

MINING LICENCE 32 2388

DECISION TO PROPOSE VARIATION BY THE

**Hauraki District Council
Waikato Regional Council
Minister of Energy and Resources**

Dated: 16 January 2012

In regard to a proposed Variation to Mining Licence ML 32 2388 to provide for activities associated with the Martha Exploration Project, Waihi

DECISION

1.0 Pursuant to section 103D of the Mining Act 1971 and as provided by section 107 and 108 of the Crown Minerals Act 1991, the Hauraki District Council, Waikato Regional Council and the Minister of Energy and Resources (to the extent of their respective jurisdictions) jointly propose to vary the conditions of Mining Licence 32 2388 dated 16 July 1987, as follows (as shown with deletions as black ~~strike out~~; and additions are underlined):

Introductory Section

a) Amend the introductory section as follows:

This mining licence was originally issued in 1987 for the Martha Project. Subsequent variations to the mining licence have been issued to provide for the following:

- The Extended Project (1999)
- Processing of material from the Favona underground mine (2003), inter alia;

- Processing of material from the Waihi epithermal District, including the Trio underground mine; and raising the height of the tailings dam TSF1A (2011), inter alia;
- Development and trial stoping for the Martha Exploration Project (2012), inter alia.

Mining All activities authorised by this licence shall be undertaken in accordance with the varied conditions of mining licence 32-2388 as set out in full hereunder.

First Stage

The licensed project shall be undertaken in accordance with the conditions of mining licence 32-2388 as set out at 16 July 1987. ~~The extended project shall be undertaken in accordance with the varied conditions of mining licence 32-2388 as set out in full hereunder.~~

~~Conditions of Mining Licence 32-2388 (Extended Project)~~

Second Stage

The ~~e~~Extended ~~p~~Project shall be undertaken generally in accordance with the information contained in the Assessment of Environmental Effects - Text and Figures (July 1997) and supporting technical documents submitted by Waihi Gold Company to the Minister in support of its application for the variation of licence required for the extended project and as subsequently confirmed or modified in further information supplied to the Minister in response to Section 92 Resource Management Act 1991 requests and evidence called by the licensee at the hearing held in Waihi between 20 November 1997 and 17 February 1998, and as amended by the variation of conditions of licence.

Third Stage – Continued Waihi Operations

The Martha Exploration Project shall be undertaken generally in accordance with the information contained in the Assessment of Environmental Effects (September 2011) and supporting technical documents submitted by Waihi Gold Company Ltd to

the Minister in support of its application for the variation of licence required for the Martha Exploration Project and as subsequently confirmed or modified in further information supplied to the Minister by Waihi Gold Company Ltd and comprising:

- letter dated 2 November 2011 by Waihi Gold Company Ltd
- letter reference PSM 125-208L dated 17 November 2011 by PSM Consultants Pty Ltd.

Condition 1(b)

- b) Amend condition 1(b) as follows:

Open pit and minor underground mining, access and exploratory work, using explosives and mechanical excavating, truck handling of material within the pit area and that portion of the rest of the licence area that lies to the west of Junction Road, conveyor belt handling to a chemical processing plant, beneficiation and ore treatment including waste and tailings disposal within the licence area.

Condition 1(c)

- c) Delete the reference to the "extended project" at the end of condition 1(c) and insert reference to the Hauraki District Council as follows:

The licensee shall progressively implement Part A of the approved Rehabilitation and Closure Plan and shall implement Part B of the approved Rehabilitation and Closure Plan in the event of closure occurring. The approved Rehabilitation and Closure Plan is the plan approved pursuant to the conditions of the resource consents granted by the Waikato Regional Council and the Hauraki District Council ~~for the extended project.~~

Condition 7A

- d) Amend subclauses (a), (b), (c), (e), (i) and (j) of condition 7A, and insert subclause (ja) as follows:

- (a) The licensee shall engage, at its own cost, a Peer Review Panel ("the Panel"). The members of this Panel shall be fully independent of the planning, design, and construction of the open pit at the Martha Mine, underground workings, and all ~~its~~ associated facilities.
- (b) The primary function of the Panel is to ensure that the conditions relating to design, construction, operation, and rehabilitation associated with the key components of the open pit mining, underground workings, and associated development works ~~of the extended project~~ (with particular focus on pit slope stability issues) are met, that the open pit is stable and that such work is undertaken by appropriately qualified personnel in accordance with best practice.
- (c) The Panel shall comprise technical specialist(s) who between them have demonstrated expertise in the following fields:
- Geotechnical, with recognised experience in open pit construction and rock mechanics experience;
 - Geotechnical, with recognised experience in underground mining construction and rock mechanics;
 - Hydrogeology, with recognised open pit mining experience;
 - Rehabilitation, with experience in open pit revegetation, rehabilitation and closure

(Note: There may be any number of individuals on the Panel, so long as the necessary areas of expertise are covered)

...

- (e) Each member of the Panel may act as Peer Reviewer only in their area of expertise, but the full Panel shall review all

plans relating to the open pit and underground construction.

...

(i) To carry out its primary function, the Panel shall report in writing to the Minister on all matters which are submitted to it for review, other than draft proposals submitted to it by the licensee and which are superseded, and at least at the following times:

- Prior to commencing the extension related mining activities associated with the open pit;
- At all critical stages during the development of the open pit (eg slope formation near the Cornish Pumphouse, major remedial works - eg coal seam at 1800 east, initial work on forming the pit perimeter);
- On completion of open pit mining;
- Prior to commencing development of the Martha Exploration Project;
- On completion of the Martha Exploration Project;
- On completion of lake filling;
- On rehabilitation of Area A

on at least the following matters:

- The Pit Slope Management Manual and any subsequent updates as are appropriate;

- Progress against the Annual Work Programme;
 - Pit and underground development including hydrogeological issues and geotechnical issues;
 - Performance against the requirements of the Pit Slope Management Manual;
 - Pit slope stability monitoring; and
 - Rehabilitation and closure plans.
- (j) The licensee shall develop a Pit Slope Management Manual. This manual shall be peer reviewed by the Panel and submitted to the Minister for approval prior to exercise of this consent. The Pit Slope Management Manual shall address at least the following issues:
- Procedures for the investigation, monitoring, excavation and backfilling of old mine stopes where required;
 - Specifications for the construction and placement of stope pillars where required;
 - Backfilling of the trial stopes:
 - Development of a monitoring regime focused on monitoring groundwater and pit slope behaviour;
 - Procedures for the investigation and remedial measures of old coal seams, and monitoring of the same;

- Location and installation of horizontal drains for the purposes of addressing groundwater and surface water effects;
- Monitoring of Pumphouse stability;
- Instability contingency response.

(ja) The licensee shall prepare an update to the Pit Slope Management Manual to include the Martha Exploration Project as authorised by the Licence. The update shall make provision for:

- i) A deep groundwater monitoring well located in the north east end of the Martha Pit, and
- ii) A series of down hole extensometers to be located above and around the trial remnant stope.

This update shall be submitted to and approved by the Minister prior to commencement of the Martha Exploration Project.

...

Condition 7G

e) Amend condition 7G as follows:

Should any features of archaeological, historical, or cultural significance be discovered during the construction phase or the operational phase ~~of the extended project~~, work in the relevant area will be discontinued and the Hauraki District Council, the Historic Places Trust, and Ngati Tamatera, as appropriate, are to be notified by the licensee within 24 hours.

With respect to archaeological discoveries, work in the direct area will not recommence until consent is obtained from the Historic Places Trust and/or the Hauraki District Council, if such consent is required.

With respect to discoveries of cultural significance to Ngati Tamatera, if practicable and after consultation with Ngati Tamatera, the discovery shall be left in situ and all reasonable

efforts will be taken by the licensee to protect that discovery. If it is not practicable to leave the discovery in situ, then Ngati Tamatera shall be given a reasonable opportunity to arrange for the removal of the discovery, and the licensee shall provide reasonable assistance to Ngati Tamatera to do so, if so requested by Ngati Tamatera.

Condition 10(e)

- f) Amend the last paragraph of condition 10(e) as follows:

With respect to those initial construction activities excluded above, the vibration levels measured in the ground closest to any affected residence excluding those properties owned by the licensee within the area shown on the plan attached hereto shall comply with the provisions of Rule 9.4.3 of the Operative Hauraki District Plan (1997).

Condition 15(a)

- g) Amend condition 15(a) as follows:

Any ore, waste rock or overburden removed from the open pit during the operations period shall be moved off the site by way of the conveyor, except where waste rock is required for underground activities (including as backfill).

Condition 16

- h) Amend condition 16 as follows:

The licensee may undertake minor underground mining operations and associated activities within the ~~open pit~~ licence area provided that:

- (a) the stability of overlying land, both during and after mining operations, is not likely to be endangered; and
- (b) No mining operation shall extend beyond the surface pit perimeter.
- ~~(c) No mining operation shall be carried out at a depth greater than one hundred (100) metres below sea level. This shall not prohibit exploratory drilling below that depth.~~

Condition 19

- i) Amend condition 19 by inserting a new subclause (aa) and amending subclause (f) as follows:

(aa) Underground operations

Operations located underground may be carried out twenty-four (24) hours per day, seven (7) days per week.

- (f) The above hours of work in conditions (a) to (d) do not apply with respect to the use of water trucks for the purpose of controlling dust; the use of surface amenities by underground staff; access to the site by underground staff, refuelling and service type activities; or the stockpiling of material associated with the underground operations where the stockpiling occurs within the pit, so long as the ~~this~~ activity complies with the noise level criteria of condition 21.

Condition 20

- j) Amend condition 20 by amending subclauses (d) and (g), and insert subclauses (da) and (db) as follows:

- (d) Blasting for the open pit and underground operations shall be restricted to a maximum level for ground vibration of 5mm/s (Vmax) (vector sum of velocity components, 95% design) within the following hours:

Open Pit Operations

Monday-Friday 1000-1500

Saturday 1000-1200

Underground Operations

Monday-Friday 0700-1900

Saturday 1000-1200

Blasting in the underground operations may also take place during the period 1200 to 1900 on Saturdays where necessary for safety or minor maintenance purposes.

- (da) There shall be no more than 4 blast events in underground operations per day (excluding blasts for safety or minor maintenance purposes as provided for in condition 20(d)).

A "blast event" is defined as:

An individual or number of linked individual blasts of not more than the total duration periods specified below:

Production (stope) blasts shall have a duration of not more than 6 seconds;

Development blasts shall have a duration of not more than 12 seconds; and

A combination of production and development blasts shall have a duration of not more than 18 seconds.

- (db) Blasting for minor maintenance purposes as provided for in condition 20 (d) shall be restricted to a maximum level for ground vibration of 1 mm/s (Vmax)(vector sum of velocity components, 95% design).

...

- (g) After the 12 month period referred to in condition 10(e) has expired, vibration levels measured in the ground closest to any affected residence excluding those properties owned by the licensee within the area shown on the plan attached hereto shall comply with the provisions of Rule 9.4.3 of the Operative Hauraki District Plan (1997).

Condition 29

- k) Amend the first sentence of condition 29(a) as follows:

The licensee shall monitor every blast event ~~over 1 mm/s~~ in terms of blast location, charge weight per delay, number of holes, initiation timing and measured vibration.

- l) Amend condition 29(b) as follows:

The licensee shall, unless otherwise directed to do so by the Minister following consultation with the licensee, provide a quarterly summary report to the Minister ~~at the end of each February, May, August and November~~ on the blasting undertaken, and the vibration and overpressure levels recorded, as well as any complaints received.

Condition 30(c)

- m) Amend condition 30(c) as follows:

The licensee shall, unless otherwise directed to do so by the Minister following consultation with the licensee, provide a quarterly summary report to the Minister ~~at the end of each February, May, August and November~~ on the representative noise levels.

Annex A

- n) Amend the introductory text under the heading "Third Stage: Continued Waihi Operations", paragraph 6, as follows:

Additional mineral reserves have also been located within the Waihi Epithermal District refer Plan A resulting in the Favona Underground Mine, ~~and applications for a proposed new underground mine,~~ the Trio Underground Mine, and applications to explore the remnant resource beneath the Martha open pit with a view to mining this should it prove viable. It is possible that further exploration in the Waihi Epithermal District may result in further economic mineral deposits being located.

- o) Amend the heading between clauses 22 and 23 of Annex A to read "Open Pit Mining Activities".

- p) Amend clause 36 of Annex A as follows:

The old Martha Mine workings were full of water to an elevation of approximately RL1115 (a RL of 0 (mine datum) is 1000m below sea level)[±]. To allow mining to take place below this level the old mine has been dewatered. ~~Pit dewatering will reduce the water level in the old workings to approximately 10-20m below the bottom level of mining at any time.~~

- q) Amend clause 39 as follows:

However, when weather conditions or other circumstances provided for in condition 19(d) cause production rates to fall below schedule it will be necessary to work the open pit for up to 14 hours per day from 7.00am to 9.00pm Monday - Friday.

- r) Amend clause 61 of Annex A as follows:

~~Mining of Martha Mine activities by open cut methods~~
generates mine waste rock and process plant tailings which
require disposal in safe permanent storages.

- s) Amend clause 93 of Annex A as follows:

The waste disposal operation is scheduled to operate for 12
hours per day (0700 to 1900 hours) Monday to Friday and five
hours on Saturday (0700 to 1200 hours). However, operations
will need to be extended to 9.00pm (Monday to Friday) when
inclement weather conditions or other circumstances provided
for in condition 19(d) have caused delays either in the open pit
or in the waste disposal area.

- t) Insert a new section at the end of Annex A as follows:

UNDERGROUND ACTIVITIES

- 98.** The underground operations may use the surface facilities
associated with the existing operations.

Operating Hours

- 99.** Underground operations may be carried out 24 hours per day, s
even days per week.

Rehabilitation

- 100.** The stopes shall be backfilled with waste rock. The portals and
shafts shall be plugged or otherwise blocked off. Reflooding of
the workings will occur naturally from groundwater recharge
once dewatering has ceased, and will also occur as part of the
lake formation.

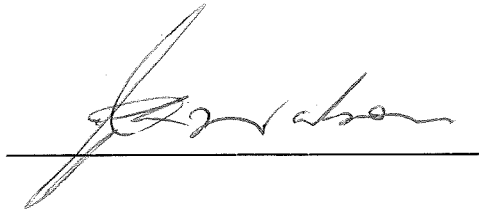
- 2.0** That the Chief Executive Officer of the Hauraki District Council be authorised to carry out the serving of notice and public notification of the Hauraki District Council and Waikato Regional Council's and Minister of Energy and Resources joint proposal to vary the conditions of Mining Licence 32 2388 (to the extent of their respective jurisdictions). Such notification to be carried out in accordance with Section 103D of the Mining Act 1971.

Dated this Sixteenth day of January 2012

Signed:

On behalf of Hauraki District Council acting under delegated authority:

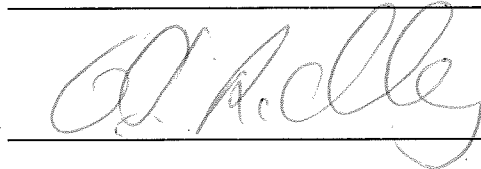
Alan Watson

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Mary Carmine

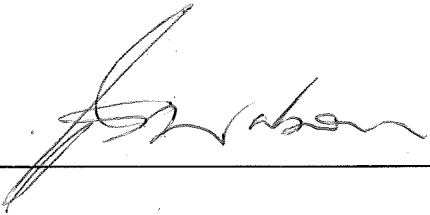
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Graeme Ridley

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On behalf of Waikato Regional Council acting under delegated authority which as of the date of this decision has not been revoked:

Alan Watson



On behalf of the Minister of Energy and Resources acting under delegated authority:

Kevin Rolens