

The Bond Process for Modern Mining at Waihi

Recently, the two bank guarantees (known as bonds) which apply to the Waihi site completed their independent annual review. As such, it seemed timely to discuss what they are, their purpose, how they're set, and who controls them.

WHAT BONDS ARE

As part of modern mining in New Zealand, closure plans for a mine are developed and in place *before* any works start, and our operations at Waihi are no different. Bonds form part of this process to ensure that the approved rehabilitation plans can be carried out even if the company that carried out mining is no longer around to do the work.

Under the regulatory approvals for mining at Waihi, OceanaGold must maintain two bonds in favour of the Waikato Regional Council (WRC) and the Hauraki District Council (HDC): a 'Rehabilitation and Closure Bond' and a 'Capitalisation Bond'.

THEIR PURPOSE

The purpose of the Rehabilitation and Closure Bonds is to provide councils with access to sufficient funding, if it becomes necessary, to both close and rehabilitate the current Waihi site, in accordance with resource consent conditions and the District Plan. This includes the demolition and removal of plant and buildings, rehabilitation of mine areas, site care and maintenance, water treatment, environmental and geotechnical monitoring, and management and administration costs until all the closure criteria are met. When closure is achieved, ownership of the areas of land affected by mining will pass to a charitable trust called the Martha Trust, which would be funded by the Capitalisation Bond. The Martha Trust is already established. The trust's membership includes regulatory bodies and iwi, and their responsibility will be to monitor and maintain that land in a safe and stable condition in perpetuity (forever) using funds paid for that purpose by OceanaGold.

HOW THE BONDS ARE SET

Each year, OceanaGold engages an external technical expert to update the bond costs for both bonds. This is then provided to regulators who undertake independent reviews to ensure the bonds are sufficient to implement the latest Rehabilitation and Closure Plan, which is updated annually.

The rehabilitation bond amount is adjusted at each review to account for any new areas of operation, any areas of completed rehabilitation, and corrections to account for external factors like inflation over the following 12-month period. The capitalisation bond is also reviewed and amended in a similar manner.

For the 2022/2023 year, the Rehabilitation and Closure Bond has been set at \$60.97 million and the Capitalisation bond has been set at \$10.4 million.

WHO CONTROLS THE BONDS?

Bonds for our Waihi operations function under the independent oversight of the WRC and HDC and are adjusted annually.

CONCLUSION

Rehabilitation and Closure is a major part of OceanaGold's approach to modern mine planning. All mining undertaken by OceanaGold in New Zealand is supported by bonds designed to cover the full estimated cost of rehabilitation in the unlikely event of an early or unforeseen closure of a site within the next 12 months.

These bonds provide assurance for the local community that rehabilitation of the Waihi site will be completed under any circumstance.

ON MINE CLOSURE

Bonds are a back-stop. OceanaGold's intention and primary obligation is to undertake closure of our sites ourselves. This is already happening at the former Globe Progress gold mine at Reefton, which is close to completion of rehabilitation works and planned for hand-back to the Department of Conservation in 2025. The closure of that site has been described as world class, and forms part of OceanaGold's demonstrated track record for responsible custodianship of our sites.

ABOUT THE REEFTON RESTORATION PROJECT
www.oceanagold.com/operation/closure/reefton-restoration-project



FOR MORE ABOUT THE BOND PROCESS
www.waihigold.co.nz/about-mining/rehabilitation



Investing in Our Host Community

SPONSORSHIP APPLICATION FORM
www.waihigold.co.nz/sponsorship-donations



One of the most important aspects of the OceanaGold operation in Waihi is providing a benefit to the people and area that hosts us. For many years, mining operations in Waihi have supported local charities, schools, sports clubs, and community groups.

OceanaGold Waihi operates a community investment programme that provides support for organisations, groups, and projects in the Waihi region. The programme can provide in-kind or financial assistance for projects and activities.

We make donations to charitable community groups. Organisations that do not qualify for donations as a charitable organisation can still apply to OceanaGold for assistance in the form of sponsorships.

To apply, a short application form needs to be filled out. The downloadable form can be found on our website, and physical copies are available from the Project Information Office at 86 Seddon Street in Waihi.

SPONSORSHIPS AND DONATIONS APPROVED IN THE PREVIOUS MONTH

Auckland Rescue Helicopter for Helicopter Running Costs	\$10,000
Waihi A & P Association for Advertising & Prize Money	\$375
Waihi Beach Community Centre for Running Costs	\$1,000
Waihi Croquet Club for Tournament Prize Money	\$1,000
TOTAL =	\$12,375



IF YOU HAVE ANY QUESTIONS OR CONCERNS, PLEASE CONTACT US.

Community Engagement Line: 0800 924 444 | Project Information Office: 86 Seddon St., Waihi.
Email us via our website: www.waihigold.co.nz

**NOTE: WE ARE NOT CURRENTLY
BLASTING IN THE MARTHA OPEN PIT.
CHANGES TO THIS WILL BE NOTIFIED.**