

Martha Exploration Project Questions and Answers

What's happening?

1. What is proposed?

The Martha Exploration Project is an underground exploration programme located entirely within the existing Martha mining licence area and the pit rim.

2. Where and when will it happen?

We intend to lodge an application at the end of August to vary the existing mining licence to construct an underground exploration decline (tunnel) within the north wall of the pit. There will be two portals (entrances). The project is expected to operate until the end of 2014 and will determine the feasibility of an underground mine at Martha.

3. Where else in Waihi are you going to mine?

Over the past several years our exploration programme has been working towards refining/defining resources to determine whether there are new viable projects, and this effort will continue. The company proposes to develop an underground mine named Correnso in Waihi East that will replace the Favona and Trio underground mines. Access to Correnso will be through the existing Favona portal. We will be consulting extensively on this project over the next few months with residents across town, and particularly with householders in Waihi East.

4. How can I have my say on the proposal?

The Martha Exploration Project falls within our existing mining licence and requires only a variation to the licence. This means there will not be a council hearing on the application, but there is an opportunity for anyone to have their say once the initial decision on the variation is publically notified. We will keep you informed about when you can become involved.

5. Where can I get more information about the proposals?

Over the next few weeks we will be visiting homes close to the northern perimeter of the Martha open pit to talk to individual households about the project.

Newmont's Golden Link information office will be opened in Seddon Street, next to the Waihi Memorial Hall, where we will have staff available to answer questions and concerns you may have. Opening hours for the Golden Link information office are detailed in the brochure that accompanies this Questions and Answers document.

We will also be holding community briefings and encourage community groups to invite us to their regular meetings so we can share more information and answer your questions in person.

We will also keep you updated through the Waihi Leader and through our website www.marthamine.co.nz.

As always, our community engagement line is available 24/7. Please call 0800 NEWMONT (0800 639 6668).

What will it mean for residents?

6. Who may be affected?

This proposal is important to most people in Waihi. Mining is a big part of our local economy and many people are employed directly or indirectly or provide goods and services to the mine and related businesses. The people potentially affected by the Martha Exploration Project are those neighbouring the north wall of the Martha pit. We will be talking with those people individually so they can get the best possible information and we can listen to any views they have.

7. Will there be more vibration?

In the Martha Mine open pit current permitted blast vibration levels are 5mm/s maximum on weekdays between 10.00am to 3.00pm and Saturday 10.00am to midday. No change is proposed for blasting during these times. We will seek permission to allow blasting at other times at significantly lower levels of vibration (1mm/s maximum), which is the same as allowed with our other underground operations.

8. Will vibration have an effect on my property?

No. While blasting vibrations will be detectable at some properties the current consent limits for blast vibration are significantly below the lowest levels of vibration known to cause cosmetic or structural damage to property. The Martha Exploration Project will mainly involve development blasts (used to construct tunnels) which cause only a small amount of vibration compared to production blasting (used to mine ore). These blasts will definitely not be any higher than those which already apply to our operations in the pit.

Recent consents have required us to complete independent building surveys for selected properties close to our projects before blasting begins. We are expecting to do the same for the Martha Exploration Project.

There are a number of factors than can have a bearing on the condition of a property. These include age, construction quality and materials, temperature, wind loads, moisture content and maintenance.

We continually monitor vibration and the results are available in real time to the Hauraki District Council. The Council also carries out independent monitoring of our performance.

9. What will you do for residents who are affected by vibration?

We have successfully constructed declines (tunnels) near residential areas in Waihi for seven years with minimal effects on residents. Development (tunnel) blasting uses limited quantities of explosives, equal to or less than the minimum quantities used to date in the open pit. These small blasts generate low levels of vibration. We monitor every blast and modify subsequent blast designs based on the results.

We recognise that some residents experience more vibration

from our operations than the wider township. Because of this we currently offer the Amenity Effect Programme. This voluntary programme provides payments at regular intervals based on the company's blasting performance. Those most affected receive the greatest payments. We expect to continue with this programme for residents neighbouring the open pit. Further information on the AEP can be found on the website www.marthamine.co.nz or at our information office.

10. How much will people eligible for the AEP be paid?

Because it is based on measured effects the payments vary – for example last year qualifying residents received payments ranging from \$250 to \$3000 for a six month period.

11. Who qualifies for the Amenity Effect Programme?

The Amenity Effect Programme recognises that although we operate within strict consent limits, some residents close to the mines may, from time to time, still experience some vibration effect. Eligibility is based on measurements, with payment made wherever pre-determined vibration magnitude and blast number are exceeded. The payment is made to the householder, whether they own the property or not.

12. Will you be buying any properties near the Martha Exploration Project?

No. The project will be occurring entirely within the current boundaries of the Martha open pit and we would expect the current vibration, noise and dust consent levels to continue to apply. Residents will receive Amenity Effect Programme payments based on measurable effects felt at properties.

13. Will dust or noise effects change?

We do not expect this work will create more noise or dust than our current operations. However, as operations move so will the source of any potential effects. There are currently strict dust and noise limits enforced by the Waikato Regional and Hauraki District Councils and these will continue to be met.

14. Will you be blasting at night?

Yes, there will be small development (tunnelling) blasts but no production (mining) blasts at night. At the Favona and Trio

Mines, the night time vibration level is set to a maximum 1 mm/s and this is expected to remain the same for the Martha Exploration project. Walking around your home can generate similar levels of vibration.

15. How will I know when to expect vibration effects?

Production blasts in the Martha East Layback will continue as planned between 10.00am and 3.00pm weekdays and 10.00am and 12.00 midday on Saturdays while the Martha Exploration Project is going ahead.

16. Will it affect my property value?

Independent valuation reports show that property values in Waihi can be expected to hold up because of the large number of people who work for, or benefit from, the mine. Continuation of mining will keep those people in Waihi. In 1980 (before current mining resumed) the average home in Waihi was worth significantly less than one in Paeroa. Today an average Waihi home is worth the same or slightly more than the average in Paeroa.

17. How do I let you know I'm being affected?

In the first instance contact the Company Liaison Officer or delegated staff by phoning 0800 NEWMONT (0800 639 6668). We have documents outlining the complaints process which we will send you on request. These are also available for downloading from www.marthamine.co.nz

What will it mean for the Waihi community?

18. What effect will there be on the local environment?

There will be no new adverse environmental effects and, consistent with our excellent environmental record, Newmont Waihi Gold will continue to work on initiatives that benefit the local environment.

19. What will happen to plans to carry out rehabilitation and lake-filling?

Our rehabilitation programmes, such as the pit rim walkway, will continue. The creation of a pit lake cannot occur while

operations continue in or near the Martha Pit. The pit is a tourism draw card for Waihi and last year almost 50,000 people visited the Waihi information centre.

20. Are there opportunities now for variations to the rehabilitation plans?

Yes. Waihi people are always welcome to suggest new ideas. This engagement and interaction is the reason that the Waihi Community Vision process has been successful for the community and the wider district.

21. Will any heritage buildings be affected?

No, but consistent with our commitment to the Waihi community, there may be further opportunities for protecting and preserving our town's heritage. The preservation of the Pumphouse and the relocation of the Grand Junction Refinery building are recent examples of how heritage in Waihi has benefited from continued mine operations.

22. What happens if something 'goes wrong' after mining is finished and the company has left town?

Newmont Waihi Gold fully intends to rehabilitate and close the site once mining operations are complete. As a security, the company is required to, and has, established significant bonds sufficient to fund the complete rehabilitation and closure of the site.

The objective of the bonds is to indemnify the people of New Zealand against the costs of completing rehabilitation and closure works, and ongoing site management once rehabilitation and closure are complete. All expenses are to be covered so that there is no liability placed on residents and ratepayers whatsoever.

The two main bonds are:

- the **Rehabilitation Bond** to provide sufficient funds to rehabilitate and close the site, prior to handing the site over to the Martha Trust
- the **Capitalisation Bond** to ensure that the Martha Trust has sufficient funds to carry out its management and maintenance activities in perpetuity. The Capitalisation Bond includes a contingent liability fund and insurances to manage residual risks post-closure.

The bonds are reviewed every year. As at 2010 the Rehabilitation Bond sum is \$29.1 million and the Capitalisation Bond sum is \$10.4 million. Both bonds are in the form of bank guarantees. In addition, the Company holds a number of cash bonds. As at 2010 the total bond package has a value of approximately \$43 million. We expect any new Martha rehabilitation requirements to be reflected in future bond calculations.

23. Will the Martha Exploration Project lead to underground mining at Martha?

The Martha exploration Project will enable us to evaluate the economic potential of the gold and silver remaining below the pit floor. The exploration tunnels will be used to confirm the nature and extent of this ore and the trial stopes will determine whether mining beneath the existing Martha pit is viable and can be done safely. Future underground mining at Martha will depend on the results of these investigations.