payment if requested by the owner.
- If we construct a spiral decline below a residential property we will also offer to purchase.
- Market valuation will be determined by two independent registered valuers, one chosen by the owners and one chosen by OceanaGold.
- All valuations are conducted as if Project Martha has not been announced.
- If a property owner elects to sell at market value they will also receive assistance with legal and moving costs to the value of \$4,500 and an inconvenience payment of \$20,000, plus any mortgage break fee.
- Property owners who are offered purchase and elect not to sell and instead take the 5% ex gratia payment can request OceanaGold to purchase their property at any time while mining activities are occurring under this consent on the same terms. (Ex gratia already paid would be deducted).
- If you elect to sell, you can still live in the property and rent it back at market rates.

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Kit said: Basically this is the 5% and the purchase. If we mine under your house we will offer to buy it and we will offer to purchase your house at an agreed value based on two valuations. We will then also pay you a \$20,000 inconvenience fee and up to \$4,500 legal and moving fees. If you have got a mortgage and you have to do a mortgage break and there's a fee for that we would pay for that as well. So, if you choose to sell your house, but lots of people don't and my honest advice is if it was me I wouldn't, I'd just leave it there because Rex is only going to be there for a year, it's got maybe 2 years of development and maybe a year of mining, so we're in and out in 3 years. But, if you decided you wanted to sell us your house that's fine. There's another possibility, you could sell us your house and you could stay there. But what you need to be aware of is that we become your landlords. We're great landlords, but we're really nosy, as in, we send a property manager around because we have to so you've got to be a little bit careful. My advice would be, this is my personal opinion, hang onto it. But if you felt you wanted to sell it, it was a good time for you to move

on or whatever, then you're going to make \$20,000 without even blinking. That is true if we mine under your house and if we end up putting a spiral decline under your house we will offer to purchase it.

If we just tunnel under your house we will offer you a 5% ex gratia payment. So, if your house is worth \$300,000 we will offer you 5% of \$300,000 which is \$15,000. And that is exactly that, it is an ex gratia payment, that's just us saying, "We're under your house". You don't have to take it, we just have to offer it because we're still heading under your house because we're allowed to. So if you choose not to take the ex gratia that's fine but my advice would be to take it.

Tim said: And ex gratia means there's no commitment.

Kit said: It means there's no commitment, yes. All those other things still operate. We've had people who have said, "Well it's an ideal time, I want to go and live next to my daughter" or whatever it happens to be, "I'll sell my house to you", and it just works. And there (on slide 19 below) are examples of how it works.

## Slide 19

# Project Martha Property Policy

## Property Support Purchases and Payment

### Example #1:

*We plan to construct a development drive under Alice Gardener's property. We contact her to advise of this and our intention to offer a 5% ex gratia payment. She says she wishes to receive this payment and gives us permission to engage a registered valuer to value her property. The valuer returns with a valuation of \$250,000. We pay Alice \$12,500.*

### Example #2:

*We plan to mine (stope) ore under Jim Mower's property. We contact Jim to advise him of this and offer to either purchase his property or make an ex gratia payment. Jim agrees to have his property valued. The valuer provides a valuation of \$280,000. We offer to purchase Jim's house for this amount, plus a total of \$24,500 for moving and legal costs and as an inconvenience payment, or to provide him with an ex gratia payment of \$14,000.*

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Tim said: What if somebody wanted to sell their house to the company and move away for a while and then come back and buy their house back?

Kit said: Yes that's possible. Let's say you were really worried about the fact that someone was going to mine under your house, in this case us, you sell us your house and then later on you buy it back again.

## Slide 21

## Where to from here?

- Nothing will happen quickly.
- The Property Policy is operational.
- Contact us on 0800 WAIHIGOLD (0800 92 44 44)

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Kit said: Where to from here? This is from the original presentation that I gave in the Baptist Church hall. Nothing's going to happen quickly, the property policy is operational, contact us.

## **Wharekirauponga**

Kit said: You will have heard that we found something at Wharekirauponga. That (pointing to the mural on the wall in the Education Centre) is an aerial photo of Wharekirauponga which is 5 minutes by helicopter from here, straight over the hill. Or, if you want to go and walk in there, there's Whangamata just there, you've got to go around to Parakiwai Valley Road and then you walk in. (Pointing to the aerial photo on the wall) there is a heli pad just there, there's one of our drilling rigs. We have found something significant. We are seriously looking at what it would take to construct an underground mine there. You will hear more about that.

The other thing you will have heard about is that the Labour coalition government overturned Eugenie Sage's decision not to allow us to purchase two farms on which to construct a third tailings storage facility. That means we can now purchase those farms which means we can now go ahead with the investigation into whether or not it is possible to build a third tailings storage facility. Why? Because we need the confidence to know that whatever we do, whether it's here or Wharekirauponga, we've got somewhere to put the tails. We know it is possible to put the tails back underground, you can mix tails with concrete and put them underground with cement and it's called paste fill. We could do that here but it's ridiculously expensive.

Lee said: You've got to transport your ore to Waihi. How is that going to happen?

Kit said: I don't know, I just know that it would have to come back to Waihi. Here's our cast iron commitment, there will be no ore processing inside the forest park. And that's an easy thing to say because you'd never get a resource consent to do that, so that's an easy thing to say.

Fred said: How far "as the crow flies" from Waihi to here?

Kit said: 10.2 kilometres from Wharekirauponga to our processing plant.

Fred said: Just do a tunnel, it's not very far.

Lee said: I'm just clarifying the drill pad. I'm very familiar with this area.

Lee said: Most of those peaks I've been up and I'm very familiar with it and I remember they had drill rigs up on that area probably 1973/74 and there's a track, you come out the main track, you go through a railway tunnel and then there's a track that goes to the right and goes up to that area. I'm just getting it in my mind's eye and that's why I've asked the question, "Is that the original?"

Kit said: You are absolutely correct Lee and the heli pad is where the drill rig was in the 1970's, in fact there's still a drill casing left there from the 1970's. We take all ours out but that one from the 1970's was left.

Lee said: I was around when the machinery and that was all pulled out of there.

Tim said: So Kit, picking up on what Fred was saying. Are you saying there's no decision yet in terms of how you're going to get your ore out or how you get the tailings out or whatever and that there's still decisions to be made there? Fred asked about a tunnel – is that one of the options?

Kit said: We don't even know if we can put a mine there yet. Right now we haven't got a mining permit and then after you get a mining permit you need the resource consent and that's 4, 5 or 6 years. It's going to take a while, so it's one of the many options Fred. But what we do know is that there's no way in this world that we would be driving roads into there on the surface. We can't because it's forest park and we can't because people like me would just quit because you don't do that sort of stuff in forest park.

Jeannine said: Is it in the Hauraki area or is it in Thames-Coromandel District Council area?

Kit said: It's Hauraki, although it's just at the very north part of Hauraki and we're also exploring further places so if you head up the Coromandel this summer there will be many placards around extolling the lack of virtue of Oceana Gold because that's what will happen this year.

Pearl said: These two farms that you're talking about purchasing, where are they? Are you able to tell us?

Kit said: Yes, so if you went down Waihi Beach Road and then turn left into Trig Road and then looked across on your left you can see our tailings impoundment there, that area there.

Tim said: So right next door is it?

Kit said: Yes, right next door. A third tailings storage facility would join onto what we already have, if we can get consent for it. This is done through the Overseas Investment Office and the Act and it has allowed us to purchase the farm but it hasn't allowed us to build anything, it allows us to then move to the next step.

Tim said: The next step being resource consent?

Kit said: Yes, but a long time and that would be very public.

Brian said: Just going back to Martha mine and the open pit, I'm not sure if it was Joll or yourself or both talking about a new portal being put in 200 to 300 metres along. Is that towards the West Wall? Is it at the same height? Does a resource consent need to be added? Is it blowing in or sucking out? Because the resource consent for this original one was to suck air in and now you're looking at blowing air out which could make a difference.

Joll said: The first one was to blow air out which is what we're doing now.

Brian said: But they're looking at sucking air in.

Joll said: Correct, yes.

Brian said: I thought originally it was to suck air in.

Kit said: Well we're going to use it for both but, from memory, the consent was for one and then we asked for it to be changed to both, is that right?

Joll said: I'd need to check that Kit because I wasn't here.

Kit said: I'm pretty sure we did.

Tim said: So, noting that the consent and just checking to make sure that there was a blow and a suck option for the first vent, is that right?

Kit said: I'm going to get myself into trouble here, I'm pretty sure it was to suck air in the original consent and then we asked for it to be changed to also blow air out.

Tim said: And then the second hole is in which direction?

Joll said: It's towards the west and about the same level.

Brian said: More coming towards here?

Joll said: Yes.

Fred said: So are you saying you suck cold air in and blow hot air out?

Joll said: There's a little a bit of temperature difference and anything that comes out has to comply with air quality and everything else, so that's something separate again. To miners it doesn't make a difference.

Kit said: Over winter you can see the warm air coming out on Union Hill. Here there were a couple of days where you could actually see water vapour, I keep wanting to call it steam, the hot moist air coming out through there and it gathered for a little while in the bottom of the pit, usually on cold, frosty days.

Tim said: Kit, you were saying it sounds like people probably want to start thinking about dinner, but is there other stuff that the company wanted to talk about?

## Conclusion

Tim said: Are there other things you need to tell people about?

Kit said: No, not really other than to say we'll have another meeting in February. We've got a record of the questions that have been asked. Fred, we need to get back to you and I'd like to fix that problem, I'm not happy with that. There are other questions that we will be able to answer in the minutes. If there are other people that you think need to come to this sort of meeting please encourage them to do so. If you think the meetings are a total waste of time give us some feedback and let us know as to how we can better do things. Your point about the cross-section is well taken. As I say it may not be me that actually runs the meeting but we'll see how that goes. If there's nothing else?

Tim said: I just wanted to ask that question now really. Has the meeting been useful to you?

[Consensus of those in attendance was yes, it has been useful.]

Tim said: Are there other things that we should be adding to the information provided?

Fred said: We're less informed now than at the last one because at the last one you told us that you were most likely going to be mining to here (pointing to the slide). Now we're hearing, "We're still not sure", so really we're no further along. So, what I'd ask is that at the next meeting hopefully we can get a better gauge.

Tim said: It would help to have more specifics? I've got that Fred, so you're saying more specifics would be helpful if possible because otherwise it gets foggier rather than clearer.

Fred said: Going back to why people don't even come to this meeting, they've said to me, "It will be the same as last time, there won't be anything new".

Kit said: They were right (this time because we had to hold the meeting sooner than we were ready to).

Lee said: Great, but I'd like to ask one question. We're talking about working all around the hill. There was, over a decade ago, a proposal to mine the western end of the Martha reef which virtually comes to the surface which meant probably removal of this building, the old Pye building, possibly the school. What's happening there?

Kit said: Nothing at the present time, but I have learnt never to say never. I know what happens if I say, "That'll never happen". I'll get dragged out of Hetherington House and pilloried.

Tim said: Kit, what happened in 2008?

Kit said: In 2008 was one of the lowlights of my professional life. In 2008 we went out to the people over the valley here (the west end of the pit) and said, "We think we're coming this way" and we spent ages talking to folks there and then it fell to bits for a whole range of geological reasons and we then had to go out to those people and say, "We're not doing it now". We thought we were doing everything right by coming out early. Phil, you were at what is now Central School, that was then South School, when that happened.

Phil said: Yes I was the DP across there and we were quite excited to be honest and were looking for new places for our school. Central School is a linear-built school which is not a modern concept and we had a lot of maintenance issues at that time so we were excited. In the end it didn't eventuate.

Kit said: There's this dynamic tension between trying to provide as much information as you can and/or coming out too early. We're having this conversation a lot as in, "How much more can we say?" Here's a hypothetical. Let's say that we thought there was a 50% chance that we found something underneath the AMP showgrounds. Jeannine we haven't? Would we go out and tell the community about a 50% chance? Some people say, "Yes", other people say, "Don't be stupid because if it turns out that you don't do it you've just annoyed all those people, you've dropped their property prices, you've upset people, we would wait until it's at least 70% or 80%".

Bill said: When is Jesus coming?

Tim said: Good question Bill. Kit, can I just summarise where we're at in this conversation of saying that there was consideration in 2008, you got to the stage of communicating with potentially affected people and then the company, at that stage Newmont, changed its mind. It was a big disappointment because you'd gone out and supplied that information to people and then there was a change of mind. At the moment you're saying that nothing is happening in that area, is that right?

Kit said: I'm saying nothing's happening in that area but I will never again say never.

Fred said: Can I take 2 more seconds and then I won't speak anymore. There's one scenario that I've heard, and you can say, "That's poppycock, that's rubbish". This is from mining people who say, "What we need to do is put a spiral in here and get down nice and deep, it doesn't really matter if there's much here or not but we've got to get that spiral down nice and deep because then we can go that way and that way". I don't really care if you do or not I'm just saying that's the scenario that I've heard as to why that's going in, not so much to get to Rex but to get down deep enough, which is fine I don't care, but that's another scenario that has been mentioned.

Kit said: I've never heard that.

Joll said: I can add to that one. The only reason that that decline would go in at the moment would be to access Rex and to decline to each end of the Martha and Royal and to access the other areas with scope, but the cost and everything else is too much.

Tim said: And my other question is that if it was the case that the company made a decision about going off on another direction that would be a fresh application, right?

Kit said: Absolutely and the other thing is, as Joll knows, tunnelling costs \$5,000 a metre. We don't just put something in on the off-chance.

Fred said: Yeah sure.

Kit said: But I haven't heard that one, it sounds like a story that's grown ... I can see where it grew from.

Joll said: It's worth understanding that mining is like any other business, your customers come and go and things change, gold prices change, all those things change. But, nothing like a service such as farming, less so because you don't know that you've got a crop, the gold may be there, it may not be. You have to do lots of drilling, you get there and it's still not there or there's more. So, it's not a mining company like this trying to be facetious and not tell people it's because we really don't know.

Fred said: But do you have a nod and a wink about where to look?

Joll said: It's all the external impacts that make a big difference as well so some of the things Kit is talking about, like if the pit gets bigger, yes it's been looked at three or four times and obviously we're not really sure or we would have been busy doing it. So, it might not be right off the cards – if the metal price goes up then you'd have another look at it as a business owner so that's the bit that makes it like this.

Fred said: What quality do you think the ore is in Rex?

Joll said: It's okay but it's not fantastic. We've just done a budget, we re-budget all the time and plan on all those inputs I just talked about and we thought it's not great. We're putting the focus on Martha so Rex is out and then we looked at Martha and, "Okay this has changed a bit and that's changed a bit, no this is now a little bit better, we'll go a bit sooner on it rather than waiting". And that is one of the things that has changed, that's the timing and then the drilling and, "Okay now we haven't got enough drill rigs so we're going to do this and that", so you're playing that game all the time, trying to work out the best thing for the business, all our employees, you guys and feed that information in. They're all the dynamics. So, it's not a show-stopper and it's definitely worth taking because we model it and say it's worth mining.

Bill said: You're not going to change your mind and say, "We're not going to go there now"?

Tim said: Brian, one more question.

Brian said: You've kind of said it just with all the juggling and all the possibilities and you said it too Kit, but how can you be sure that Rex is only 1 year? You might get down there and find that that's a nice little doorway to get further or something. So, how can somebody who's above, or could be affected, be guaranteed that it is 1 year? Because you say you're playing a percentages game.

Joll said: I guess you've got a very tight area there that is consented so you'd have to do something totally beyond it and if you mine the top section you can't come above a certain height because you'd be getting too close for vibration and soil and all that sort of stuff. So, you've got a ceiling and you've got a size down, if you go deeper than what's in the consent area that could go lower and would be getting further away (so having less effect on those above). But we've done drilling to say no this is a pod of so many thousand ounces we think and to mine that out in a period we know it takes that long.

Pam said: That's why I'm definitely coming to the February meeting. Because as you said this is my first introduction to it but I will know more then and perhaps another meeting and then I might be able to prepare my future.

Kit said: But don't forget we couldn't suddenly decide to head your way, south and under your house, because we don't have consent to do that so that would be a whole different consent process.

Pam said: That's why I think it's a good idea that I just keep coming to the meetings.

Tim said: Kit I do have a question though. How do you decide who to send information around Martha to? Because of the people who have come here, not everybody is within the Martha consent area.

Jeannine said: Project Martha, we included all three, the Rex area, obviously not the underground because no-one lives there, and the North Wall. We basically just drew a line and we hoped that we got it right but with the Rex area we went basically on the top up area.

Kit said: With the North Wall we went right down the valley here and we went right up the top of Bulltown.

Jeannine said: Yes we did, so if I've missed anyone it's totally my fault, but we think we got everyone.

Tim said: So Pam you're a little bit further north aren't you? Are you getting the mail-outs?

Pam said: Yes, delivered. And it said I can contact the email address. We knew this was a mining town so we could have carried on somewhere else but we loved it so much so we have to go along with it.

## Slide 20

# Project Martha Property Policy

## Waihi Community Forum

- The Forum is funded by OceanaGold and is made up of two representatives from OceanaGold, two from Hauraki District Council and up to five members drawn from the Waihi community.
- The current Forum members have a member from the Project Martha/Rex area who has joined them.
- More details about the Forum and the group's original Terms of Reference can be found on their website: [www.waihicomunityforum.co.nz](http://www.waihicomunityforum.co.nz)

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Kit said: Last thing from me, Waihi Community Forum. You're probably not familiar that they even exist but the Waihi Community Forum is a group of people which is made up of Hauraki District Council people. Paul, are you it?

Paul said: I will be.

Kit said: So, made up of Paul, who is replacing Max, and Anne-Marie and Donna and used to be me but I won't be there anymore, and a few local residents. That group is an incredibly powerful group of people who can get things done. When you have got a few meetings under your belt Paul, in fact maybe by February, you can talk about what the Forum is about and how that works, that would be really good.

(Paul to follow up for agenda for February meeting).

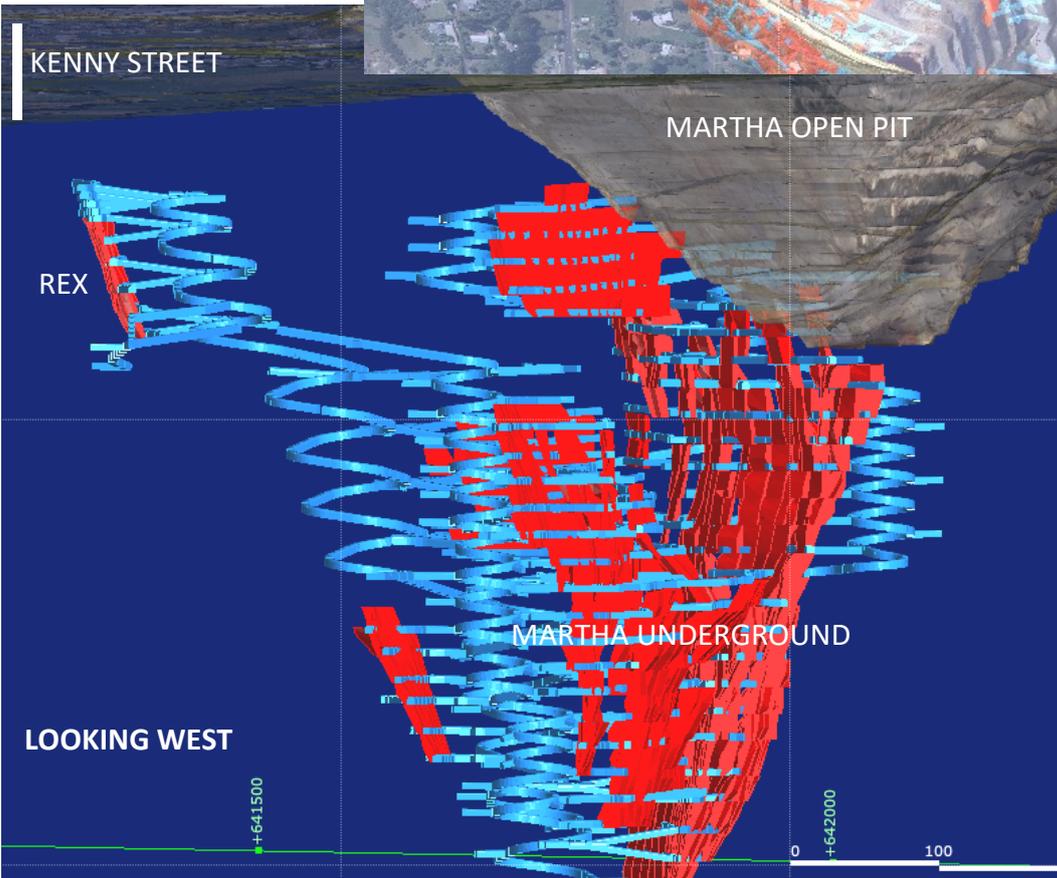
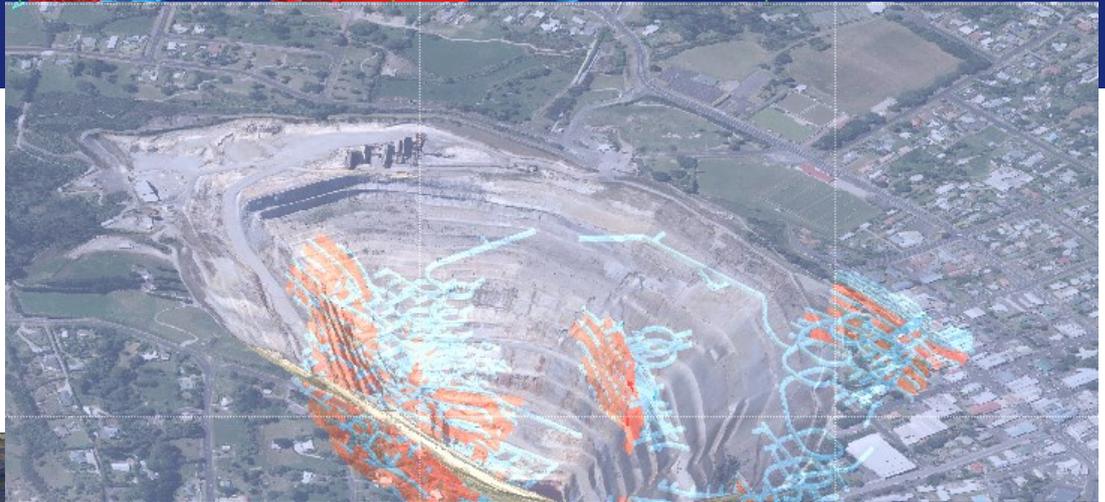
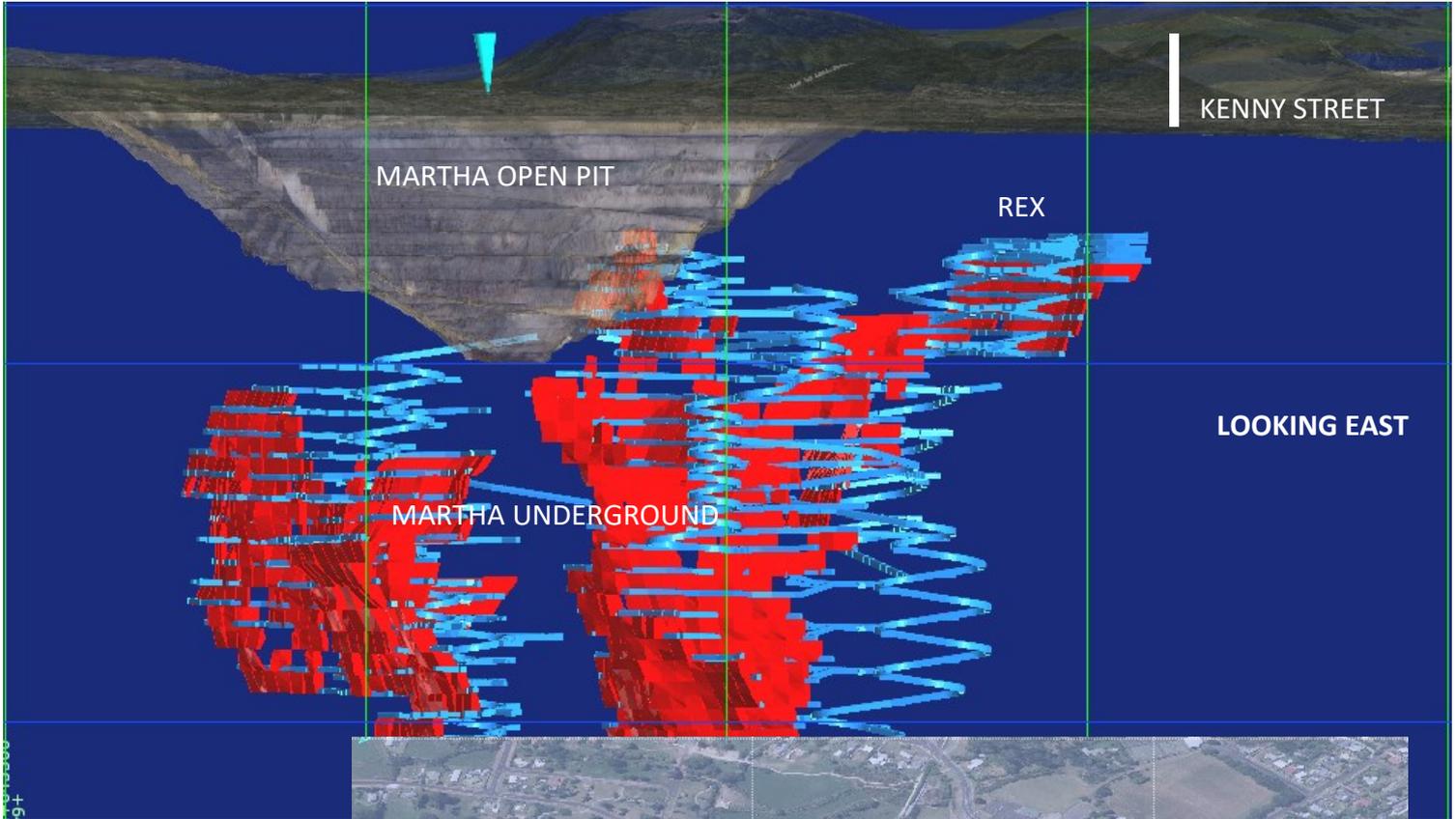
Tim said: Great. Do people know what phone number to ring if they've got an issue?

Kit said: 0800 WAIHIGOLD.

Tim said: And we've got everybody's details for the minutes? Thank you, see you in February.

The meeting closed at 5.45pm.

<b>Attendance register</b>	
Colin Purcell	Pam Edwards
Anton Douglas	Pearl Potton
Sara Howell	Sharon Sisson
Paul Anderson	Ann Stevens
Fred Beadle	Bill Thomson-Prosser
Lee Anderson	John Allan
Brian Gentil	Kit Wilson
Jeannine Wiki	Phil Salmon
Joll Jardine	Tim Clarke
Louise Fielden	



### Current planning

All workings shown in blue are indicative only and may change.