



EXPLORATION DRILLING

As well as our near mine exploration programme, OceanaGold is also exploring for gold on the Coromandel Peninsula.

There are two types of permits which allow us to explore for gold; prospecting and exploration. A prospecting permit allows the holder to conduct 'non-invasive' minimum impact activities such as stream and sediment sampling collecting small rocks, soil sampling and ground based geophysics. An exploration permit provides for all of these activities, as well as drilling. Most of the OceanaGold permit areas, called tenements, on the Coromandel have been in existence for at least five years and some have been in existence for more than 10 years in one form or another. The most recent exploration tenements were granted this year while the oldest has been active since 2003.

It is important to note that an exploration permit issued by New Zealand Petroleum and Minerals does not give the permit holder access to drill on the land covered by the permit. This must be negotiated with the landowner. In cases of private ownership this may be a farmer or forest owner. If the permit covers areas of Crown land the permit holder negotiates with the relevant Government Department.

OceanaGold has some exploration permits which cover Conservation land. Before we can conduct exploration activities on Department of Conservation (DOC) land we are required to obtain a consent to undertake any minimum impact activities. To undertake drilling we must obtain an Access Arrangement that details the conditions the company must operate within to protect the environmental and recreational values of the area. These conditions include ecological surveys, bonds, fees, health and safety requirements, operating limitations and detailed management plans that are designed to protect the environment from the introduction or spread of diseases like Kauri Dieback. The ecological surveys must be conducted by recognised and independent ecologists on any area we wish to site a drill rig. These surveys which are detailed and thorough, and often involve the consultants spending several nights in the area, must establish that the ecological values of any proposed drill site are below a threshold set by DOC in order to be used.

To ensure we have taken all reasonable and



A helitransportable drill rig operating in second generation growth.

practical steps on public safety we sought permission from DOC to restrict access to our operational areas. These areas are no larger than 150 square metres, less than the size of a small house and are well away from walking tracks. Each site is clearly demarcated with fencing and signage.

Our drill rigs are looking for high grade deposits that can be mined by underground methods and processed at our facilities in Waihi. Should an ore body be discovered, any proposed mining operation would be required to go through the normal consenting process with environmental constraints imposed upon it just like any other development project such as new home construction, or a quarry for road metal.

Modern underground mines have a small surface footprint (generally less than a couple of hectares), and excavations underground are filled as they are mined as part of the mining process. Modern mining techniques would also allow this infrastructure to be some distance away from the orebody, so it is possible to mine under a bush area with no more disturbance than we currently have on Union Hill in Waihi where our underground mine vent shaft is located. On completion, the buildings would be removed, all entrances plugged and the site completely rehabilitated and revegetated.

When the exploration drill hole is completed we restore the area. This may include planting native trees and shrubs. In some areas we lay down small branches we have cut down when we were preparing the site over the top of seedlings to provide protection.

If you come across one of our drill rigs, feel free to stop and watch, but please stay outside the operational area. If you want to find out more, contact us and we will arrange for you to get up close in safety to explain what we are doing.



Kauri DIEBACK

Kauri Dieback is threatening kauri trees with extinction. The disease can be spread by minute particles of soil, which is why it is important that anybody who visits the bush thoroughly cleans their footwear and gear every time they enter or leave a forest area.

Our staff disinfect their equipment and boots each time they enter or exit the bush, as well as while they are on site and moving from one area to another. Any equipment we use, including that flown in by helicopter is also disinfected.