

PROPERTY EFFECTS

OVERVIEW

We know from our engagement with the community, there can be concerns about the potential for mining-related property effects. These include concerns about effects on property values and property damage due to vibration.

The likelihood of mining operations causing property damage is extremely low. The conditions we are proposing for Project Quattro include limits and processes designed to avoid property damage. For example, limits on vibration from blasting have been set well below the level where cosmetic property damage could occur.

Waihi property values, excluding properties purchased by OceanaGold Waihi or its predecessors, have been assessed in six-monthly periods. These assessments began prior to the issue of the original mining licence, and the start of mining in 1987. Those studies have shown that since 1987, when a step-increase in value occurred, Waihi property values have increased at a rate that reflects the general New Zealand market and have performed at least as well as those in the similar-sized, nearby towns of Paeroa and Te Aroha.

PROPERTY VALUES

The extension of the mine life to 2037, if approved, will continue the positive impact on property values that has been experienced in Waihi since modern mining commenced. Our property value assessment has identified the potential for the proposed Project Quattro to have a minor short-term impact on the values of a small number of properties.

These properties are:

- Northwest of the Martha pit near the realigned Moresby Avenue/ Savage Road and within about 150 m of the proposed pit crest.
- East of the Martha pit adjacent to the Eastern Noise Bund.
- South of the pit immediately adjacent to the new pumphouse location.
- Within about 300 m south of the

Gladstone pit in the Heath Road area.

- East of the Northern Rock Stack along Golden Valley Road for a distance of about 500 m.

The extent of the potential effect varies with time and with location.

For the potentially affected properties, the duration of the effect is from the consenting period through to the start of the new project and beyond, after which a recovery is likely to occur.

PROPERTY VALUE MANAGEMENT MEASURES

In the past, OceanaGold Waihi and its predecessors have successfully implemented a 'Top Up' management measure as a way of mitigating the impacts of mining activity on property values. OceanaGold Waihi will be implementing 'Top Up' again as part of Project Quattro.

TOP UP

The 'Top Up' initiative is designed to avoid distortions in the property market due to any perceptions of adverse mining effects and encourages ongoing private ownership. It involves paying the purchaser of a property the difference between their offer and the market value of the purchased property. This ensures that the vendor gets market value from the sale.

The Top Up programme is based on the concept of a fair price and a fair offer. OceanaGold Waihi makes up the difference between the 'fair price' offered by a purchaser and the 'fair market value' sought by a vendor. OceanaGold Waihi pays the purchaser a 'top up' to add to the purchase price already offered and that is then paid to the vendor. This management measure has been successfully



applied throughout the duration of mining.

To be eligible for Top Up a property must meet the following criteria:

- The property must be within one of the defined areas where the property value assessment has identified a potential effect on property values as a result of their proximity to mining activities;
- The property must be on the market with a registered real estate agent; and
- The property must have been on the market for a period of at least four months following the announcement of Project Quattro.

Only one Top Up is available per property. A purchaser, having bought a property with the benefit of a Top Up from OceanaGold Waihi, cannot then resell that property and rely on the second purchaser receiving a second Top Up to make up any difference in the price offered and market value. The first purchaser has benefited through buying the property at a lower cost to them, which has then been ‘topped up’ by the company and has done so with full knowledge of the proximity of the property to the mining activity.

PROPERTY DAMAGE

We are proposing consent conditions for vibration that will ensure vibration levels are well below the level where cosmetic property damage could occur.

We know from the community, that

there can be concern around what we would do if mine-related activity caused property damage. In recognition of this, we have a procedure in place to assist owners if they believe their property may have been damaged. If it is determined that property damage is attributable to OceanaGold Waihi activities the Company will remedy the damage at our cost.

PROPERTY DAMAGE MANAGEMENT MEASURES

WE BREAK, WE PAY

We do not believe that the proposed operations will cause any property damage; however, we do not intend that property owners should feel that they might suffer loss if mining operations did cause damage. For this reason, OceanaGold Waihi will accept responsibility for any damage to their home or contents proven to have been caused by our mining operations.

We have a specific process to be followed if a property owner thinks there may have been damage to their property. This was included in our previous consent conditions for other projects and we are proposing the same for Project Quattro.

The process is:

- Details of the complaint are logged by OceanaGold Waihi and must be investigated within five business days or as soon as practicable thereafter unless the matter is considered urgent.

- 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 homeowner 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 we will commission and meet the reasonable costs of the investigation.
- If it is determined that the property damage is attributable to our mining 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, we will offer the resident the opportunity to enter into arbitration through HDC.

We welcome your input into developing Project Quattro.

If you have an idea, concern, question or opinion, we want to hear from you. You can contact us through our website;

www.waihigold.co.nz

or visit us at our Project

Information Office;

86 Seddon Street, Waihi.

Or use our Community Engagement Line;

0800 924 444