

SETTLEMENT ASSESSMENT

OVERVIEW

Dewatering from mining activities can cause surface settlement from the lowering and depressurisation of the water in the ground. Over the duration of modern mining, settlement due to dewatering at Waihi has been small, the largest of which has occurred close to the Martha Pit. Much of this settlement occurred early in the life of mine.

Any additional settlement associated with Project Quattro dewatering is expected to be small and will pose little risk of damage to buildings or infrastructure. OceanaGold Waihi will continue to monitor settlement and report the results to Hauraki District and Waikato Regional councils.

KEY EFFECTS

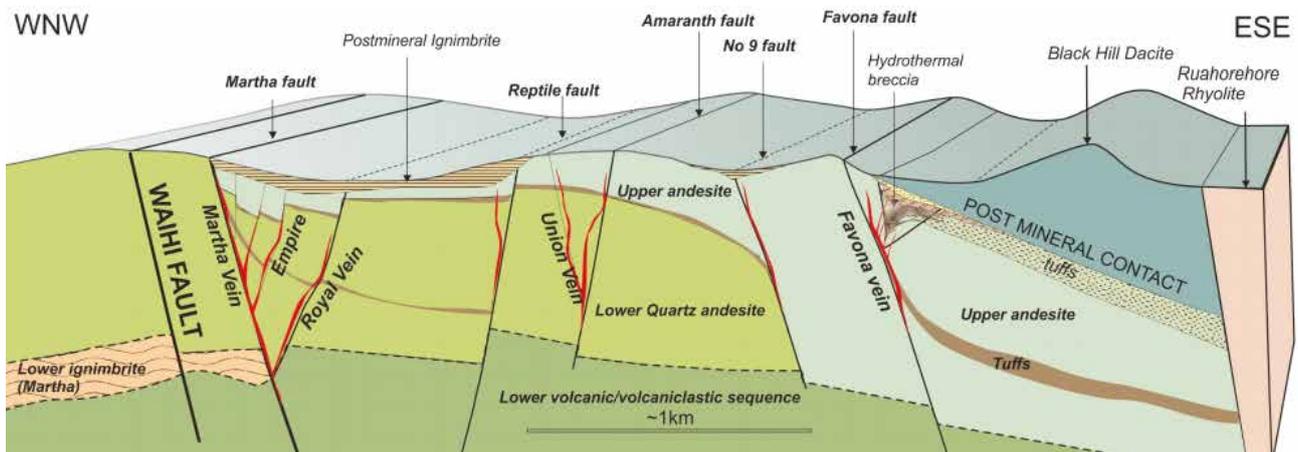
The geological and hydrological setting of Waihi is well understood, having been extensively studied and monitored since the start of modern mining in 1987.

The results of these studies have provided good predictions of the area and magnitude of settlement. The assessment for the proposed Project

Quattro found that there may be a slight increase in settlement near the Martha pit. However, this additional settlement is expected to be small and will not materially increase the already low likelihood of damage to buildings or infrastructure. Settlements around Gladstone pit will not impact any infrastructure or buildings.

MONITORING

General settlement of a whole area does not cause damage to property, it is differential settlement that can potentially cause damage. There is an extensive network of ground settlement survey markers and piezometers (groundwater level monitoring wells) around Waihi to monitor the changes. Six-monthly





surveys and groundwater readings have been taken throughout the modern mining period, and the results have been reviewed and reported to Hauraki District and Waikato Regional councils.

Monitoring around the Martha pit has shown that the groundwater level in the upper compressible system stabilised in about 1996, even while the groundwater level in the lower andesite system continues to be lowered. This indicates changes in the lower groundwater system are not materially affecting the upper groundwater system, which has the greatest potential for differential settlement.

Monitoring and reporting will continue as part of Project Quattro.

MANAGEMENT MEASURES

The monitoring network will be reviewed as part of Project Quattro investigations and consenting process and extended where necessary.

As has occurred throughout the duration of modern mining, any identified anomalies in the survey and monitoring data will be

investigated and, should the need arise, appropriate mitigation will be implemented.

In the very unlikely event that settlement leads to property damage, the first recourse is OceanaGold Waihi's Property Policy. In such cases, the 'We Break, We Pay' component of the policy would apply.

WE BREAK, WE PAY

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 the property damage is attributable to OceanaGold Waihi activities the Company will remedy the damage as soon as practicable.

CONCLUSIONS

The additional settlement effects associated with Project Quattro are expected to be very small and pose little risk of damage to buildings or infrastructure.

The existing network of survey markers and piezometers may be extended for Project Quattro. They will continue to be monitored and, in the event of an anomaly, investigated and addressed as appropriate.

In the very unlikely event that property damage does occur due to settlement, OceanaGold Waihi will mitigate any adverse outcome by applying its 'We Break, We Pay' policy.

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