



TAILINGS STORAGE

What has happened?

As a condition of OceanaGold's purchase of the Waihi gold mine operations in 2015, the Overseas Investment

Office stipulated that the company must commit to extending the life of the mine.

Since taking ownership of the Waihi mining operations, OceanaGold has actively pursued this objective. The company has spent in excess of NZ\$60m conducting exploration drilling at Waihi and at Wharekirauponga, 10 kilometres north of Waihi, and in February received consents for Project Martha in Waihi.

The company is also conducting a range of technical studies around the future of the Waihi operation in the longer term.

Last year we applied to the Overseas Investment Office for permission to purchase two farms on the outskirts of Waihi. This land had been identified as a possible location for an additional Tailings Storage Facility. After 30 years, it would be the third facility to be built at Waihi, supporting the next generation of mining. Last Friday 3 May



The embankment of the tailings impoundment supports a range of productive land uses.

Minister Eugenie Sage in her capacity as Minister of Land Information declined the company's application. Minister David Clark had approved the application; however, the protocol is that when one Minister declines any application then this is the decision.

To date, the Waihi mine and OceanaGold's Macraes mine in the South Island have, between them, made over 80 applications to the Overseas Investment Office for permission to purchase land. This is the first time that an application has been declined.

This decision by Minister Sage will not directly affect any of our current operations or Project Martha which is due to commence late this year; nor will it affect our exploration work on the Coromandel Peninsula. It is business as usual in Waihi. What it does mean is that we will need to revisit and re-evaluate our long-term projects and also consider the basis on which the Minister has made this decision.

What does this mean?

WHY was the Waihi community not consulted earlier about a new tailings impoundment?

We had not previously provided this information to the community as we still have a wide range of studies, testing and evaluation to complete.

Once we were confident that we had all of the data required we intended to begin talking with – and listening to – the Waihi community, knowing that we had all of the information required to answer the many questions we expected. In the past the community has told us not to present information about a project until we have all of the information and we can answer the majority of questions put to us. We still do not have all of the information we need, but as this proposal has now been made public by the Minister, we feel it important to share what information we have.



WHAT HAPPENS NOW?

No expansion can go ahead without full consultation and resource consents. Just like last year, we provided information on Project Martha many months before we lodged the application for consent and we had intended to do the same with this project once all of the information was available.

The application to the Overseas Investment Office was made to secure the land that would provide for additional expansion in the future. We will re-evaluate our options.

Over the coming weeks in the *Update* we will explain why a new Tailings Storage Facility is required and how such a structure is constructed, operated and finally closed. We will explain why it is not possible for us to simply 'walk away' from our environmental and closure obligations and leave the local community to fund any ongoing costs. We will provide details to illustrate why an impoundment structure such as those at Waihi is very different to the tailings dams which have failed overseas. We will put all of this information on this page, on our website, and on our Facebook page. If you would like us to address your group or organisation, we are more than happy to do that too. If you would like a close up look, we can arrange a tour of the two tailings impoundments. It's a good time to visit. With duck shooting season just started, the ponds at the tailings impoundments are full of birds hiding from the hunters.

We are committed to Waihi. We have always said we intend to be here for the long term. This recent decision does not change that. We won't be able to answer every question right now, but we'll give it our best.