

24 May 2016

Otago Regional Council  
70 Stafford Street  
Private Bag 1954  
DUNEDIN 9054

For: Chris Shaw

Dunedin City Council  
50 The Octagon  
PO Box 5045  
DUNEDIN 9058

For: Alan Worthington

Waitaki District Council  
20 Thames Street  
Private Bag 50058  
OAMARU 9444

For: Peter Kloosterman

Dear Chris, Alan and Peter

### **Coronation North Project**

I **enclose** applications for resource consents together with an AEE and supporting technical documents for OceanaGold's Coronation North Project.

Please note that due to the sheer volume of the borelogs and other attachments for Appendix 20 (*Coronation North Pit – slope design angles*) the attachments to this report have not been printed. However a complete version of Appendix 20, and all of the other technical reports, can be found on the enclosed USB drive. Further, Appendix 23 (*Proposed Consent Conditions*) is not included in the hardcopy or USB, but will be provided to you (most likely once the mitigation discussions referred to below have concluded).

Deposits for the applications have been paid to the Councils by direct bank deposit today (\$9,050 to ORC, \$4,000 to WDC and \$7,000 to DCC).

The Coronation North Project represents a further extension of proposed mining activities at the Macraes Gold Project (MGP) and follows on from the successful development of the existing Coronation Pit and associated infrastructure, and successful exploration drilling in the Coronation area.

The Coronation North Project comprises:

1. Expansion of the consented Coronation Pit;
2. Reduction of the consented Coronation Waste Rock Stack;
3. Construction of a new Coronation North Pit;
4. Construction of a new Coronation North Waste Rock Stack;
5. 2km extension of the existing haul road connecting the Coronation area and the process plant;
6. Providing an alternative realignment for unformed Matheson Road;

7. Potential construction of a freshwater dam;
8. Potential construction of new temporary buildings adjacent to Coronation North Pit; and
9. Associated water management comprising water takes, diversions and discharges.

The Coronation North Project represents an important extension of the MGP and will add approximately 3 years to the life of the MGP, with associated benefits in terms of employment and economic activity.

OceanaGold will commence development at Coronation North as soon as resource consents become available. Whilst OceanaGold considers that the attached is a complete application, there are four areas in which I anticipate the proposal may develop which I wish to draw to your attention:

1. The mitigation/compensation being proposed to address unavoidable:
  - a. ecological impacts. OceanaGold is in discussion with the Department of Conservation and Kāti Huirapa ki Puketeraki (on behalf of the three runaka with interests in the area) in relation to this.
  - b. heritage impacts. OceanaGold is in discussion with Heritage New Zealand in relation to this.
2. The method(s) to ensure appropriate water quality standards are met downstream of the Coronation North development during the post-closure phase. OceanaGold is applying for the necessary consents to construct a freshwater storage dam in Coal Creek, a tributary of the Mare Burn. If constructed, water released from the dam would be used to supplement flows in the Mare Burn at times of low flow to ensure appropriate water quality standards are met. OceanaGold is continuing to investigate other management options which could reduce the size of any water storage dam required for supplementary flow. As a result the Coal Creek dam as applied for may well be reduced in size by the time the applications are determined by the Councils. We will keep the Councils informed of any developments with these investigations.
3. As a result of the archaeological investigations, OceanaGold intends to modify the Coronation North Waste Rock Stack to avoid features within the upper tributaries of Trimbells Gully. These modifications to the Coronation North Waste Rock Stack have not yet been incorporated into the final design and copies of the amended plans will be forwarded to the Councils when these are available.
4. OceanaGold will provide an alternative road corridor for the unformed Matheson Road to be realigned to once mining operations cease. OceanaGold is in discussion with Mr Neil Roy on this topic and also intends to consult with Council roading staff once Mr Roy's views are ascertained.

We would also be pleased to informally discuss with you how the Councils propose to resource the evaluation and processing of the applications, and in particular to explore opportunities to share consultants and otherwise minimise the costs of the process.

We look forward to receiving your confirmation that this application is considered complete and is accepted for processing.

Yours Sincerely  
**OCEANA GOLD (NEW ZEALAND) LIMITED**

**Jackie St John**  
*Land and Consenting Lawyer*  
03 479 4736  
[jackie.stjohn@oceanagold.com](mailto:jackie.stjohn@oceanagold.com)