

## **Correnso Extension Project – Community Meeting**

**Wednesday 13 August 2014 2.00pm**

The following is a record of the Correnso Extension Project Community meeting held at 2.00pm on 13 August 2014. Where possible, we have tried to capture individual contributions at the meeting but these do not purport to be verbatim notes. Printed copies of these notes, and for those who would like to listen to the actual discussion at the meeting, a compact disc (CD), is available from the Waihi Visitor Information Centre, HDC Service Centre, and NWG admin office. An attendance list is appended to these notes.

### **Introduction**

Tim Clarke welcomed all to the meeting, explained that he and Sharon Stewart (from Out of Court) are the independent facilitators of the Correnso Extension Project Community meetings and gave Sharon's apology. Tim asked those present to ensure they have provided an accurate and legible email address and explained that *if* people had not received an email copy of the notes from the last meeting, it may be because we haven't got an accurate email address.

When those present were asked if they had received a copy of the notes of the last meeting, all present confirmed that they had received them. When asked if they were happy with the content of the notes of the meeting, all who attended the previous meeting and were therefore able to comment, confirmed that they were.

Tim explained that the meeting process would provide for questions throughout the meeting and that when people wanted to ask questions, they needed to wait for the microphone to be brought to them so that the question and the answers can be recorded for the benefit of those who do not attend but want to listen to the recording.

### **Andrea Durie: External Affairs Manager**

#### **1. Project Overview**

Andrea provided a brief recap of information for those who have not attended previous meetings or might not recall the information from the last meeting.

#### **Slide 2: Recap of Consent (slide 1 was the introduction page)**


- RMA Hearing: December 2012 (adjourned) & March 2013
- RMA decision appealed to Environment Court
- Agreement on conditions reached in mediation:
  - 5x appellants
  - 3x 274 parties
  - discussions held in confidence and without prejudice
- Conditions approved by Environment Court (minor amendments)
  - 18<sup>th</sup> Oct 2013
  - conditions on HDC and NWG websites (NWG includes summary)
- Significant work for Newmont (not more of the same)

We went to the RMA hearings in December 2012 and then reconvened in March 2013. The decision was positive in favour of the project however there were some criteria that we couldn't work with so we appealed that decision to the Environment Court. The process for the Environment Court is that you have self-facilitated mediation and if you can't settle then you go into court-assisted mediation. If you can't settle there then you go to an Environment Court hearing. We didn't need to go to a hearing because the five appellants and three 274 parties (people who attach themselves to an appeal) all agreed at court-assisted mediation. The agreed terms are recorded in the consent conditions that are on the Hauraki District Council website and the Waihi Gold website ([www.waihigold.co.nz](http://www.waihigold.co.nz)).

In October 2013 we received approval from the Environment Court that the project could go ahead.

### Slide 3: Recap of Key Mediation Outcomes

- CEPA versus GLPA (halved in size)
- 12 years versus 20 years
- Greater restrictions
- Greater monitoring, reporting & access to information



The key change was that when we went to the hearings we were originally looking at a very large area, most of Waihi East called the Golden Link Project Area (GLPA). We heard what the commissioners were saying to us and we reduced the area to where we had known ore deposits. It shrunk by almost a half (see map on slide 3).

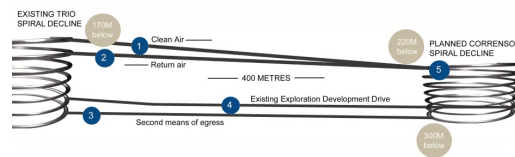
The term of the consent was reduced from 20 to 12 years and (this isn't much different from the outcome of the hearing but) we have greater restrictions imposed on us for Correnso than we had for Trio.

There will also be a lot more reports available for people if you want to wade your way through settlement reports and vibration reports etc. Those are on our website as required.

## Slide 4: Item 1 – Project Overview Project Approval and Start

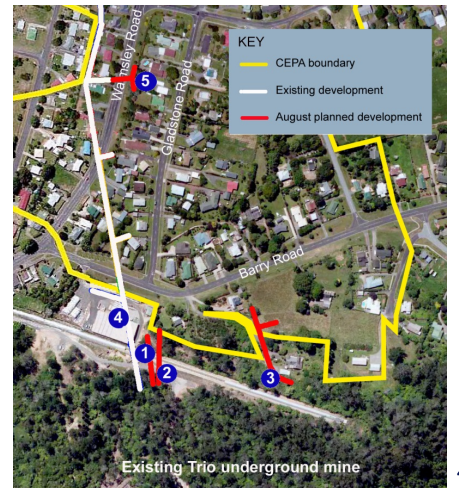
### Project approval & start

- 1 August 2014: funding approved
- Correnso development underway



### Indicative timeline:

- Now to end 2014: Correnso development
- January 2015: Correnso ore drives (development) begin
- Mid 2015 (approx August): Correnso production (stopping) begins



On 1 August 2014 we received full funding approval. Prior to that we were working through Newmont “stage gates”. The funding ultimately comes from Denver, our corporate office. \$32m was given to develop the mine. Correnso got underway almost immediately.

Looking at the slide (there are copies available on the ([www.waihigold.co.nz](http://www.waihigold.co.nz)) website and hard copies are available the HDC Service Centre and the Library), the two-dimensional mine map that we are required to publish to show where we are working is being published again (see slide 4 above). There were a number of months when we didn’t publish a mine map because there was no activity. See the red line here – we are just working pretty much on the Trio boundary at the moment but we will sneak into the Correnso boundary by the end of the month when we start just up here (point 5 on the aerial photo on slide 4 above) when we start the spiral decline.

I have included an indicative timeline to give people an idea. Through to the end of 2014, the development will be the priority. Points 1 and 2 on the aerial photo on slide 4 above will become two drives. These three lines here (red lines marked 1, 2 and 3) are our development drives for Correnso and they will continue up in a straight line and intersect with the spiral decline (point 5). That is the work through to the end of 2014. That allows us to put in our services and provides a way for our trucks to go in and out.

Once January 2015 rolls around we will start work on the Correnso ore drives. They are still development work but they are associated with getting the ore in and out rather than getting services to and from the ore body. That will still be operating under the development limits of the consent conditions at that time. Around mid 2015 (approximately August – it has to be approximate because things can change on a daily basis) is when production blasting and stopping to remove the ore will begin. That is the larger blasts.

Ferg asked: Those two development drives that go next to number 4, will they be at the same depth as the original (exploration) development drive?

Andrea said: (Pointing to the cross-section above the aerial map on slide 4 above). The exploration development drive, number 4, is about the same depth as number 3, and 1 and 2 pictured here (on the cross-section) are slightly higher than the drives. Now they go out for about 400 m (length).

Trevor asked: Is the spiral directly under number 5?

Andrea said: That is correct, that is the spiral decline. (Pointing to the spiral depicted on the cross-section in slide 4) I should tell you that we have used a Sleepyhead Mastersleep coil spring (on this slide). In reality the spiral decline doesn't lie over itself like this spring does, the spirals move out to the sides so that they are not stacked. We have just used the spring to give you an idea of the spiral rather than the specifics of the decline.

Trevor asked: I know how deep number 4 is because it goes through the back of our section. Is the top of the Sleepyhead coil closer to the surface?

Andrea said: It is closer. We are sitting at around the 300m mark at the lowest end. We are nowhere close to the surface but we are a little closer, I need to reconfirm it but it is about 220m (below the surface) so it is about an 80m difference. We can confirm that.

Trevor asked: We seem to be picking up more blast effect now and I just wondered if they are getting closer to the top?

Andrea said: In what sort of period of time?

Trevor said: We seem to be getting more blast vibrations in the last couple of weeks.

Andrea said: We started the development at the start of August so that is probably what you are feeling. And we started down here too (1 and 2 on the aerial photo) so people down here, if they are sensitive, might be feeling something too but we are probably not out of the Trio boundary yet. We will talk about this soon but the blasts under the development regime are not triggering the vibration monitors.

Trevor asked: What position are the vibration monitors?

Andrea said: We have a slide coming up that will show that soon.

Eric asked: Those ore drives you are putting through, will they still finish on the corner of Roycroft and Dobson Streets or will they go further?

Andrea said: The ore drives are being planned at the moment so it's too early for us to know where they will go or where they will finish. There is a mine plan (now) that shows us where the ore body is sitting spatially and then there is another level of drilling we need to do to understand where the ore is metre by metre so we can plan the ore drives, where they should sit so we don't sterilise the ore. The in-fill drilling will tell us that.

Peter asked: Are the development drives 3 and 4 and the two spirals completed yet (but not the top drives)? Between 1 and 2 and 3 and 4, will there be more drives constructed between the coils?

Andrea said: 4 is the existing development drive that was started at the end of last year and completed in April 2014 so that is in place. 1, 2 and 3 are Correnso development so we couldn't start those till we received funding so we started those at the beginning of August. Then there is the Trio spiral decline, that is existing and we are coming off the Trio workings to develop these drives. We will be coming from the same portal (entrance) that we have used for Trio. The spiral decline at number 5 (on the aerial photo) will be started in August and 1 and 2 come from the (existing) Trio decline. The red lines (on the aerial photo) are where we hope to get to in August. Next month we will publish another map that shows this in a different colour and what we hope to do in September in red. Each month we will keep you updated on the planned activity for that period.

Tim asked: (Following up on part two of Peter's question) are there going to be more of those drives?



Andrea said: I can't think why we would put any more drives in because we already have access to the ore body through those drives. I can't say that there won't be – there may be something extraordinary that means we need another one. The only reason I can think of that we would need another drive is if we needed it to get to another ore body and that would need another consent process if it fell outside the CEPA boundary. There is nothing planned at this stage. We have drilled out from the cuddies to see where the ore body sits. What we will do later is drill out in the other direction. For those of you that have been following this there are two other areas that we are interested in, Empire Grace and Daybreak. That is why we have two blips that pop out here (to the left hand side of the CEPA boundary marked in yellow on slide 4 above). We believe there is interesting ore in those areas but it will have to be good ore and enough of it to make it worthwhile us pursuing it given the way the gold market is. That might see some future development happen but not related to what we are working on now which is the Correnso ore body.

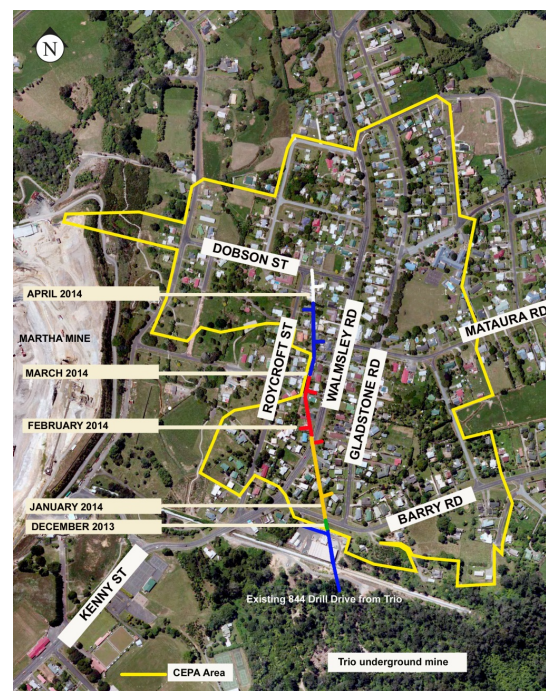
## Slide 5: Item 1 – Project Overview Exploration Development Drive (EDD)

### Exploration Development Drive (EDD)

- drive completed 22 April 2014

### Exploration Drilling from EDD

- focused on southern end of Correnso ore body
- Aug-Sept: northern end (& very south)
- Aug-Oct: Empire/Grace and Daybreak
- Oct: Correnso grade control (or infill) drilling – grade distribution & structural nuances



Andrea said: The exploration development drive was finished in late April. This (slide 5) is an old map of what was going on. You can see the stages we got to and that the drive was finished in late April. That drive hasn't sat empty, we have been doing in-fill drilling, to know that the ore body was actually there so we could get the funding (for the mine). We have been focussing on the southern end of the Correnso ore body. We have been putting a whole lot of exploration drills in. Exploration drills are about the size of the bottom of a coffee mug. Those are drilled in and we pull out the core, then we assay that and build a model based on that. So we have a pretty good understanding of the Correnso southern end but the edges (the very ends) we are uncertain of and there will be more drilling that goes on. We are not that certain about some of the areas in the south and we will be looking to get a better understanding in the August/September period. We will also be putting a lot more drills into the northern end (like we did in the south) so we can be sure what ore body is there and we can be clearer about where we are going to position drives and things and what we are going to do.

In August to October the drills will go into the two areas out the (left-hand) side of the Correnso area (Empire Grace and Daybreak) to give us a better understanding of whether they are something we want to look at, whether they are worth pursuing.

In October we go back to the Correnso ore body and do more in-fill drilling in areas that we are not sure of to look at grade distribution and structural nuances. We know where the ore body sits but then we need to know to the level of detail of half a metre or so. I am showing you this because it helps us to explain that our world changes on an almost daily basis. When we start doing this in-fill drilling we will not know exactly what we are doing. It is not that we are lying to you it is just that we don't know exactly what we will be doing until we get that greater level of information.

Tim asked: In terms of the overall situation, with lots more drilling to work out exactly what is there. What is next? What is the timeframe?

Andrea said: If I skip back (to slide 4) it ties in with the timeframe of us starting developing the ore drives in January 2015. The information from the in-fill drilling will be assessed, we will develop a model and then we will start the process of developing the ore drives in January. Everything we do is based on exploration drilling. The drill rigs are turning constantly at the moment. That is how we get our information to develop these mine plans. The exploration pushes out our start on the Correnso ore drives then after the ore drives we start actual production, which is removing the ore. That's when the production blasting will begin and that is the larger of the blasting.

Tim asked: So more of the same (with the blasting) and what people will feel (give or take the nuances of the geology) until production starts and that's when people will notice a difference?

Andrea said: Spot on I would say, although there has been some discussion with our geologists and engineers about what the effects will be on the surface. There may not be a significant difference between development blasting and the stope blasting. The consent conditions do allow for a higher limit (of vibration) on the production blasting.

Graeme asked: The other two developments that you are talking about going on outside Correnso, can you please point out where they are relevant to the boundary of Correnso?

Andrea said: (Pointing at slide 5) this project area is probably a dead give away. Imagine the development drive going up here, close to that part of the boundary. We have an interest in here and here (pointing at the two bulges in the left hand (western) boundary of the project area to the left hand side of the development drive), pretty much on the other side of the development drive from the Correnso ore body. Until we do the drilling we won't have any idea whether the grade or volume are any good.

Trevor asked: I am wondering about the structure (of the rock) where they are drilling. Is it possible for those of us who are a bit interested to go up to Newmont and have a look?

Andrea said: I can tell you that at Trio we know it is very competent ground, it is admired by those who come to visit and do the underground tours. In fact, we probably don't need to do the shot-creting and so on that we do in the area but that is our procedure and that is what we follow. The ground is incredibly competent. From what I am hearing, and you can certainly come up to Newmont and talk to someone who has a lot more understanding than I do, my understanding from the samples that are being looked at from Correnso, it is also very good ground.

[Andrea talked about the in-fill drilling being multiple drill holes starting from one source and heading in slightly different directions (to assist those not at the meeting, imagine spokes on a wagon wheel)].

Andrea said: There is a lot of area between the drill holes so until you get down there you are not absolutely certain, but we think the geology is there or thereabouts.

If you want to come up and talk about that with us at Newmont then just call the 0800 number at Newmont and we will make a time for you to come up. We can make sure we get the right person in the room with you to explain. The more you understand the more you are comfortable with it so that (coming up to talk with us) is good, we would love to do that.

### **Russell Squire: Senior Environmental Officer**

## **2. Environmental Overview**

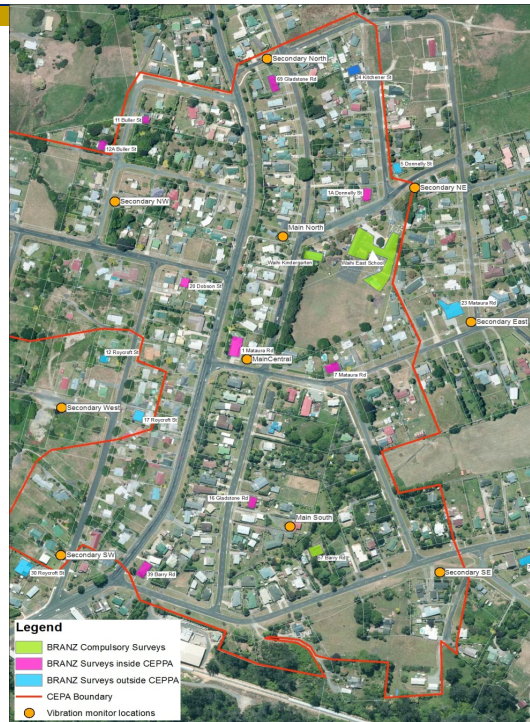
### **Slide 6: Item 2 – Environmental Overview – Vibration and AEP**

#### **Vibration**

- Correnso development drives started early August 2014
- No monitors have been triggered yet by this activity (ie below 0.75mm/s)
- Monitors are picking up vibration events (generally Trio production blasts or non-mine events)

#### **AEP**

- January to June 2014
- 312 payments (vibration)
- approx. \$151,000 total



Russell said: As Andrea mentioned the development drive started this month with the approval. There was a question before about where all the vibration monitors are. The monitors are the orange dots shown on the aerial photo on slide 6 (above). There are 10 of them over the site. No monitors have been triggered yet as a result of this latest activity. We get results from the monitors in the southern end from the Trio production blasts and we also get normal traffic, lawn mowing and various other vibration activities showing up.

Trevor asked: Is that a monitor up by Mataura Road?

Russell said: Yes that is. In fact that's the one that received most of the vibrations from the earlier development.

Russell said: 0.75 triggering is a relatively important number. People will feel vibration in the 0.5 – 0.75 range. The 0.75 is basically a pragmatic average, which we can have the monitors set to so they don't trigger with all sorts of things that people actually shouldn't be upset by. The monitors are picking up various vibration events. With Trio production we will get two or three of these (pointing to the southern end on the aerial photo) going off, and also some non-mine events. We get quite a few coincidental ones when some of the monitors are busy and then someone drives past another one or something, remembering that two monitors have to be triggered at the same time before it loads an event onto the website.

With the AEP, we have just been through the last round of the AEP process. Some of you will have been contacted about that. There were 312 payments made all up, all of them vibration related, approximately \$150,000 paid out this round. That is up 5% to 10% from the

last round of payments largely due to an increase in the number of people joining. Also some of the events, eg southern Trio, were closer to those properties so they got slightly higher pay-outs in that area.

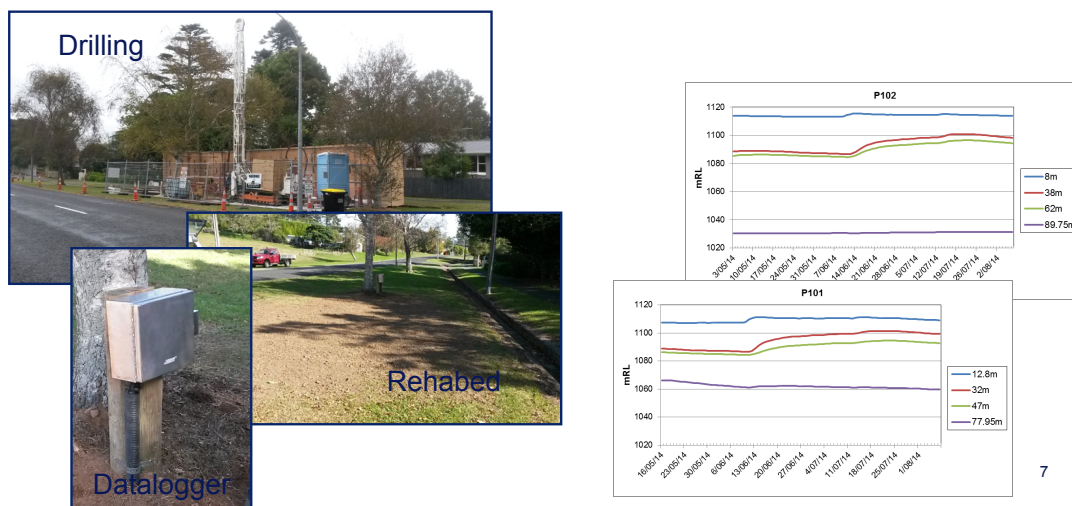
Mark asked: What are the other areas marked on the plan there (the green, purple and blue coloured rectangles)?

Russell said: This map comes out of our vibration management plan and the coloured areas are actually properties that have been surveyed under the BRANZ structural surveys. That is a pre-mining survey by structural engineers so that if we require they can come back and have a look and see if there has been any detrimental effect from the mining activity. Before and after monitoring.

## Slide 7: Item 2 – Environmental Overview – Dewatering

### Dewatering

- Installation of two new piezometers complete, monitoring ongoing.
- Results showing response to rain (269mm, 8-12 June 2014)



The other things that you will be familiar with is the installation of two new piezometers, one on Barry Road and one at the southern end of Gladstone Road. We apologise to you for any inconvenience. We did our best to keep the noise and activity down as much as possible and we have now rehabilitated the site so you will largely just see grass with a post and a stainless steel box. They have been operating for a couple of months now. You can see the trace (on slide 7 above). Each of these piezometers have four sensors in the hole and once they stabilise, it can take up to about a month for them to stabilise, then we can keep an eye on them and make sure there isn't anything unusual with the water levels. We have to have explanations for why the levels go up or down. You can see (on slide 7) that in the June rainfall event we had this sudden blip (increase in water level). The shallow groundwater went up very quickly and stabilised, the deeper ones took a bit longer to catch up and the line from the sensor at the bottom of the hole hasn't moved at all because the water pressure doesn't really get that deep from surface rainfall.

Tim asked Russell to read out the depths of each sensor on the graph on the slide because it was hard to read for those in the meeting room.

Russell said: They vary but here the top line is 8m, the next one is 38m, the next is 62m and the bottom one is 89m, that is actually the bottom of the hole. On this other graph they are 12m, 32m, 47m and 78m. You are getting to know what I do for a job.



## Slide 8: Item 2 – Environmental Overview – Settlement

### Settlement

- Six-monthly survey completed May. No erroneous settlement
- First survey for 41 new marks over Correnso ('baseline' measurement). Future data based on these coordinates
- Data from 2013 has been analysed and the report submitted to HDC and WRC



Russell continued: The other thing that has happened recently is the settlement survey in May. Originally we had the yellow dots (as per the aerial photo), with the implementation of Correnso we have doubled the settlement marks. You can see those marked as pink dots (on the aerial photo). That survey has been completed and there is no unusual settlement shown. The entire area is behaving as it should. The latest survey is only the first time that the new marks have been surveyed so that survey is now our current baseline and if anything happens from here it will be from that level. The other data from the 2013 survey has been analysed and processed, it was sent off to peer reviewers and is now on the Newmont website and the Hauraki District Council website if people want to read the 130 page document.

Anita asked: Do you pump water out from the water table and if you do where does it go?

Russell said: There are no pumps in this area. We are expecting these upper layers (shown on slide 7) to respond to rainfall, we are not pumping from those areas. The lowest areas will actually dry up later on once we have done all the drives and dewatering from the underground mine. That water is hydraulically linked to a pump in the pit. The Trio and Correnso ore bodies are all hydraulically linked to the Martha pit so whatever water level we have the groundwater at in the Martha pit, Trio and Correnso are expected to be 1.5m to 2m above that by general water gradient. The water from this area will be pumped out to the Martha pit.

Trevor asked Russell to explain how the piezometers work.

Russell said: They are called a vibrating wire piezometer. They are based on water pressure. The more pressure the piezometer is subjected to the higher the vibration goes and there is a data logger at the surface that measures the frequency of the vibrating wire. The tighter you pull on a piece of wire the higher the frequency of the tone it makes and that's what the machines are reading. The machine transfers that information into pressure readings.

**Slide 9: Item 3 – Social Overview**

**Property Programme – Stage 2**

Re-appointed The Property Group

Over Correnso development

- end July: all ex-gratia offers made
- 20 of 23 have signed the agreement



Over Correnso stopes

*Phase 1*

- south of Matura Road: initial visits from 12 August; 13 owners

*Phase 2*

- north of Matura Road: initial visits approx. late October 2014

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Andrea said: I will move on to the social update. The key focus of the last 6 months has been around the property programme. I know that they can be difficult to read but I suggest that if you really want to understand what is going on with the property programme, then you read the consent conditions. There are about 14 or 16 clauses within the property programme section. There has been a bit of toing and froing in the media between different parties regarding the property programme and there has been some information out there. Don't trust anyone. Don't trust us. Read the property programme clauses in the consent conditions.

As per the consent conditions we have reappointed The Property Group. They came on board when we did the exploration development drive. We had good feedback so they were brought back for this next stage which is about the Correnso development. What we should be moving into this week is the Correnso stope offers.

For over-Correnso development, all ex gratia offers have been made. We have 20 of 23 people signed up. By signing the agreement they received the payment which was 5% of the market value of their property, so there is a valuation process that we go through. We meet the consent condition by making the offer. We can't control whether someone accepts the offer or not. People don't have to accept this – it is something they can choose to do.

So where we are moving to now is the over-Correnso stopes and we are having to phase this. When I showed you the drilling programme (slide 5) and said we are looking to do a bit more in the southern end of Correnso then do a bit more in the northern end, we need the level of detail from that drilling before we can say exactly where the stopes are before we can go out to people who are actually over them or next to them. What we have started this week is meeting with people who are south of Matura Road. That involves 13 owners.

Peter asked: I was just wondering, with the drives that we were talking about earlier, the two bottom ones and the two top ones (slide 4), are those 23 properties that we are talking about the total number that will be affected by the four drives, or will there be more drives like the two that aren't done yet, that go under some more property?

Andrea said: As I mentioned before, we don't know if there will be any more development. It is unlikely at this stage. If there is further development then the people affected by that new development will be offered the same.

Peter asked: Does that 23 cover the four drives?

Andrea said: The exploration development drive was finished in April of this year. That was a different group of people who were offered ex gratia payments.

Now that we have funding approval, we have drives 1, 2 and 3 that we are constructing. That means there are 23 people who are going to be sitting over the Correnso development. Those people had to be offered ex gratia payments before we go under their properties. That is the process that we have just completed, the 23 people (we made offers to) that I was just talking about.

As we (get to) understand where the stopes are sitting and where their edges are, there will be another set of offers and the first meetings have been teed up for this week. We have 13 owners that are confirmed as being over stopes in the southern end of the ore body. From Mataura Road down, we know there will be 13 properties that will be affected.

There are some stope edges that are close to, or just over, a property boundary, or ends of stopes that just fringe onto someone's legal title. (In those cases) what we need to do from a mining perspective is to determine whether there is ore that is worth pursuing, that is why there is more work that needs doing. At this particular point in time with the southern end of the ore body there are eight property owners we will talk to and say 'we are not sure whether we are going to be pursuing this piece here, we will come back to you in a couple of months'. There are 13 that we know now, no matter which way we go, we will be going under for stoping.

Late October, possibly a little later, we hope to be able to go out to the owners of those properties north of Mataura Road to explain whether they are over a stope or not. We have to do it in two stages unfortunately. We had hoped that we would have a very good understanding by now and be able to do it in one hit. Unfortunately those who are north of Mataura Road will have another couple of months wait, as will the eight owners on the fringes of the southern ore body around the edges of the stopes.

Graeme asked: The ones that are right on the boundaries, if you hit that boundary and find the ore goes under those properties, what are your procedures then? Because you have a time delay between notifying and being able to drill.

Andrea said: That's absolutely right, that is why this is taking so long, because those guys need to be certain. The mine planners need to understand, the geologists need to understand, if you get down there and realise that you do want to take that sliver off, you can do that but it is going to be 5 or 6 months before we can. An offer needs to be made 3 months prior to using explosives under someone's legal title, and to be able to make an offer we need to instigate the valuation process which is probably another 2 months. That's why we say another 5 or 6 months. That is why this is taking longer because the precision has to be so much greater.

Roger asked: With the development drives that you are putting through, owners will need to sign agreements – correct?

Andrea said: There are three people who haven't signed an agreement but that is not an affect on us. Our commitment is to make the offer.

Roger said: These agreements are a very, very legal document and I would recommend that you build into the agreement that a solicitor should look at the agreement. There are a lot of people signing the agreement who are not sure what they are signing.

Andrea said: The Property Group are advising that people should get legal advice if they don't understand what they are reading. Apart from section 2, the agreement is written fairly well in English but as with any agreement people should make sure they understand what they are signing. For the people who have signed it they have obviously been relatively happy, otherwise if I got an agreement and didn't understand what was in it I would want to go and get advice.

Roger said: You should stress it on the agreement with some over-rider to say a condition of this agreement is that a solicitor advise the owner. It might cost the owner \$50 or \$100 but it is good insurance.

Andrea said: We get shot down in flames for telling people what to do and it is certainly not part of the consent requirement. For us to impose a requirement on people to go and spend money when it is not in the consent conditions, I doubt whether that would be viewed particularly favourably. The Property Group's role is to make sure the message gets through that it is a legal agreement and that people need to get advice if they are not sure what they are reading.

Roger said: What we will do is put it in our next newsletter from WERGI that we recommend that people get solicitor's approval before they sign.

Tim asked: How do property owners know if the mining is fringing on the edge of their legal title?

Andrea said: From a Newmont perspective we have a mine plan and regulators that assess the mine plan. What the regulators choose to do to check that we are doing what we say we are doing is up to them. There is a whole lot of overview and regulation that happens in the environmental space and it is up to the regulator what they do to hold us to account. It would be fair to say at the moment that no one is holding us to account. However, we are always of the view that someone at some stage is going to hold us to account and we have a mine plan and we stick to the mine plan. If we were cowboys and thought, "What is 50 cm?" even if it rolls under somebody's property, we wouldn't be taking this long to go out to people who are on the southern end of the ore body. We would have said, "She'll be right no one will know". We know that at any point we can have a regulator come in and check that our mine plan is actually where we are mining and it is certainly not worth it from our point of view to be caught in that position.

Tim asked: So when you say 'regulator' that is Hauraki District Council and that also means their experts that they contract to do independent analysis?

Andrea said: Yes the Hauraki District Council is the primary regulator, they are the ones that we have the most contact with. The Waikato Regional Council has a role as well but also we have NZ Petroleum and Minerals who are part of MBIE (the Ministry of Business Innovation and Employment) who monitor what we are doing. So we have a number of levels of scrutiny.

Fritha asked: You mentioned there were properties that you paid ex gratia payments to before Christmas. How many properties was that? The other question is, you said that your only legal requirement was to present people with the offer (of the ex gratia payment). Is that where your obligation stops? If they don't sign the agreement then you haven't broken any rules.

Andrea said: That is correct, and my understanding is that when a legal document is written they cannot put onto us as the consent holder an expectation to control a third party. We can put the offer but we can't control whether someone responds to that offer. Our obligation ends at the offer.



Tim asked: Fritha what is your concern about the possibility that someone chooses not to respond to an offer made by Newmont?

Fritha said: I look at it from everybody's point of view. You hear them say, "We've got this agreement", but if they don't understand the agreement (because they don't understand the wording), it sounds like all you have to do is make the offer.

Tim asked Andrea: What efforts does the company make to ensure people understand the offer?

Andrea said: The consent requires us to bring in an independent third party to manage the property programme. That group was recommended by WERGI and we did a bit of investigation. They do a lot of property acquisition and compensation programmes around the country. They are called The Property Group and they manage the process. We go along and make the initial approach to, for example, these 13 owners, and say this is where the project is at, you happen to be over a slope, this is x from The Property Group and they are going to take you through the property programme process. Then they manage that. They are not there to provide legal advice. They are there to ensure the consent conditions are complied with. They are the ones who co-ordinate who the property owner wants the valuation done by. They get the valuation, work out the 5% and make the offer to the people. That is done in various ways. If the owner is overseas then it is usually by email but if the owner is local then it is usually face-to-face.

Graeme said: A presentation means that the offer has been made. If it is not signed then it doesn't seem like there is any responsibility. Don't you need some sort of acknowledgement from the party to show that they have received the offer?

Maggie said: And why they didn't accept?

Andrea said: Why they don't accept is entirely up to them. If they choose not to accept, that is not our business. The offer is physically handed or emailed to the individuals and from the conversation that they have with the representative from The Property Group it is clear that they have received the offer. The Property Group provide a spreadsheet that shows when the exactly communications have happened and what the update is. That is provided to the regulator.

Tim asked: So if there was a question about whether an offer was made then Newmont or The Property Group would be able to look it up and see that the offer was made on such and such a date?

Andrea said: We could certainly follow that through if there was an issue. There hasn't been to date. I guess they (The Property Group) have a professional reputation to look after and if they were to start fudging the information or not doing what they needed to do then they wouldn't be getting any extra business. It is always interesting that when someone comes to work for Newmont their professional integrity gets called into question, which is disappointing.

Graeme said: It's not that I am talking about. When people agree you have what they signed but if they don't you don't have anything to show they were offered something that they could have signed that is legally binding.

Andrea said: An offer has to be made so it is presented. If they choose to sign that, it is entirely up to them. Their reasons are their own. If they sign that, then that instigates the payment. If they choose to sit on the offer then that offer stays (current) for the life of the project. The fact is we have presented the offer. If they are not prepared to sign anything then why would they sign something to say they have received an offer.

Tim asked: So Andrea, you are saying that Newmont can make the offer and prove that you have made the offer but that to force people to sign something that says they have received the offer is encumbering them with something they may not want to do?

Andrea said: Yes.

Peter asked: When a property is eligible for an ex gratia payment, is there something to say so on the property file somewhere? Is that a requirement?

Andrea said: That is an interesting one Peter because we would like it to be recorded on the LIM. We have had comments from people that it would be unfair to put it on the LIM. What people probably need to realise is that there is already acknowledgement that they are living in a mining area. All we want to do is to be very transparent that this is (property programme) happening. So we would like to see it there. We have had feedback from Hauraki District Council with differing views. At one level they are saying, "What do you think you are doing?". At another level they are saying, "That seems perfectly reasonable". All we can do is apply to have that put on the LIMs of the properties whose owners have signed up to this. If Hauraki District Council choose not to do that then that is apparently their call. I am not sure where that will end up.

Nancy asked: Can you please confirm that the ex gratia offer is on the table for the length of the consent as well as the property purchase? I wasn't clear on that in the consent conditions.

Andrea said: Yes, that is right. It isn't clear in the consent conditions. There is no termination clause in the conditions so the offer goes for the life of the project.

Nancy asked: Are people aware of that? I wasn't aware of that in the consent conditions.

Andrea said: I am not sure if they are. There is no termination date in the consent conditions so if they wanted to have that conversation they could have.

Nancy said: I just think that it is important for the Property Group to be putting that out there because it has never been mentioned.

Andrea said: We could do that. I am not sure what the advantage of that would be.

Nancy said: It is important for people to know that the ex gratia payment is being offered for the life of the mine rather than being a one-off payment.

Peter asked: Will the life of mine opportunity be passed over to the new owner if the property changed hands during the life of the mine?

Andrea said: No it doesn't. We are required to make one offer. Whether it has been accepted or not the offer has been made. So it does not transfer.

Graeme asked: I thought the offer was for the property not the owner. Is what you are saying contradictory?

Andrea said: I can check that but I am pretty sure that it is one offer that sits with the property owner. We don't make an offer to the property; we make an offer to the owner of the property. That offer has been made therefore we have met our requirement.

Roger said: No subsequent owner would receive an offer on that property, only the original owner. My question is – so the property over the northern stopes should receive an offer in about September?

Andrea said: As per the slide (slide 9) it is planned for late October. It is a bit of a moving feast but hopefully late October.

Anita asked: If I was to buy a property that was one of the three unsigned offers, nothing is on the LIM and then I discover there is something under my home, there is nothing on offer for me, is that correct?

Andrea said: If you are in a mining area it will have on the LIM that you are in an active mining area. Yes, if the offer was made to the property owner previously then the offer dies with that property owner. One offer is all we are required to make, otherwise we would continue to cycle an amount of money that has not been budgeted for.

Tim asked: With the people who currently own the property is it the case that the mining company has come along and decided to mine underneath their property with or without it being their choice to do so? Therefore you are offering them an ex gratia payment. On the other hand if someone comes along and chooses to buy a property over a stope area then it is their choice to come and move into the area knowingly. Is that the difference between the two equations?

Andrea said: Yes. With due diligence, knowing you are in an active mining area you would ask a lot of questions. The real issue is not our issue. We have come under fire for putting into the agreement that we believe we should be registering this on the LIM. We have had the District Council shoot us down and had individuals shoot us down. We have to be very careful about what we start trying to impose on people. It is not a consent requirement that (registering an offer on the LIM) occurs so all we can do now is to apply to Hauraki District Council to put it on the LIM and if they put it on the LIM then it is their choice. We cannot influence that.

Anita asked: If you have budgeted to put an offer in on the 13 properties and only however many have been accepted, how can a new owner of one of those original properties not fit into your original budget?

Andrea said: Yes, sorry you are right on that front, but we have already made the offer and that's where it ends. That comes to Tim's explanation which I think was put quite succinctly. You are consciously and willingly moving into an area, so the one offer with that owner.

Anita asked: For someone moving into the area, if they found themselves in that position, say one of those properties that had already had the offer prior to purchasing that property, where exactly would they find that information?

Andrea said: If the owner is honest they will divulge that. You can come and talk to Newmont because if you find you are in an active mining area by doing your due diligence then the smart thing to do would be to come and talk with the mining company generally about what is going on and as a result of that conversation the information would come out given the location of that house. We do have people who come and talk with us when they are doing their due diligence over a property. The LIM highlights that you are in an active mining area, what an individual decides to do about that is entirely up to the individual. You would hope they would do enough due diligence to satisfy any concerns they might have about moving into a mining area.

Ollie said: My question was the same as Anita's.

Fritha asked: There must be a date (at which time you know who owns the property and can therefore make the offer to). For example if we went out and bought houses on the north side of Mātaura then you might be making the offer to me? I wasn't the owner when you got the consent but I might be the owner now.

Andrea said: The offer is made when we identify the property we are going to be going under, not from the date of consent. The northern end we are not approaching till later in the year because we don't know which those properties are. We will approach the property owners when we have identified them. The people who own the house at the time are the people we make the offer to.

Trevor said: These people that are concerned about Newmont mining under their house, I am sure I don't know what they are worried about. The more fuss they make the less value the section is going to have. Are we going to hold Newmont responsible for the old drives that aren't even marked? What about the people that buy there? The thing is we have known that this is going to be mined for years now and people have come and bought because it was cheap. People were coming down from Auckland, buying three sections and renting them out – it's a good little living. I just can't get my head around why people are so concerned about what is going on down there. It is as if they think it is going to collapse. It is much safer today than it was in the old days.

Andrea said: I will just make one comment Trevor and I am not saying that it is right or wrong. We will get calls from people when they are having trouble with their water pipes. Now their water pipes are a few metres below the surface and they are asking if we are hitting them with our mining. There isn't necessarily a great level of understanding that we are 300 metres below them and what that looks like.

Graeme asked: I am a bit concerned that if a person sold their property, they could still go back and claim the offer from the company while the drilling was still going on?

Andrea said: No, they would not own the property.

Roger said: The day before they sold the property they could still make the claim.

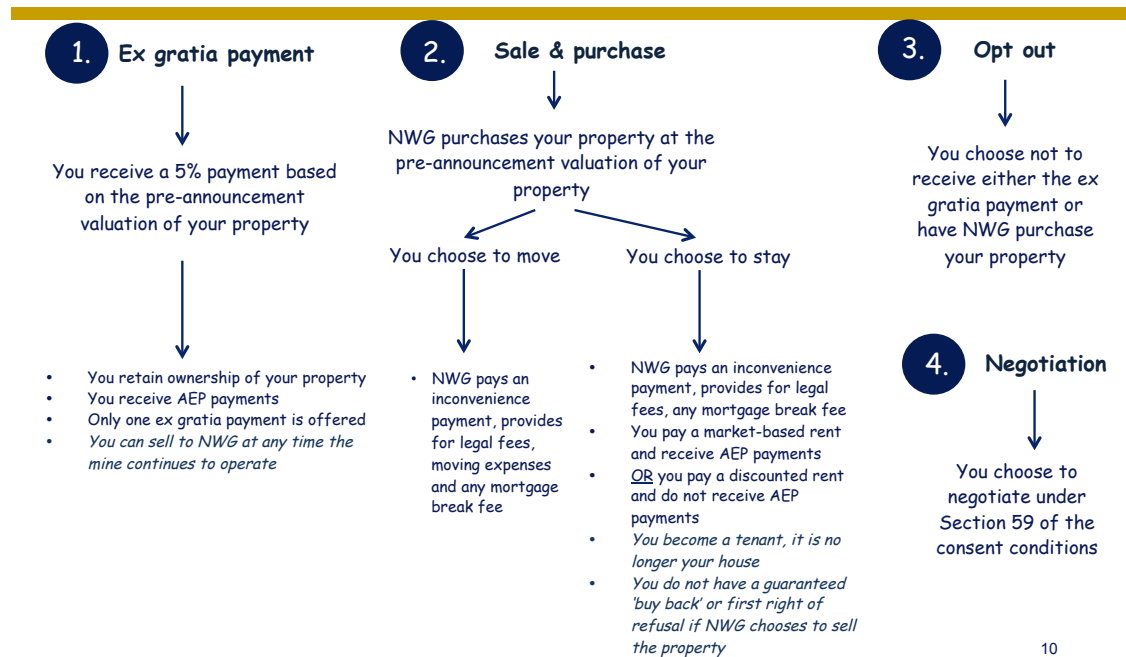
Andrea said: Yes they could.

Eric said: I just listened to what Trevor said a minute ago. I agree with what he is saying. We came down here 7 or 8 years ago. We have not had any trouble with Newmont. We have found them very open and above-board in any dealings we have had with them. I think a lot of the rumours that go around are not helping with the sale of the properties. If they stopped putting rumours round, then the property values in Waihi would not have dropped as much.

Andrea offered to answer more questions after the meeting and moved on to talk about slide 10 from the PowerPoint presentation.



## Slide 10: Item 3 – Social Overview (cont'd)



Andrea said: This is taken from the consent conditions. We want to be very clear of what we are going to do and what we are not going to do. What is clear in the consents is the ex gratia offer. The ex gratia payment is 5% (of value of the property) but what is different with the stopes is that any time during mining you can put your hand up and say to Newmont, “I would like you to buy my property now”. You retain ownership of your property, you get the 5% ex gratia payment and get the AEP payments and at any time during the mining you can say to Newmont, “My circumstances have changed” or, “I don’t like the mining effects” or, “My life has changed and I want to move into a retirement home” or, “my family has moved to Wellington and that is where I want to be”. Whatever is the reason, if you want to move, we will purchase the property under the same sale and purchase option that is next up (see point 2 on slide 10). The key here with the ex gratia is the person retains ownership of their property. People might be thinking, “oh my goodness, I don’t want to” but with this next piece of the process it will become clearer why I have emphasised this.

The (second) option that people will get is to be bought by Newmont. With that option you can either be bought and move on in which case you would get, and these are all covered in the consent conditions, the inconvenience payment, provision for legal fees, moving fees and if there is a mortgage break fee payable to the bank then that is covered as well. Or, if you don’t want to move you can choose to stay and can rent the property from us. You can rent at below market value and not receive AEP or at market value and receive AEP. There are all these options available. They are in the consent conditions and they are in the conditions because people wanted there to be as many options for people as possible and we agree with that. The key with that is you become a tenant of Newmont and your house becomes a rental property. That might be quite hard for people and (from my perspective) as someone who has been renting for a while and got sick of it and finally bought something (I can say) it is quite a different environment. If you have owned your own property and been able to do whatever you want with your own property for years, having property inspections is not fun and being at the beck and call of other people like a property manager is not fun. There are pros and cons.

Or you can opt out (point 4 slide 10 above) for whatever reason.

Or (point 5 slide 10) if you have some other idea then the consent conditions allow for you to negotiate with Newmont. With the negotiation option both parties have to agree.

## **Slide 11: Item 3 – Social Overview – SIMP, SIA and Cultural**

### **Social Impact Management Plan (SIMP)**

- identifies key social indicators, monitored annually throughout project
- submitted to HDC: met consent requirement (20 Feb deadline) draft approved with further amendments post-SIA
- anticipate release of final / approved SIMP approx. Nov 2014

### **Social Impact Assessment (SIA)**

- snapshot in time of impacts (positive and negative)
- fieldwork (2 weeks total) & data analysis completed by Banarra
- deadline of 20 August 2014 to submit SIA to HDC

### **Cultural**

- Iwi Advisory Group established; two meetings held
- priority placed on Cultural Awareness induction

11

Andrea said: The Social Impact Management Plan (SIMP) I have talked about before. It is a management plan that identifies the key impacts of this project and we will have to monitor that plan on an annual basis. The plan is something we have to submit to the regulator, Hauraki District Council, on a regular basis. At the moment it is sitting with the District Council in a draft form. It can't be released publicly yet because we need to fill in the baseline data from the Social Impact Assessment (SIA). The SIA is a snapshot in time and some of you may have taken part in the fieldwork that took place at the end of June/early July. Banarra the consultants went out and spoke to a range of people as well as putting surveys out to the workforce and other people. Banarra have gone away and analysed the data and at the moment it is sitting in a first draft form. As you can see (from slide 11) they have to submit that to the District Council by 20 August so we are not far away now. Once the SIA is in to the District Council we will be able to go back to the draft SIMP and populate it with the data from the SIA. The SIA provides us with baseline data for the SIMP that we will then monitor for the rest of the project.

Tim asked who spoke to the Banarra consultants. Five people of those in attendance said they had been spoken to.

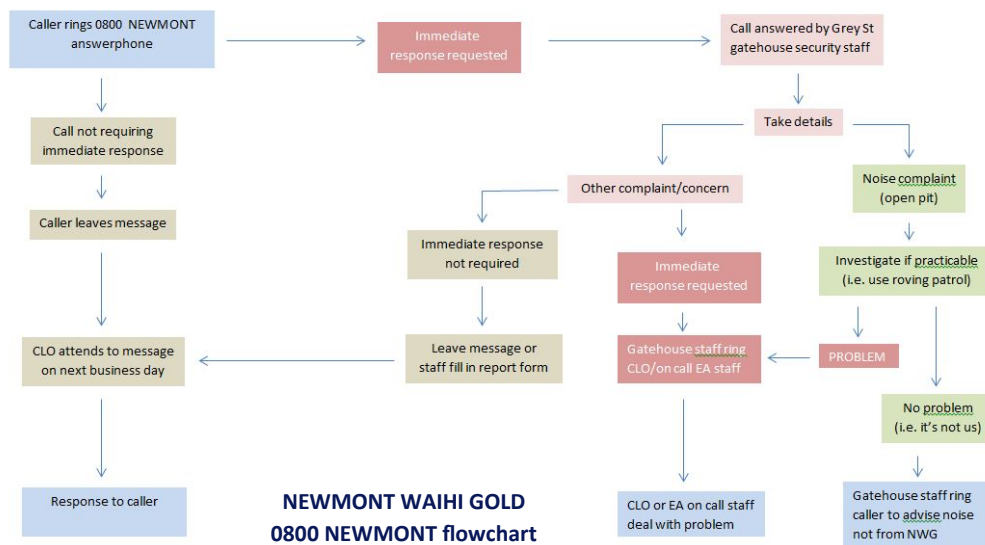
Andrea continued: So that information will be up on the District Council website as well as the Waihi Gold website. We will announce it in the "Update" and on the radio etc when those are ready to be published.

Things are going well from a cultural perspective, meeting with iwi. The priority has been about developing a cultural awareness programme for our workforce. Tomorrow we receive the first presentation of a draft presentation that iwi have put together. We hope to start rolling that out in quarter 4. That is going pretty well.

## Slide 12: Item 3 – Social Overview – Community Engagement Line

### Community Engagement Line – 0800 NEWMONT

- Implemented changes: options available & after hours calls



Andrea said: Just a recap really on what we talked about at the last meeting, which was changes to the community engagement line. 0800 Newmont is the number that people should know to call by now if they have any concerns or just have questions that they want to ask. There are options now for people to go automatically to answerphone because people were telling us they would rather leave a message. Now instead of someone answering the phone directly all the time you get a recording, unfortunately, but that was the only way we could manage that (call option process). Then after hours you get our gatehouse where our security people are responding to those calls. That information comes straight back to us in the morning and we follow that up. The reason the gatehouse is in the best position (to receive calls at night) is they are close to where we often get noise complaints from which is the pit. They are the ones we call to do a drive around to see if we can reduce the noise if it is mine noise that is causing the issue. Sometimes it isn't and that is what we can report back on as well (eg a party or something).

If anyone has any feedback on this new system we would like to hear it. We had a few glitches in the first week when the machine was recording messages but wasn't telling us it had received them but we have overcome that and it should be smooth sailing.

If people have concerns about the system please ring this number (0800) Newmont / 0800 639 6668 and if you want to speak to someone in person, call during business hours and you will get Jeanine and Donna on the other end.

Tim asked those present if there were any other questions or comments before the meeting was closed. There were no questions or comments.

Tim asked if there was anything that people wanted to put on the agenda for the next meeting. There were no suggestions questions or comments.

Tim asked if those present are finding the meetings useful and there was general agreement around the room that the meetings are useful. One comment was "absolutely, very, very useful".

**The meeting concluded at 3.45pm.**

**The next meetings will take place 12 November 2014**

<b>Attendance Register</b>	
Kath McAlpine	Peter Sherman
Sandra Cumming	Dee Stevenson
Ferg Cumming	Maggie Wilkinson
Trevor Skinner	Graeme Wilkinson
Eric Rhodes	Peter Collins
Ruth Rhodes	David Carrington
Michael Scahil	Maxine Gilchrist
Paul Boggis	Dean Gilchrist
Roger Wainhouse	Max McLean
Deborah Wilson	Nancy McGuire
Annemarie Spicer	Christine Powell
Bindy Burue	Sue Sarjant
Richard Jordan	Roy Hansen
Sue Moore	Ollie Richardson
Anita Worthington	Fritha Tagg