



Waihi North Project

PROPERTY EFFECTS

OVERVIEW

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

OceanaGold believes that the proposed project will not cause property damage. The conditions we are proposing for the Waihi North Project include limits and processes designed to avoid property damage and protect amenity. For example, proposed limits on vibration from blasting have been set well below the level where experts have determined property damage could occur.

Waihi property values, excluding properties purchased by OceanaGold Waihi or its predecessors, have been assessed in six-monthly periods over many years. 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 that, due to perceptions associated with mining activity, there is the potential for the proposed project to have a minor short-term impact on the values of a small number of properties.

These properties are:

- 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 approximately 500 m.
- Directly above a section of the proposed Transport Tunnel alignment.
- At the upper end of Highland Road and Willows Road, adjacent to the proposed Surface Infrastructure Area.

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

For the potentially affected properties, the duration of the potential effect is from the announcement of the project, 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 these new proposed projects.

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 (within set boundaries). 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 recent mining.

PROPERTY MANAGEMENT MEASURES cont...

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

- The property must be within one of the defined areas shown outlined in yellow, where OceanaGold's 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 the Waihi North Project.

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.

If you are thinking about selling your property, and it's in one of the areas identified in the property value assessment, then we encourage you to contact us directly and we can help you navigate the Top Up process.

THE AMENITY EFFECTS PROGRAMME (AEP)

OceanaGold Waihi operates in close proximity to a number of residential properties in the Waihi community and under very stringent limits on environmental effects imposed by our resource consents.

Proposed consent conditions related to vibration are designed to be protective of amenity for most of the Waihi community for most of the time. However, we recognise that some residents close to the Gladstone Open Pit and directly above the development of the Interconnecting Transport Tunnel may, from time to time, experience a perceived reduction in amenity due to mining activities.

The Amenity Effects Programme (AEP) aims to offset a perceived loss of amenity and establishes an arrangement between OceanaGold Waihi and residents identified as experiencing some effect on amenity due to vibration, despite the mining operations being conducted within consent compliance limits.

Participation is voluntary and residents would be contacted by OceanaGold Waihi staff if it is determined that the qualifying criteria have been met at their address. The criteria and details of the programme are outlined below:

- Tenants of rental accommodation must have lived at the address for a minimum period of six months before they will be eligible to receive AEP payments.
- The property must experience two or more blasts in a single month with ground vibration equal or greater than 1.5 mm/s in magnitude
- An initial, one-off enrolment payment of \$500 is made to qualifying residents who join the programme, with additional payments made each six months for the life of

the mine if the property continues to qualify.

- The payment is calculated based on measured effects as monitored and recorded by OceanaGold Waihi during the preceding six months.
- While the payments will vary depending on the mine-related effects experienced, a minimum payment of \$250 has been established that will apply to all qualifying residents in any six-month period.

EX GRATIA

Ex gratia is a one-off lump sum payment to property owners whose property is situated directly above the Interconnecting Transport Tunnel.

At least three months prior to works beginning immediately beneath any part of the legal title to a property overlying the Interconnecting Transport Tunnel, OceanaGold Waihi will offer to provide the property owner an ex gratia payment equal to 5% of the property's agreed market value at the time.

Market value would be determined by a registered valuer at the time of making the valuation, ignoring the announcement, and existence of, the Waihi North Project. Two independent registered valuers would conduct market value assessments, one selected by OceanaGold Waihi and the other selected by the property owner. OceanaGold Waihi will cover all costs arising from both valuations, with the higher of the two valuations adopted to determine the sum of the ex gratia payment.

PROPERTY DAMAGE

We are proposing consent conditions for vibration that will ensure vibration levels are well below the level where 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.

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 the new projects.

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 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 Hauraki District Council.





IF YOU HAVE AN IDEA, CONCERN OR QUESTION, WE WANT TO HEAR FROM YOU.

You can contact us via our website; waihorth.info or visit our Project Information Office; **86 Seddon Street, Waihi.**

Our Free Community Engagement Line **0800 924 444** is available 7 days.