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Our ref: PSM71-194R

2 December 2015

OceanaGold Corporation 22 Maclaggan Street DUNEDIN 9016 NEW ZEALAND

ATTENTION: KNOWELL MADAMBI

Knowell.Madambi@oceanagold.com

Dear Knowell,

RE: GEOTECHNICAL REVIEW OF MACRAES LOM DESIGN 2015

We are pleased to submit our final report in relation to the geotechnical review of the Macraes LOM design. The LOM pit designs were revised to mitigate the geotechnical risks highlighted in the draft version of this report which was issued on the 18th November 2015.

We trust it is in keeping with your requirements but should you have any queries please do not hesitate to contact us.

For and on behalf of PELLS SULLIVAN MEYNINK

ROBERT BERTUZZI

Distribution: 1 PDF copy to Knowell.Madambi@oceanagold.com

Original held by PSM

OceanaGold

GEOTECHNICAL REVIEW MACRAES LOM DESIGN 2015

PSM71-194R December 2015



EXECUTIVE SUMMARY

This report presents the geotechnical review of revised Macraes' LOM open pits. The recommendations are summarised below.

- The geotechnical model for Coronation North needs to be developed to reduce the uncertainty.
- Safe working procedures to mine above voids and broken or caved rock mass will need to be developed should the proposed FRUG stoping occur before the FRIM Stage 1 pit is completed.



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1 INTRODUCTION

This report presents the results of a geotechnical review carried out by Pells Sullivan Meynink (PSM) on the Macraes Life of Mine (LOM) pit designs for Coronation North, Coronation, Innes Mills and Frasers pits. The review was requested by Mr Knowell Madambi of OceanaGold to highlight the areas where the pit designs are at risk of geotechnically related instability (Reference 1).

The following pit designs have been supplied for review:

- Coronation North stages 1 & 2
- Coronation stages 2 to 4
- Innes Mills stage 1
- FRIM stage 1.

This review is of the revised LOM pit designs of Coronation Stage 4, Innes Mills and FRIM which OceanaGold prepared to mitigate the geotechnical risks highlighted in the draft version of this report which was issued on the 18th November 2015.

2 GEOTECHNICAL MODEL AND SLOPE PERFORMANCE

Detailed discussions on the geotechnical model and historical slope performance are presented in last year's LOM review (Reference 2) and are not reproduced here. Pit designs include 15 and 22.5 m batter heights; 5, 7.5 and 11.5 m wide berms; and 50 to 70° batters (Reference 2).

Potential failure mechanisms are summarised in Figure 1.

3 CORONATION NORTH

3.1 Design

The proposed pit at Coronation North is shown in plan in Figures 2 to 4 and in section in Figures 5 and 6. It comprises:

- Generally, 22.5 m high batters and 11.5 m wide berms
- Stage 1 upper two batters at 50°, other batters at 60°
- Stage 2 60° batters
- Inter-ramp angles of 37° to 43°.

3.2 Risk Assessment

The topography of the area with the steep gorges, the basalt cap and the obvious change in deposit orientation implies that geotechnical conditions are likely to be



different here than in the other pits at Macraes. No structural or geotechnical data exists for Coronation North.

Given the geotechnical uncertainty of the Coronation North area, the base risk is generally higher than for the other pits. However, the pit design produces relatively shallow walls so the risk is generally considered to be moderate. The exception is the south-eastern end of the pit which abuts a steep gorge. A confluence of major lineaments also is inferred to affect this end of the proposed pit.

A detailed review of the qualitative risk for the slope sectors is presented in Appendix A.

3.3 Recommendations

The geotechnical model for Coronation North needs to be developed to reduce the uncertainty of conditions.

- Seven boreholes have been planned to target the proposed pit walls, in particular the south-eastern end of the pit (Reference 3).
- Structural interpretation of major structures needs to be carried out.

4 CORONATION

4.1 Design

The recommended slope design for the Coronation pit comprised (Reference 2):

- The top two 15 m high benches were expected to be in weathered rock mass and hence were to be battered at 50°
- Southern and northern walls
 - 15 m high, 70° batters and 7.5 m wide berms producing a 60 m high 49° (toe to toe) inter-ramp slope
- Eastern and western walls
 - 15 m high, 60° batters and 7.5 m wide berms producing a 60 m high 43° (toe to toe) inter-ramp slope.
- An alternative batter geometry of 22.5 m high batters and 11.5 m wide berms was suggested.

Reviewing the three stages of pit development, which are shown in plan in Figure 7 and in section in Figures 8 to 10, confirms that the designs are in keeping with the above recommendations. Specifically,

- The upper-most batters in the weathered zone are 50°
- Generally 22.5 m high batters and 11.5 m wide berms are used.



4.2 Risk Assessment

4.2.1 East Walls

A number of existing failures on Coronation Stage 1 east walls have been caused by north-south trending, westerly dipping faults (Reference 4). The instability associated with these structures includes wedge failures and cracking. As these faults are expected to be continuous at pit scale, it is likely that the east walls of the proposed Stage 2 and 3 pits will also experience instability.

A number of unfavourably oriented slope sectors for Coronation east walls are included in Stages 2 and 3. These slope sectors are at risk of wedge and planar failure from north-south trending moderately west dipping fault and shear structures. They are identified in Appendix B and shown in Figures 11 to 12 as having a high risk of instability.

Figure 7 shows that Fault B may also influence the stability of east walls. This structure does however dip to the east and therefore into the wall.

- Fault B is generally located behind the eastern wall of Stage 2 however, the distance varies from daylighting to approximately 200 m
- Fault B strikes obliquely across the eastern wall of Stage 3. Localised bench scale failures can occur particularly if moderate west dipping fault and shear structures are also present.

4.2.2 West Walls

The west walls generally follow the Hanging Wall Shear (HWS) and are off-set at least 50 m from the Footwall Fault (FF) for each stage, refer to the sections in Figures 8 to 10. Past experience indicates that this off-set distance does not result in significant displacements along the FF. The FF is therefore not likely to pose a major risk to the stability of Coronation west walls.

Fault B poses a minor risk to the stability of the access road on the western wall of Stage 4. This fault strikes obliquely across the western wall, outcrops along the access road and its dip is also sympathetic to design batter angles. There is a risk of failure though as the slope angles are shallow, the risk is considered low.

A detailed review of the qualitative risk for each slope aspect is presented in Appendix B.

4.3 Recommendations

The impact of the north-south trending faults on the stability of the east wall is known by OceanaGold. It is understood that this risk is being managed by the day-to-day mining operations.

Geotechnical face mapping of east walls is recommended to facilitate the design of future cutbacks and pits.



5 INNES MILLS PIT

5.1 Design

The recommended slope design for the Innes Mills pit comprised (Reference 2):

- The top two 15 m high benches were expected to be in weathered rock mass and were to be battered at 50°
- Northern wall
 - 15 m high, 70° batters and 7.5 m wide berms producing a 60 m high 49° (toe to toe) inter-ramp slope
- Southern, eastern (avoid slopes facing between 255-295°) and western walls
 - 15 m high, 60° batters and 7.5 m wide berms producing a 60 m high 43° (toe to toe) inter-ramp slope
- The backfill is largely loosely dumped waste material so its slope is at a 37° angle of rill.

Reviewing the proposed pit development indicates that the design is in keeping with the above recommendations.

The proposed pit design is shown in plan in Figure 13 and in section in Figure 14.

5.2 Risk Assessment

The west wall is off-set more than 50 m from the FF (Figure 14). Therefore, no significant displacement of the west wall along the FF is expected.

A detailed review of the qualitative risk for the slope sectors is presented in Appendix C.

5.3 Recommendations

There are no specific recommendations for the proposed Innes Mills pit.

6 FRIM

6.1 Design

The recommended slope designs for the FRIM pit are (Reference 2):

- The top two 15 m high benches are expected to be in weathered rock mass and are to be battered at 50°
- Northern wall
 - adjacent to, and within 50 m of, the MFZ
 - 15 m high, 60° batters and 7.5 m wide berms producing a 60 m high 43° (toe to toe) inter-ramp slope



- away from the MFZ
 - 15 m high, 70° pre-split batters and 5 m wide berms in the psammite-rich rock mass which overlies the HWS
 - in the more pelitic rock mass which occurs closer to the HWS, say within 75 m perpendicular offset to the HWS, adopt 60° batters

Southern wall

- 15 m high, 85° pre-split batters and 5 m wide berms in the psammite-rich rock mass which overlies the HWS
- in the more pelitic rock mass which occurs closer to the HWS, say within 75 m perpendicular offset to the HWS, adopt 75° batters
- Eastern (avoid slopes facing between 255-295°) and western walls
 - 15 m high, 60° batters and 7.5 m wide berms producing a 60m high 43° (toe to toe) inter-ramp slope.

Reviewing the proposed pit development, which is shown in plan in Figure 15 and in section in Figures 16 to 20, indicates that the design is in keeping with the recommendations. The cross sections also include current and proposed developments in Frasers Underground (FRUG). Perspective views of the proposed stoping are also shown in Plates 1 and 2.

The minimum off-set of the proposed stoping from FRIM Stage 1 pit slopes is 40 m, and the minimum off-set of any FRUG is 10 m.

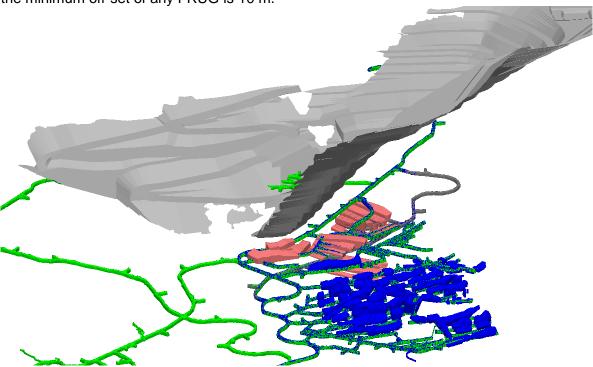


Plate 1: A view from the east towards FRIM Stage 1 (grey) showing the proposed (pink) and existing (blue) stoping.



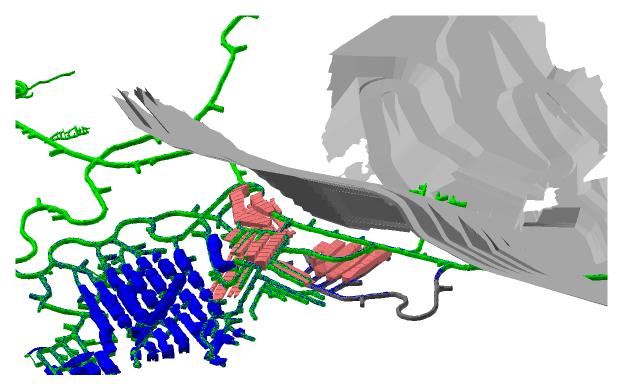


Plate 2: A view from the north towards FRIM Stage 1 (grey) showing the proposed (pink) and existing (blue) stoping.

6.2 Risk Assessment

A recent report assessed the impact of FRUG workings on the proposed Frasers 6 pit (Reference 5). Unlike Frasers 6, the FRIM Stage 1 pit does not cut into FRUG workings. However, some interaction is still expected specifically:

- Slope stability affected by proposed stoping
- Working above broken or caved rock mass.

Table 1 summarises the risk assessment of the potential for interaction between FRIM pit slopes and FRUG. Two scenarios were considered:

- 1. FRIM Stage 1 pit mined before FRUG stopes.
- 2. FRIM Stage 1 pit mined after FRUG stopes.

These areas are indicated in Figures 18 to 20.



TABLE 1 **QUALITATIVE RISK ASSESSMENT** FRUG AND FRIM PIT SLOPE INTERACTION

TIMING OF FRIM STAGE 1	QUALITATIVE RISK			
Before FRUG stopes	Low			
After FRUG stopes	Moderate			

A detailed review of the qualitative risk for the FRIM Stage 1 pit slopes mined before FRUG stopes is presented in Appendix D.

6.3 Recommendations

There are no specific recommendations if the FRIM Stage 1 pit is mined before the FRUG stopes. If that is not the case, then OceanaGold will need to develop safe working procedures to mine above voids and broken or caved rock mass. Suggestions regarding probing etc. are provided in Reference 5.

For and on behalf of PELLS SULLIVAN MEYNINK

JAMES BEVIS

Senior Engineering Geologist

ROBERT BERTUZZI

Principal

REFERENCES

1. OceanaGold

Email from Louie Herreno dated 6th October 2015 Updated in an email from Knowell Madambi dated 27th November 2015

2. Pells Sullivan Meynink

> Geotechnical Review of Macraes LOM Design PSM71-130R dated 14th September 2012

Pells Sullivan Meynink 3.

> Coronation North Geotech investigation Email to Knowell Madambi and Sean Doyle, sent 6th November 2015

Pells Sullivan Meynink 4.

Site Visit 29th-30th September 2015

PSM71-193R dated 1st October 2015

5. Pells Sullivan Meynink

Impact of FRUG on Proposed Frasers 6

PSM71-196L dated 4th November 2015



Typical Section - Pelite and Psammite - East and West Walls

Possible failure mechanisms - WEST

- Circular rock mass failure in weathered zone
- In some localised areas, planar failure along inferred undulating foliation may occur
- Sliding of west walls along FF with break out at toe through rock mass or along existing structure

(Not Shown)

W

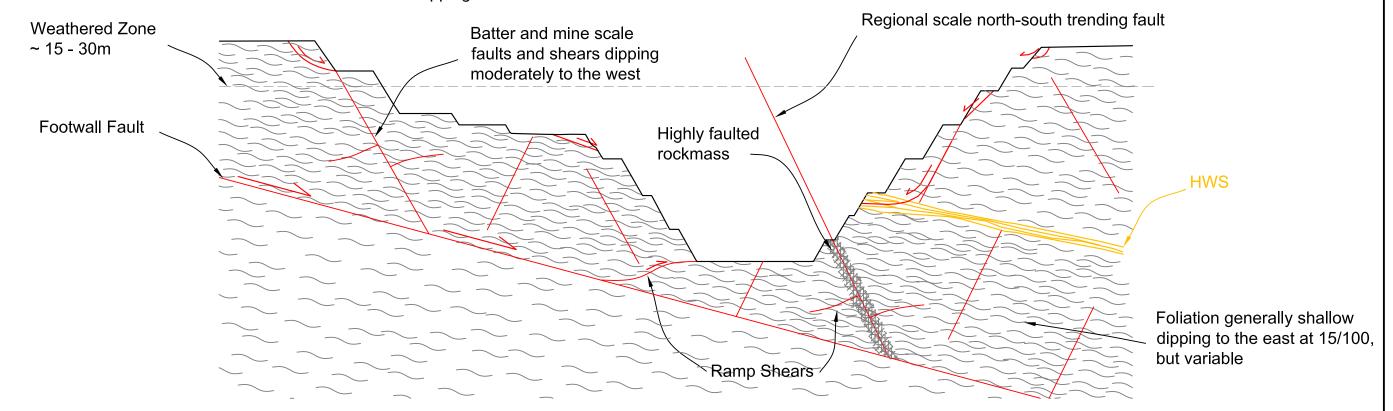
 Wedge failures between joints and/or easterly dipping faults Possible failure mechanisms - EAST

- Circular rock mass failure in weathered zone
- Planar failure along west dipping faults with breakout at toe through weaker rock mass

(Not Shown)

 Wedge failures associated with steeply dipping joints sets and mine scale faults and shears

Ε



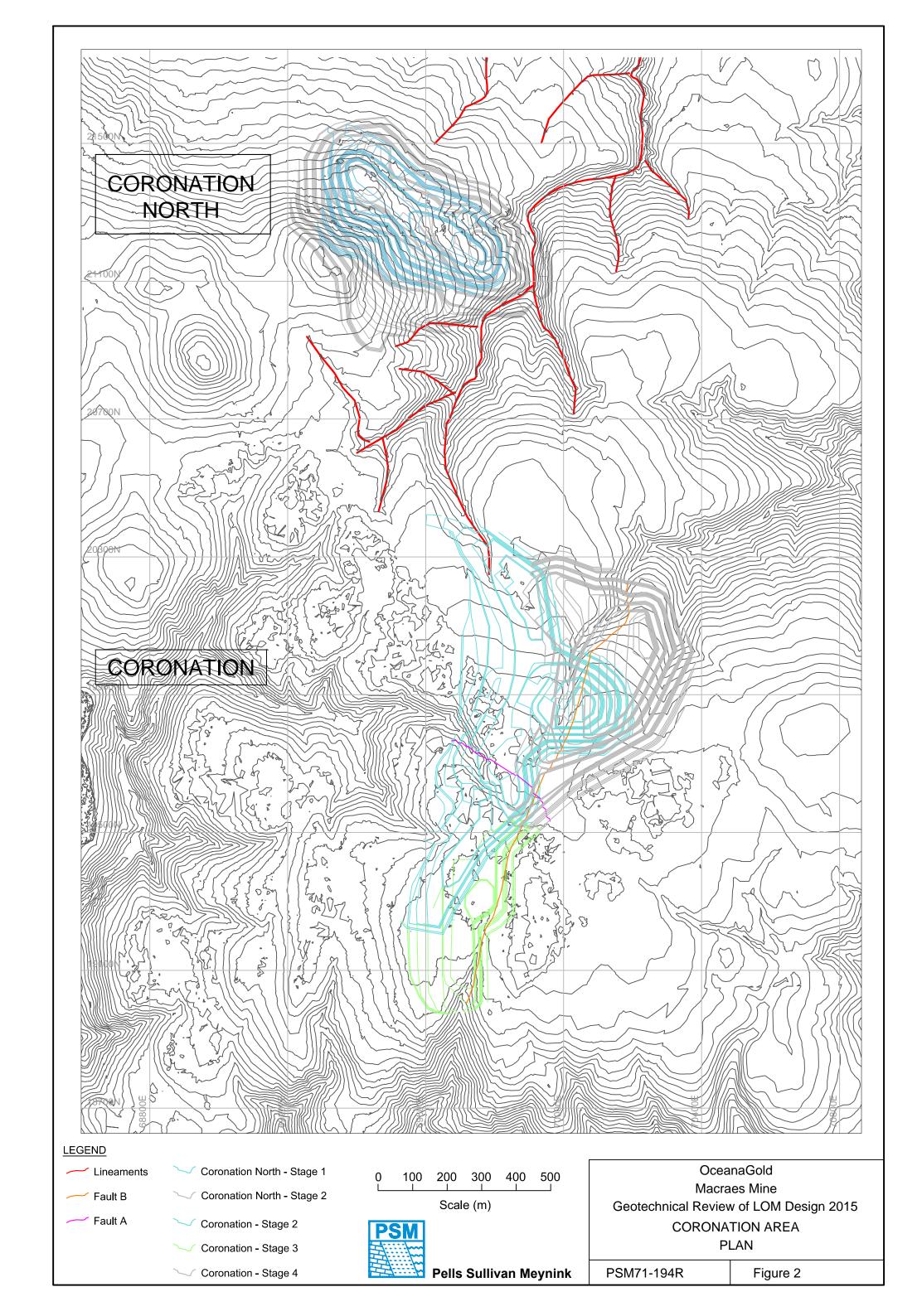


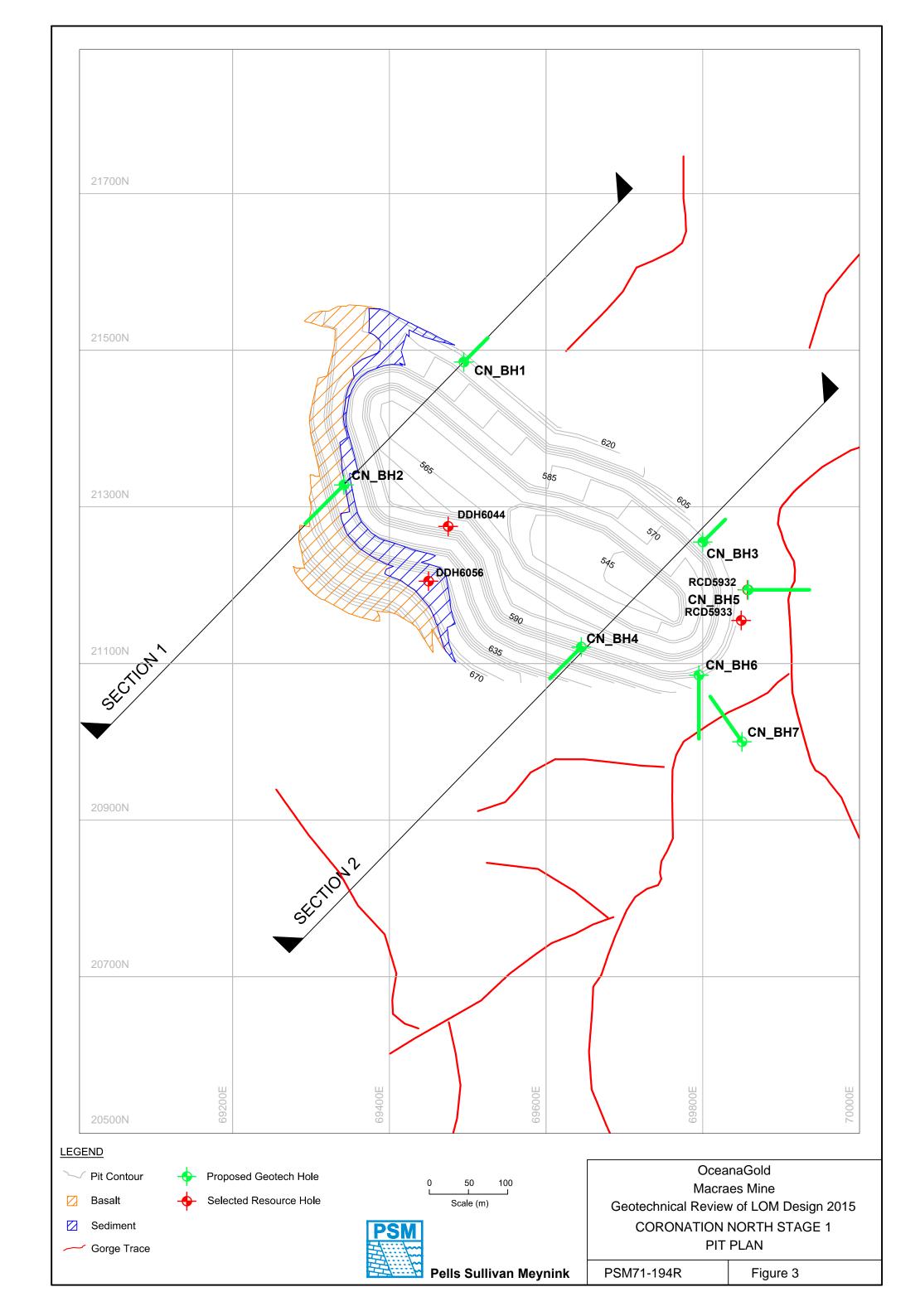
OceanaGold Macraes Mine Geotechnical Review of LOM Design 2015

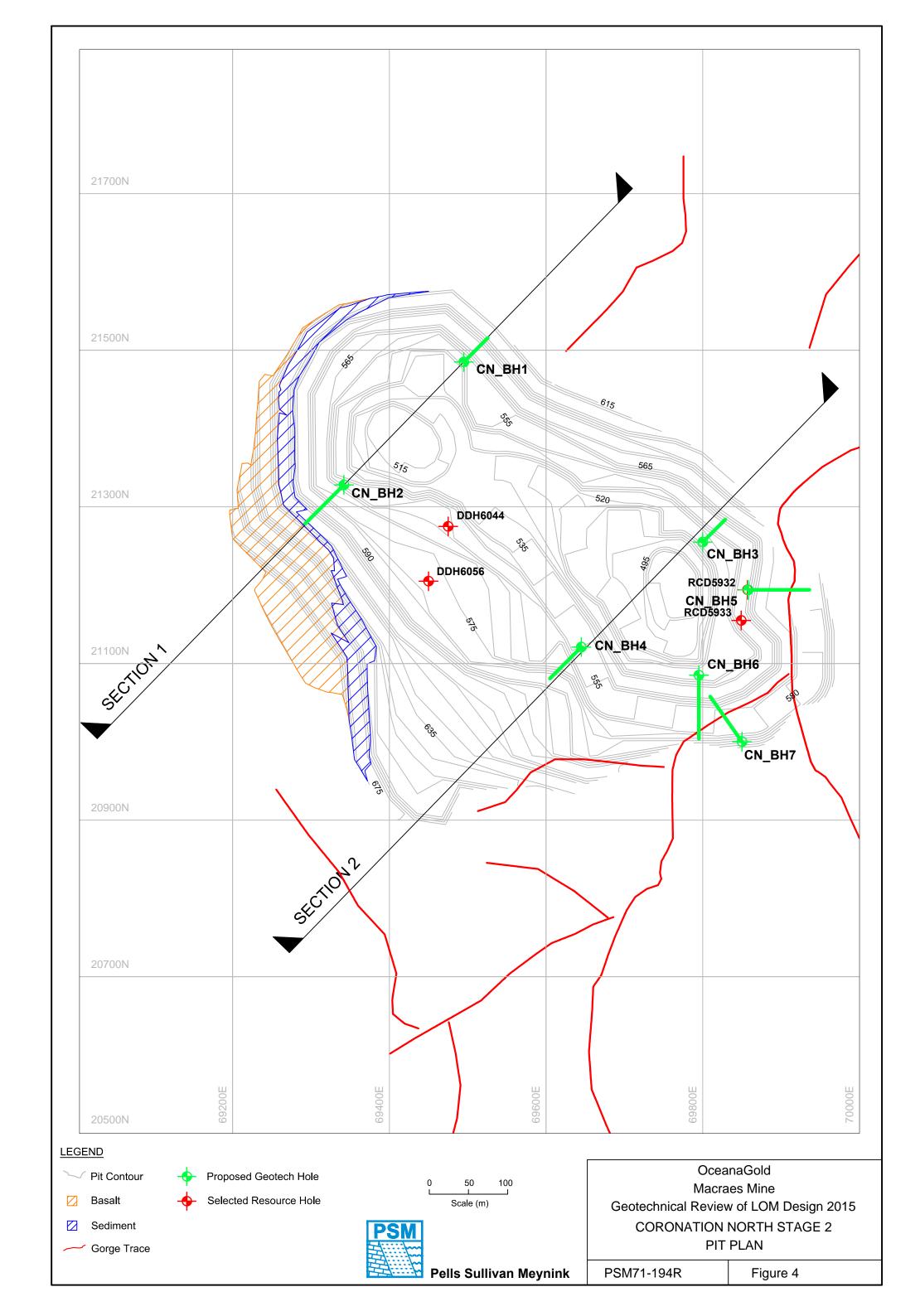
TYPICAL FAILURE MECHANISMS CROSS SECTION SCHEMATIC

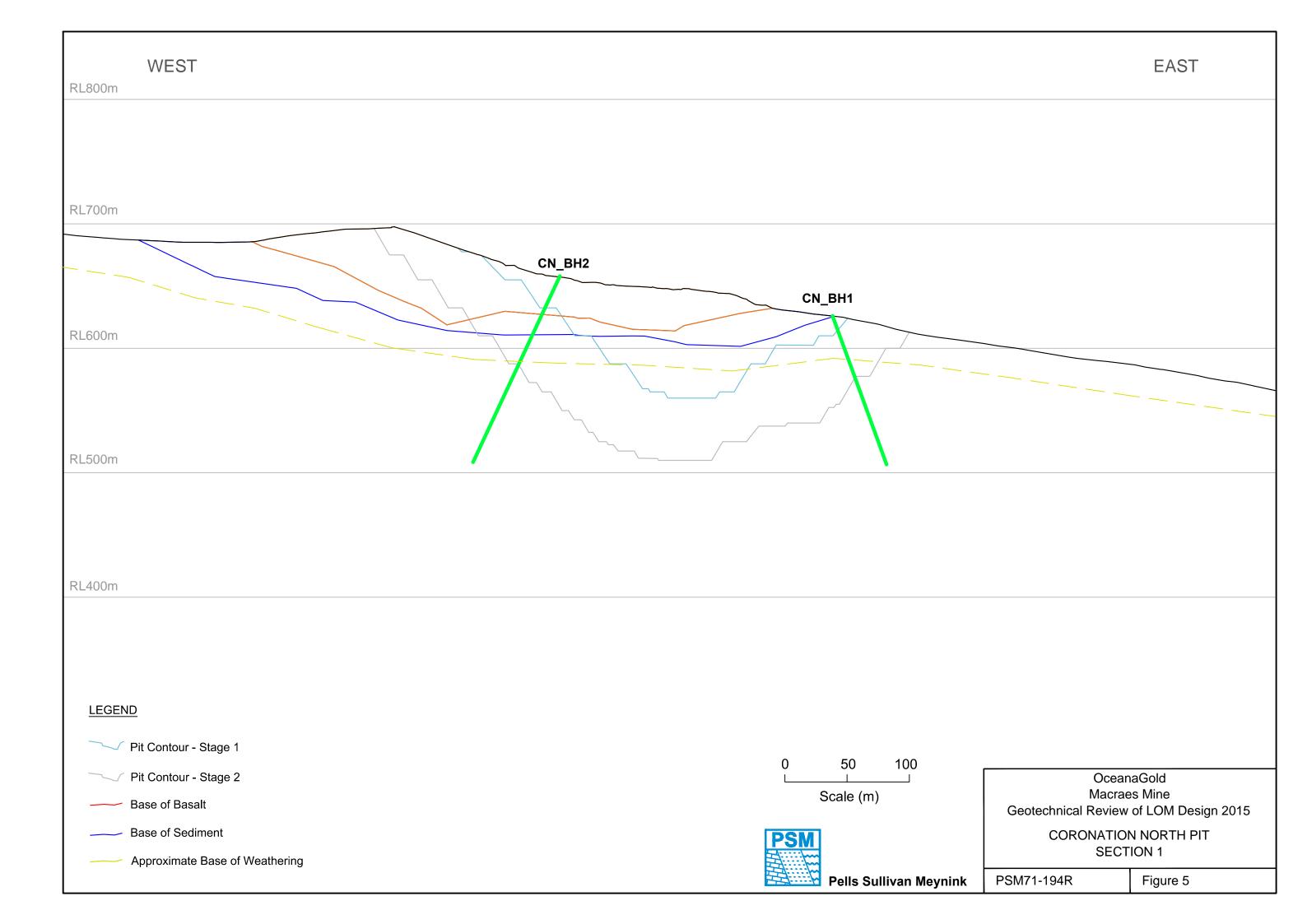
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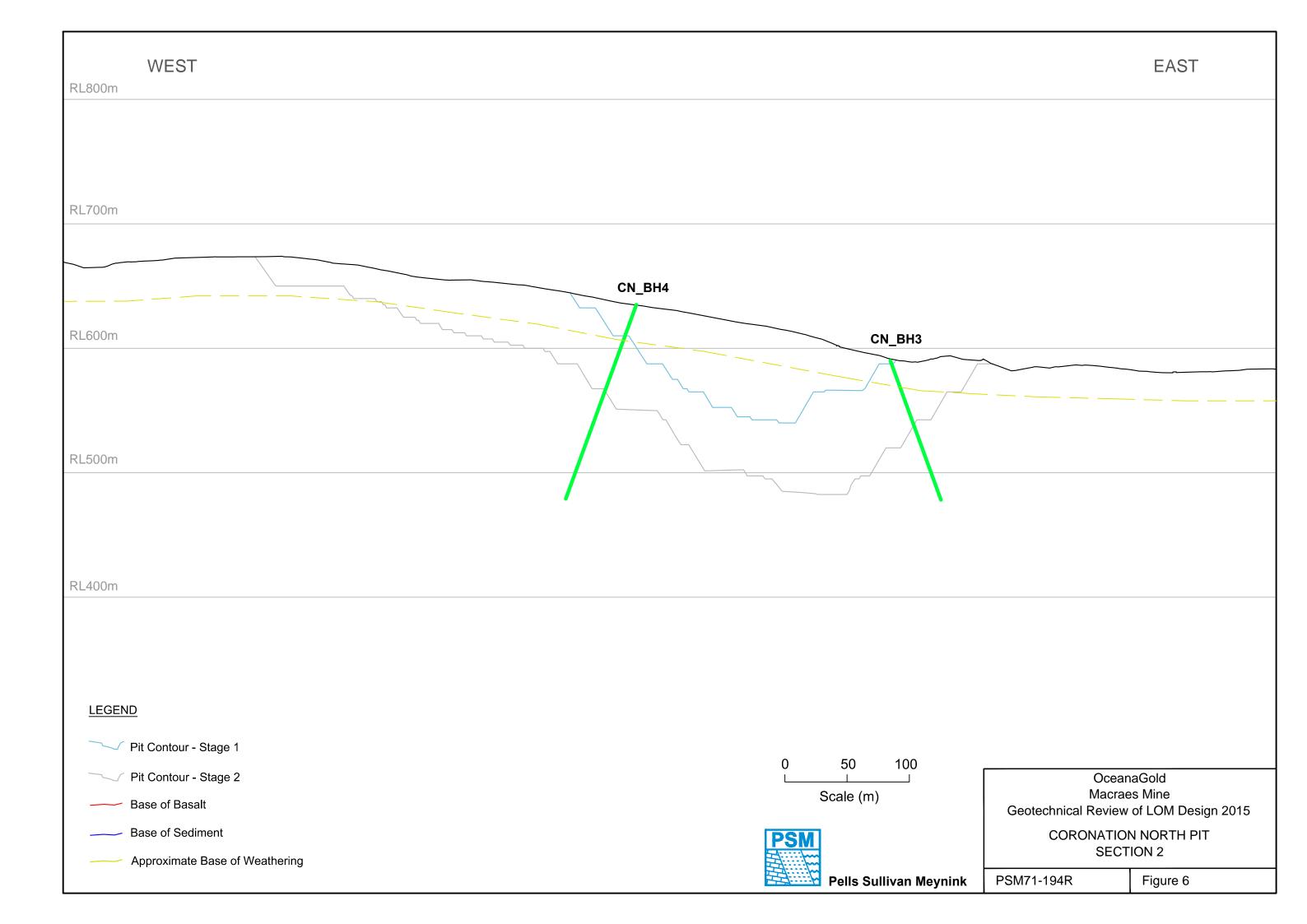
Figure 1

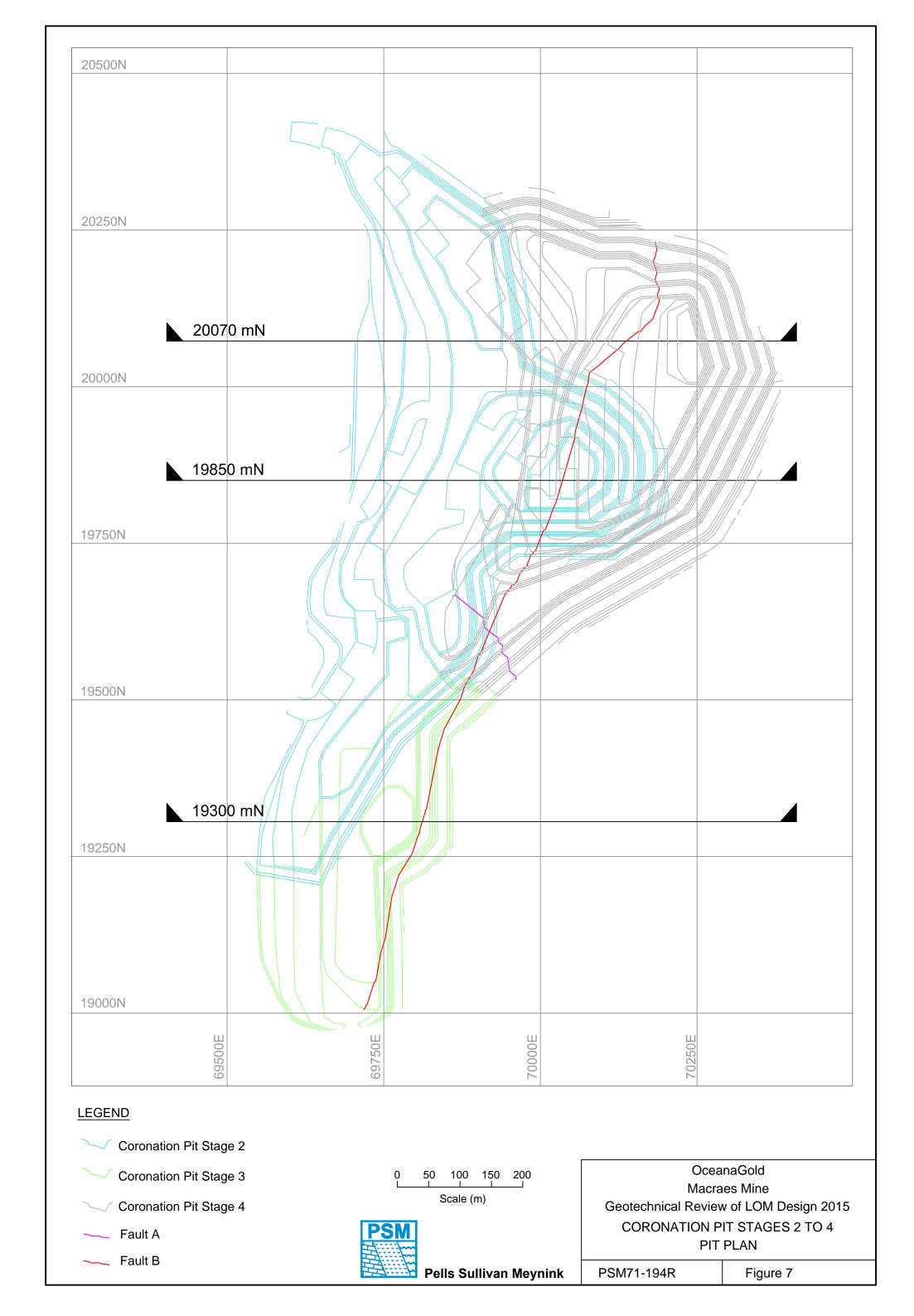


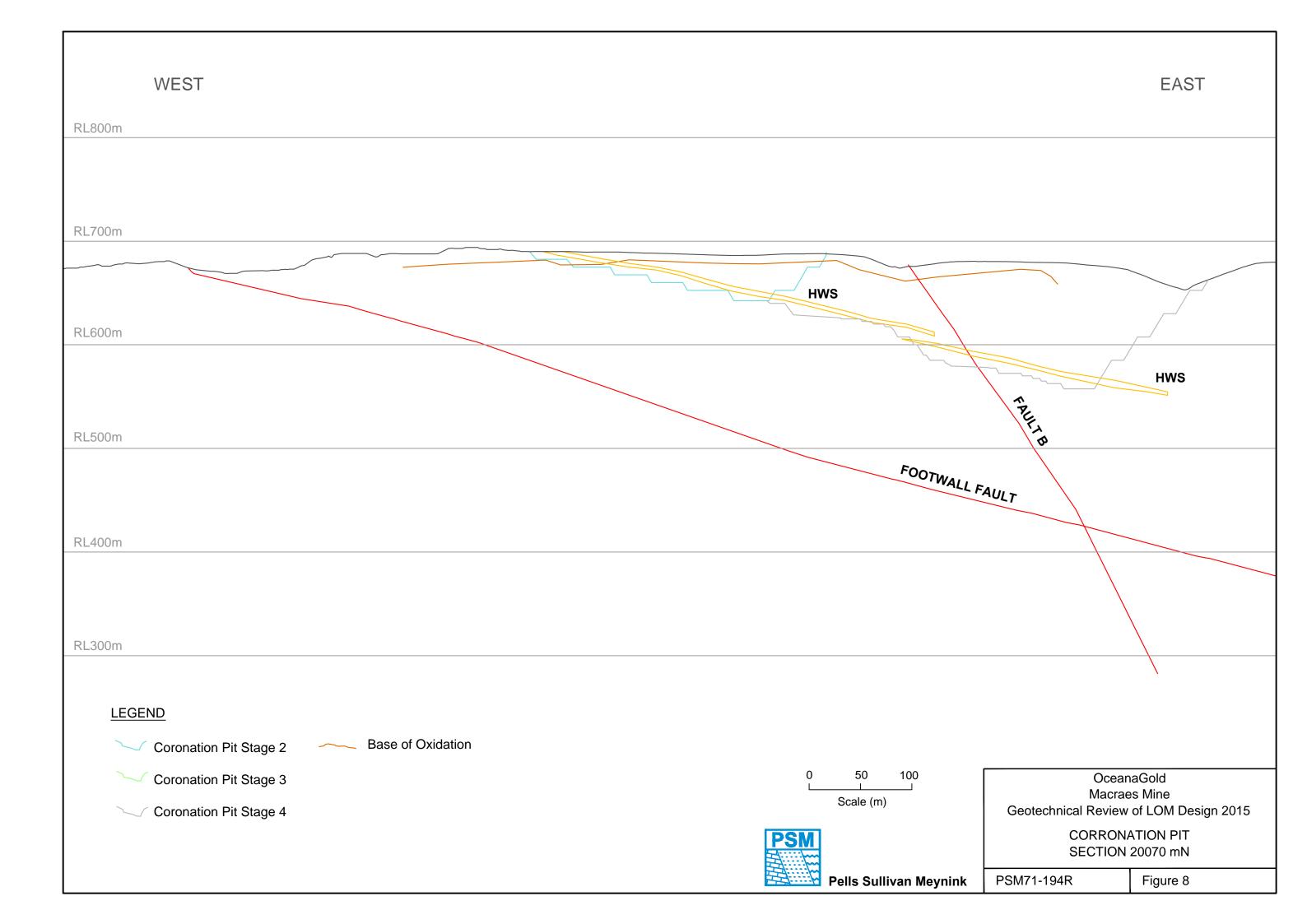


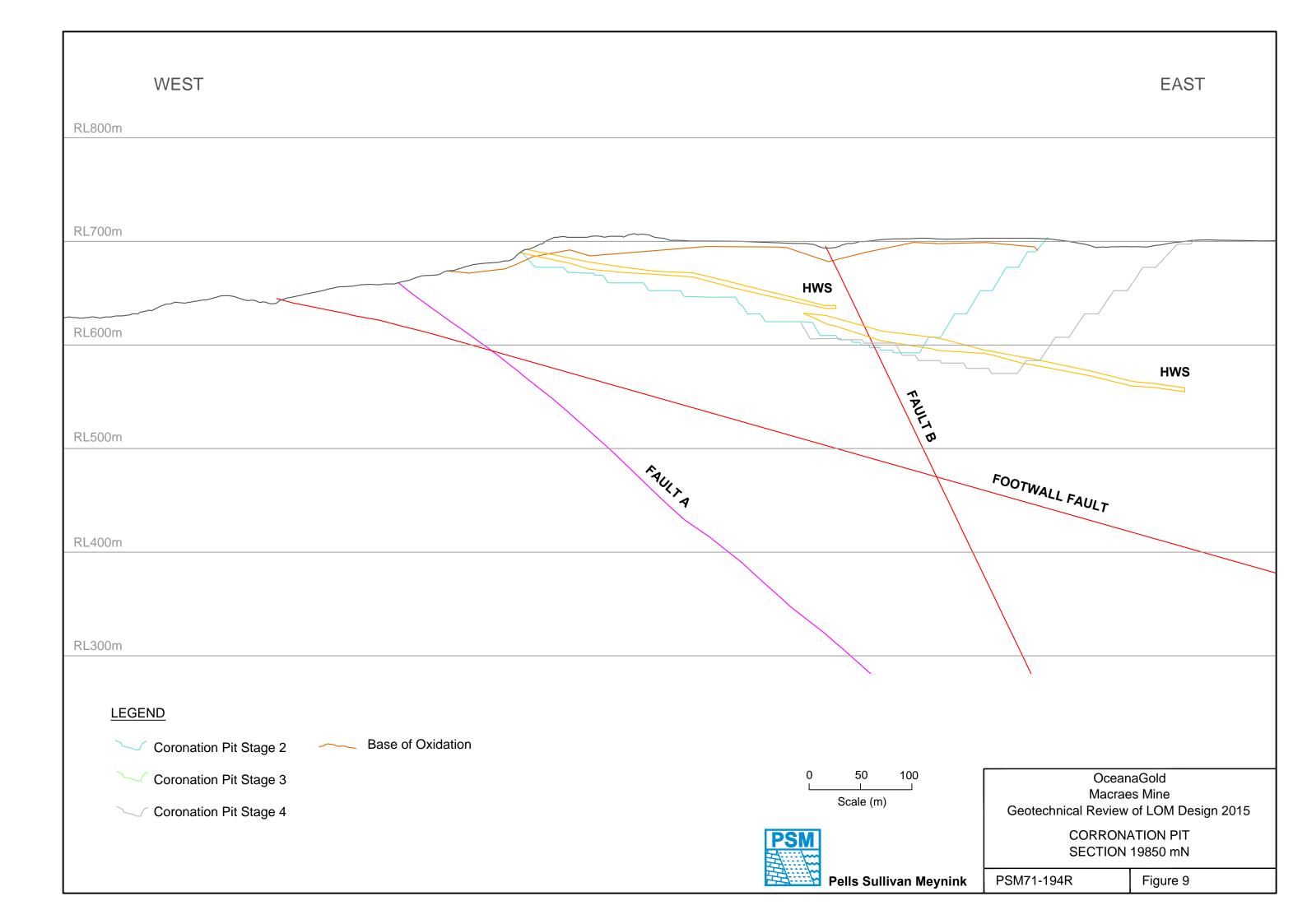


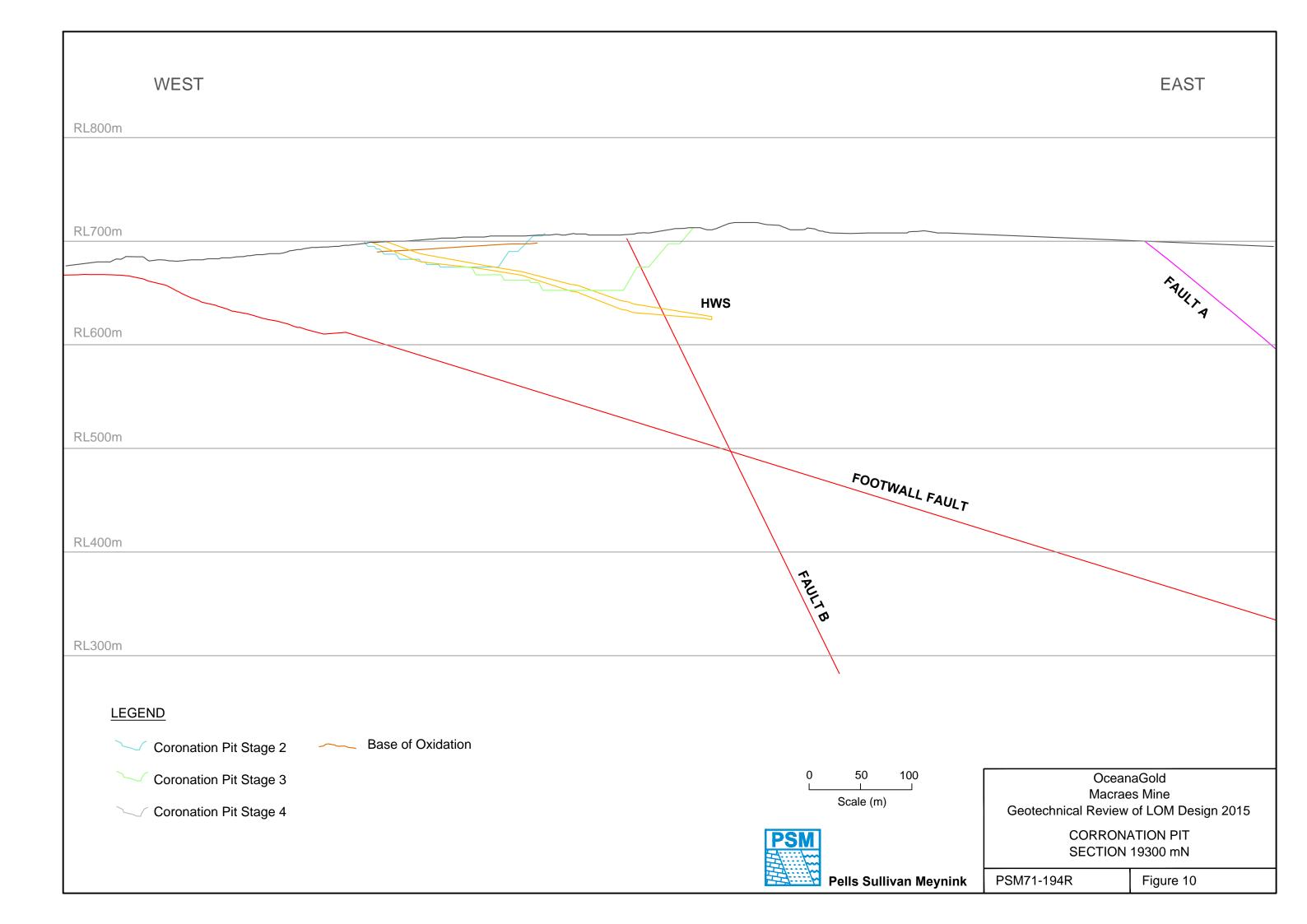


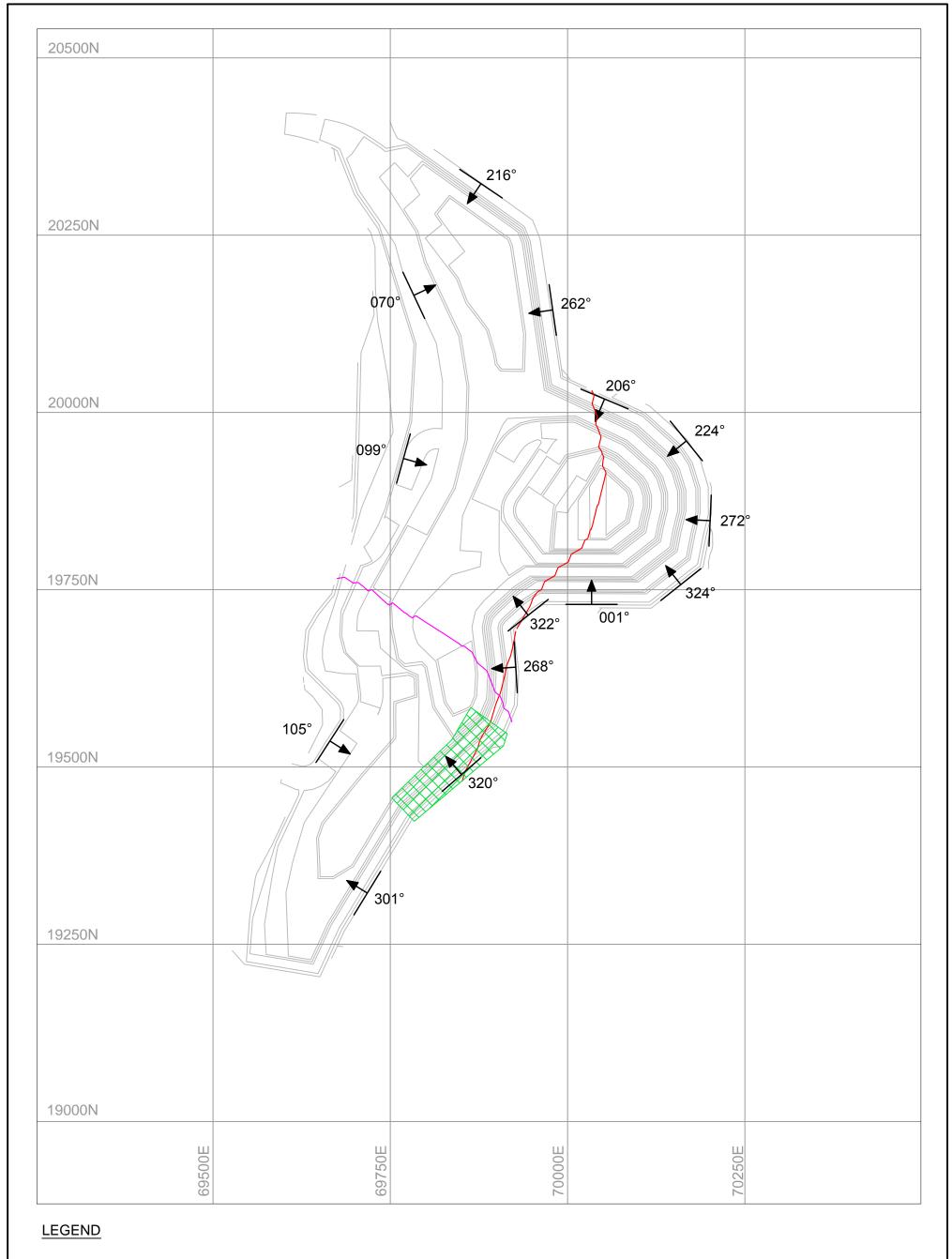








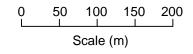




Fault A

- Fault B

High risk area — Planar failure

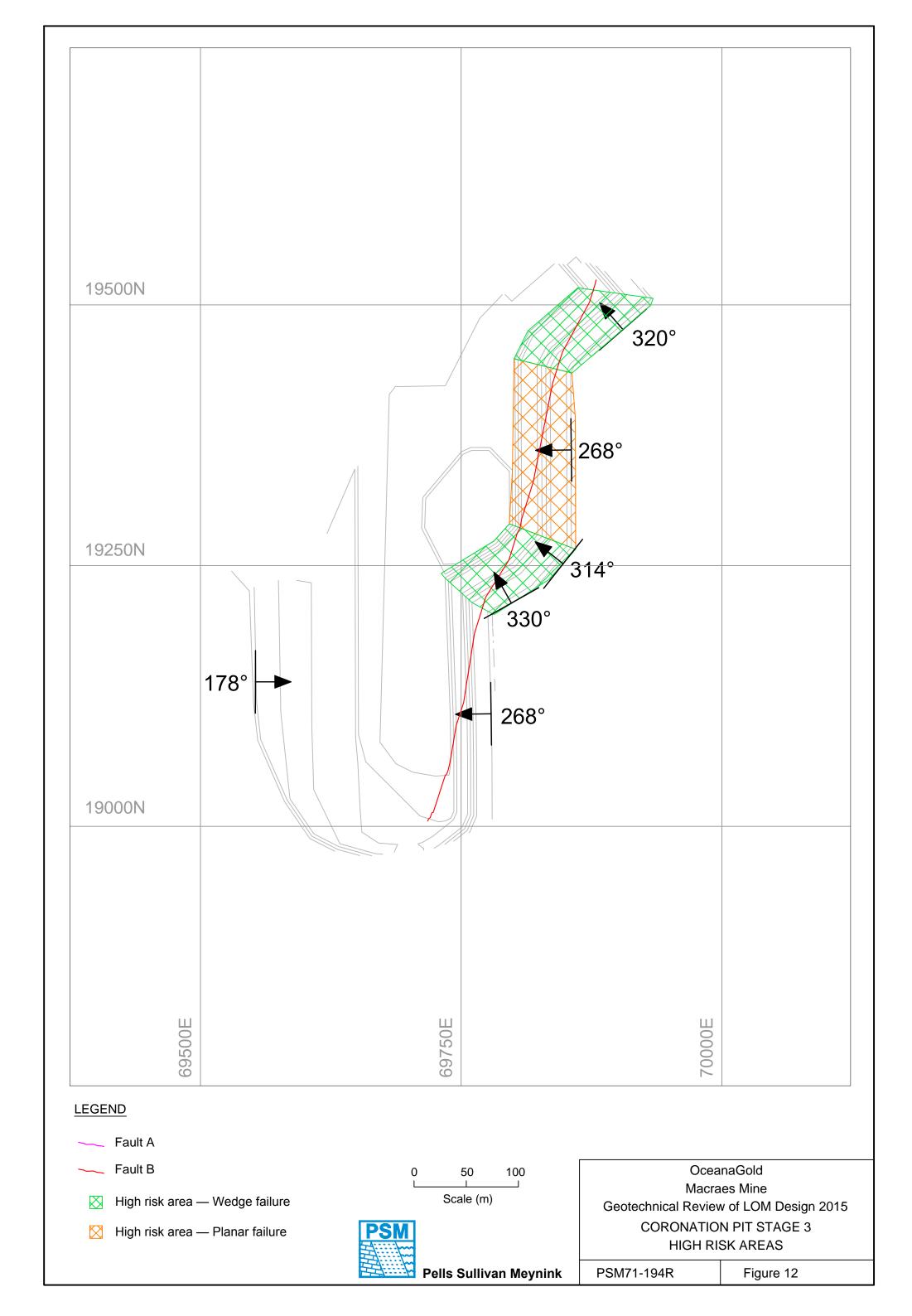




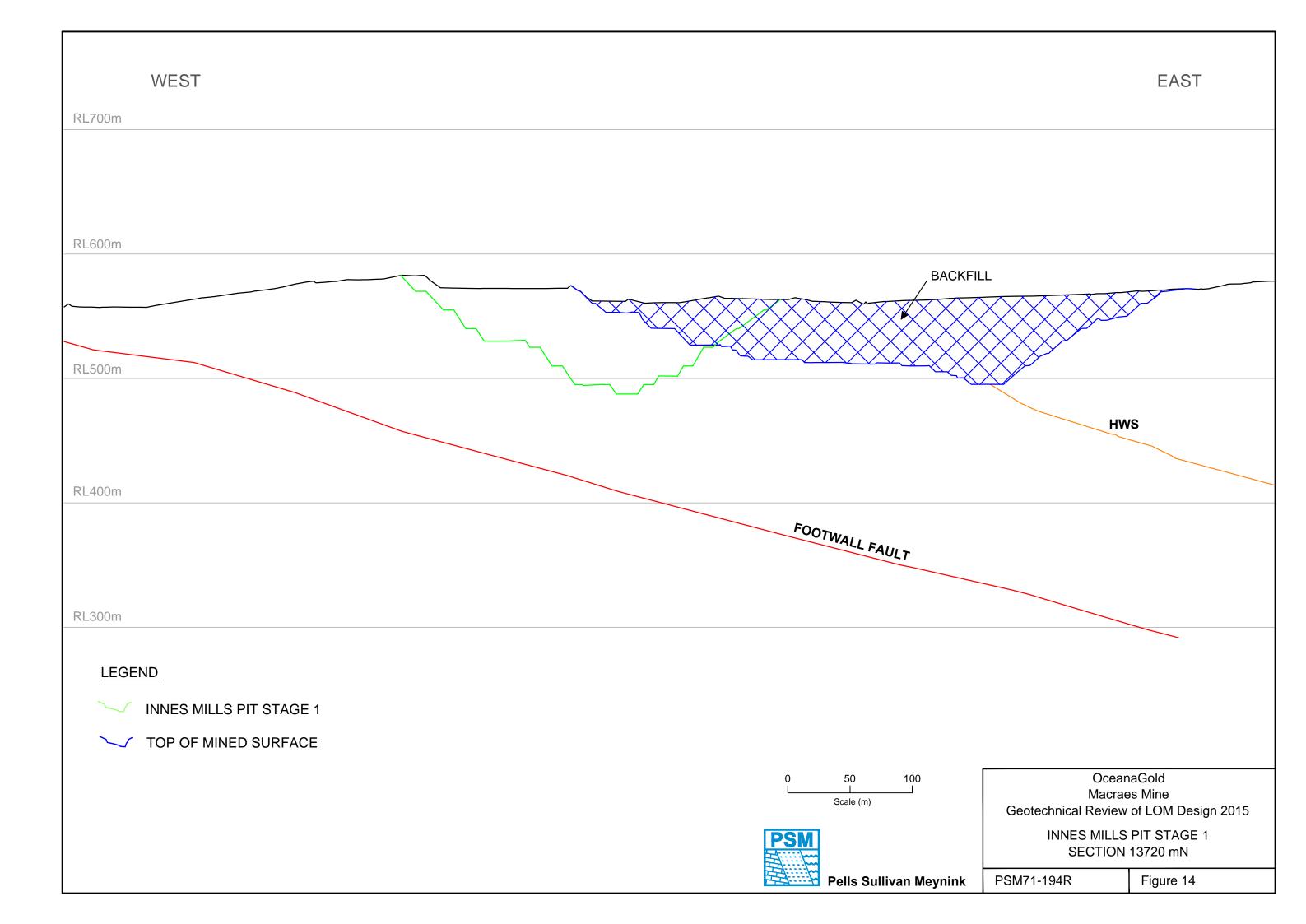
OceanaGold
Macraes Mine
Geotechnical Review of LOM Design 2015
CORONATION PIT STAGE 2
HIGH RISK AREAS

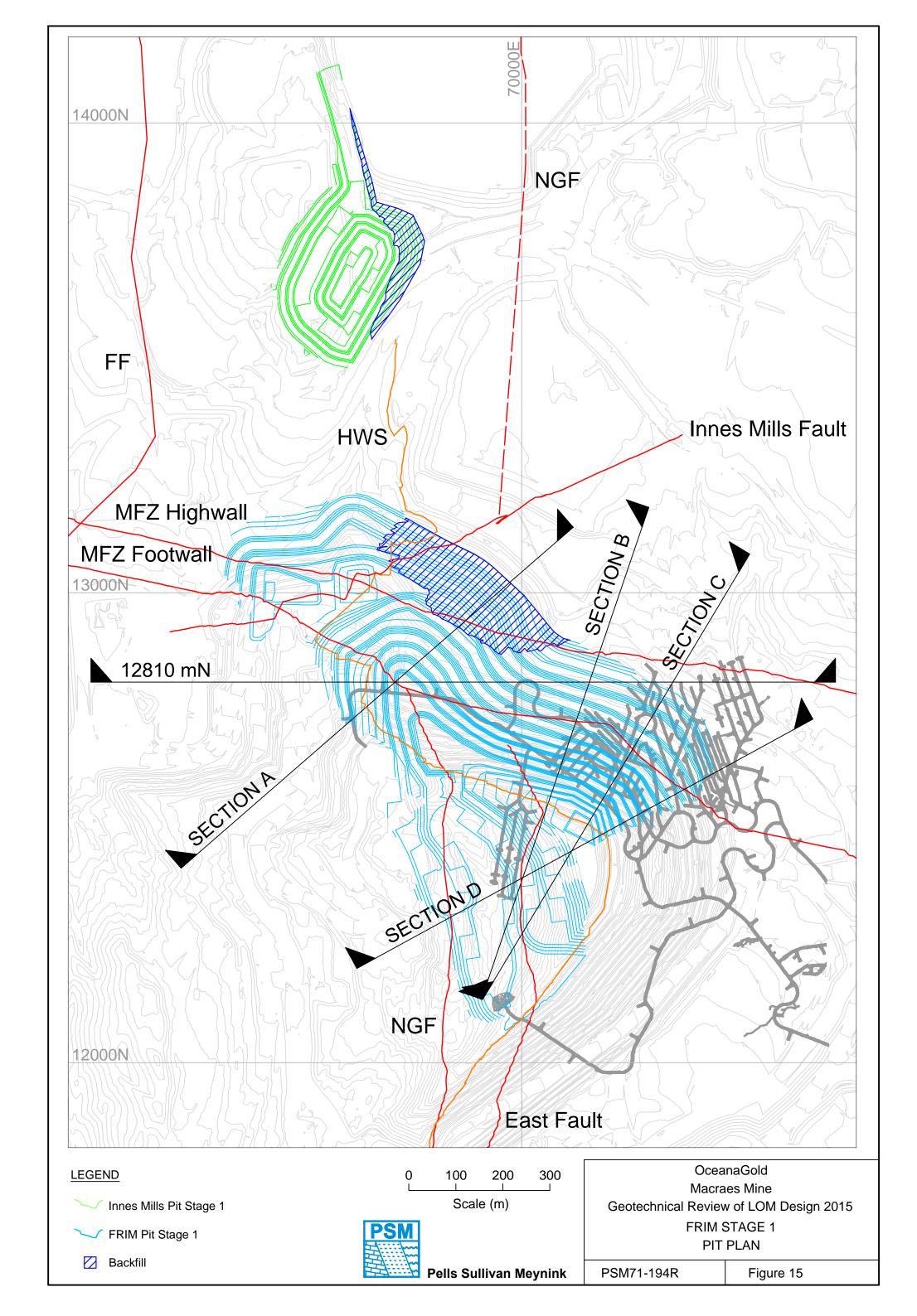
Pells Sullivan Meynink

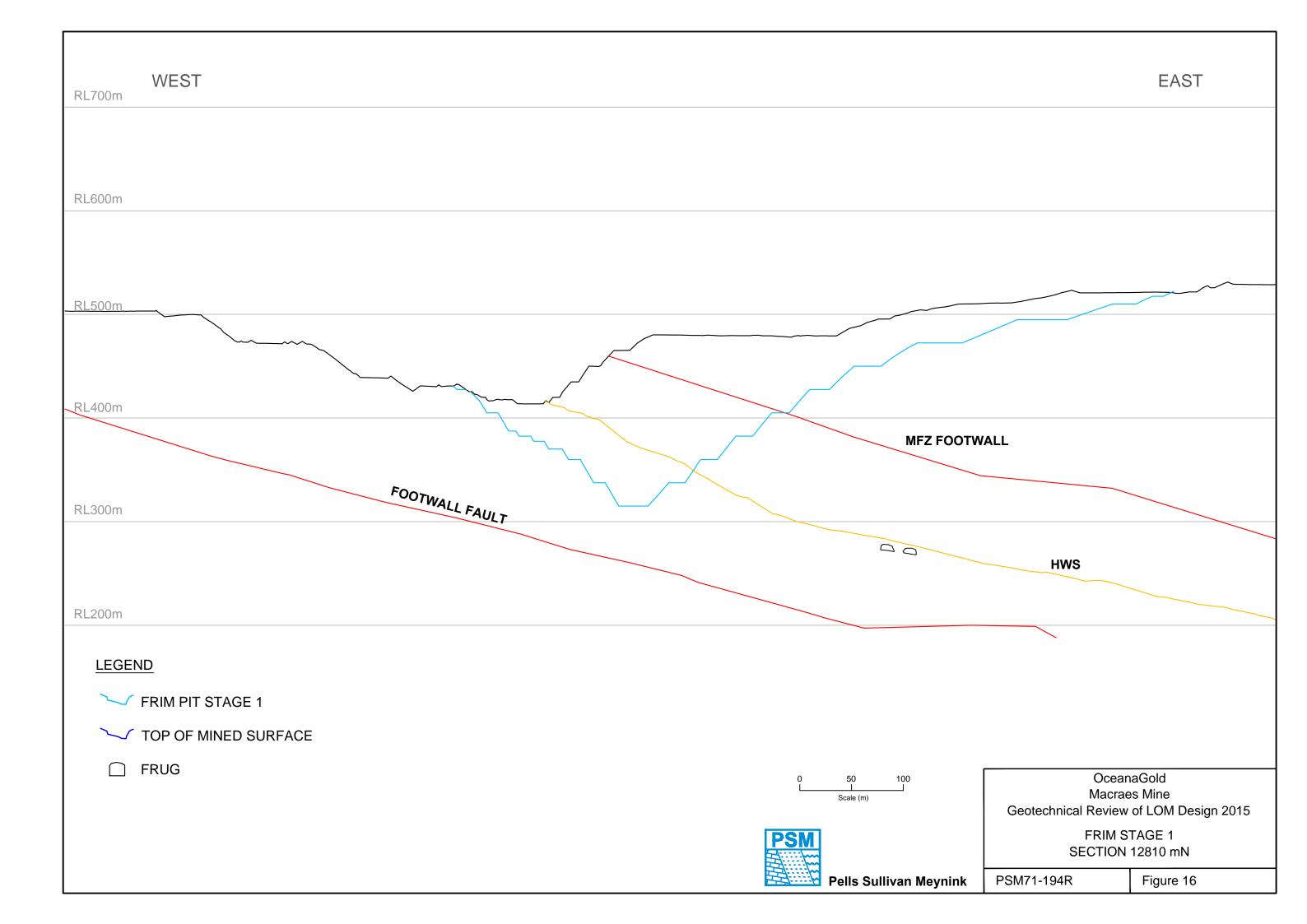
PSM71-194R Figure 11

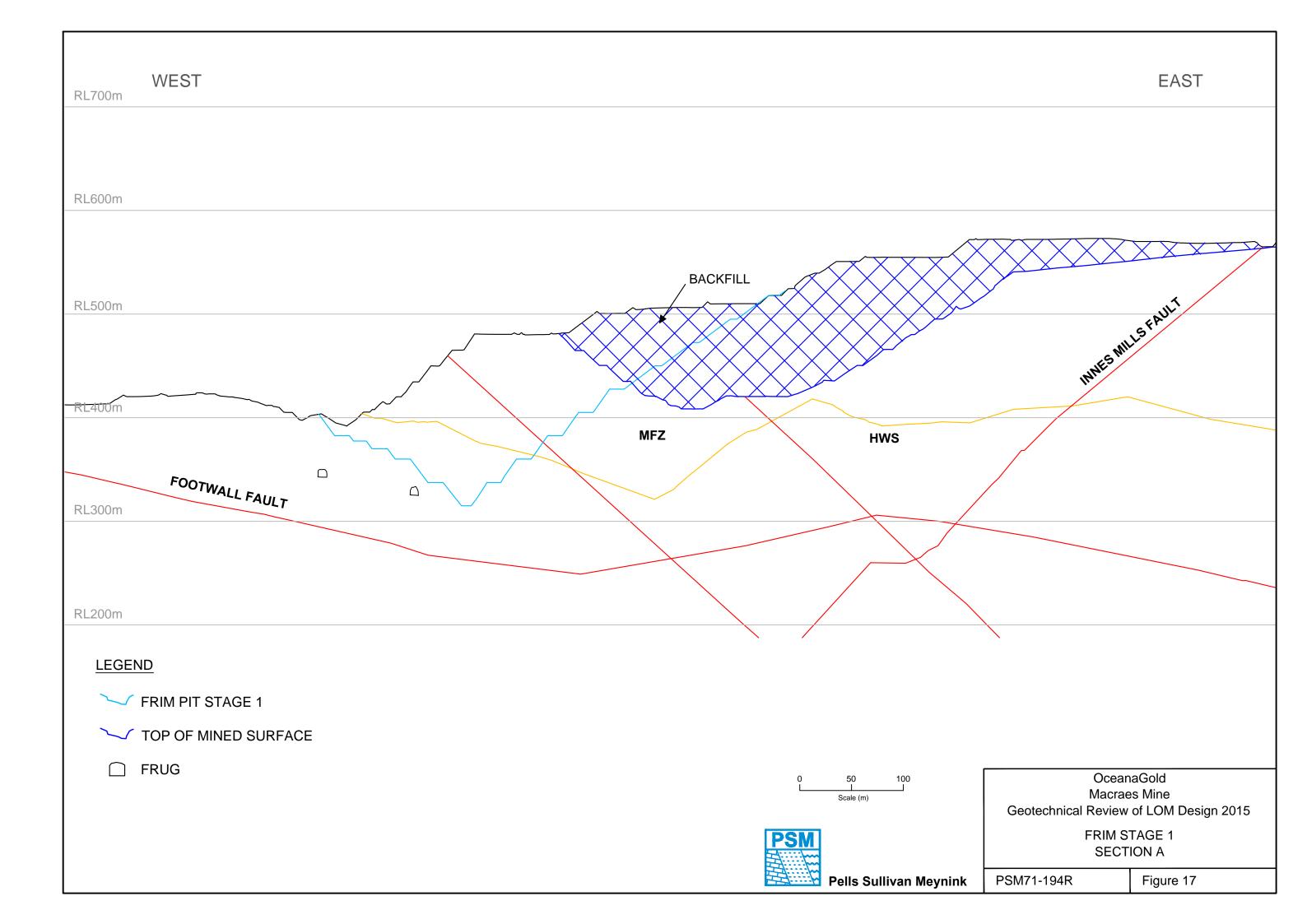


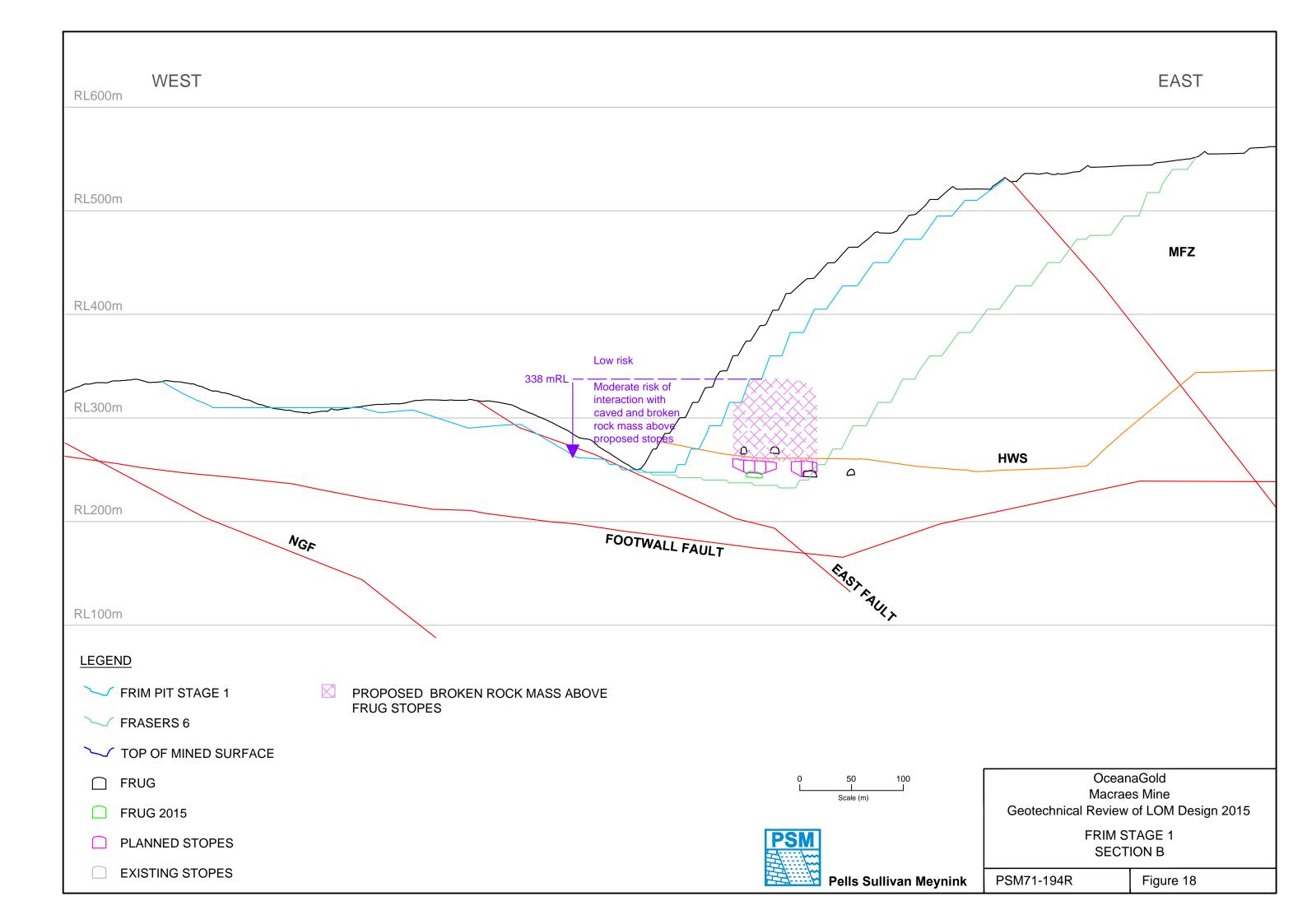


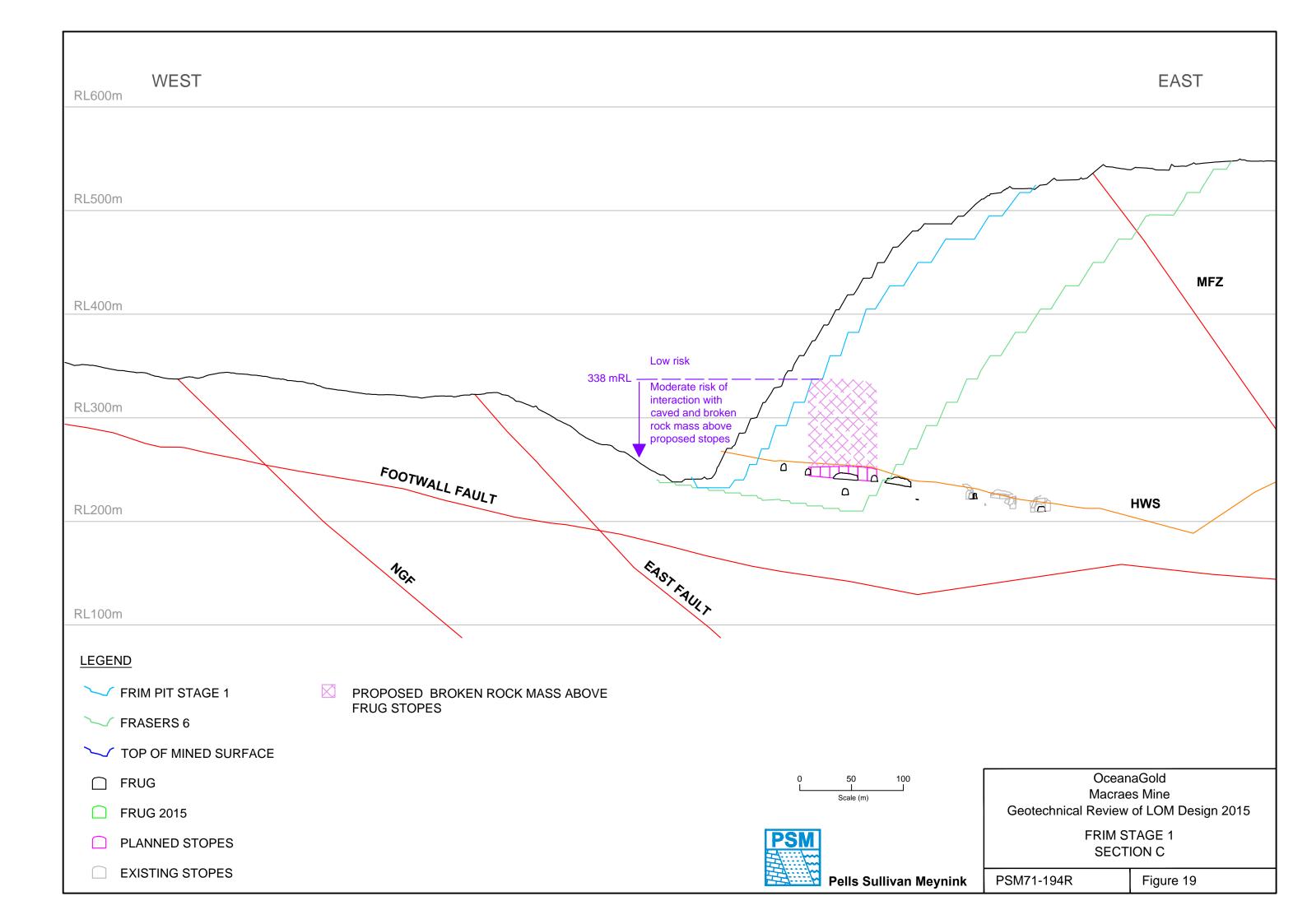


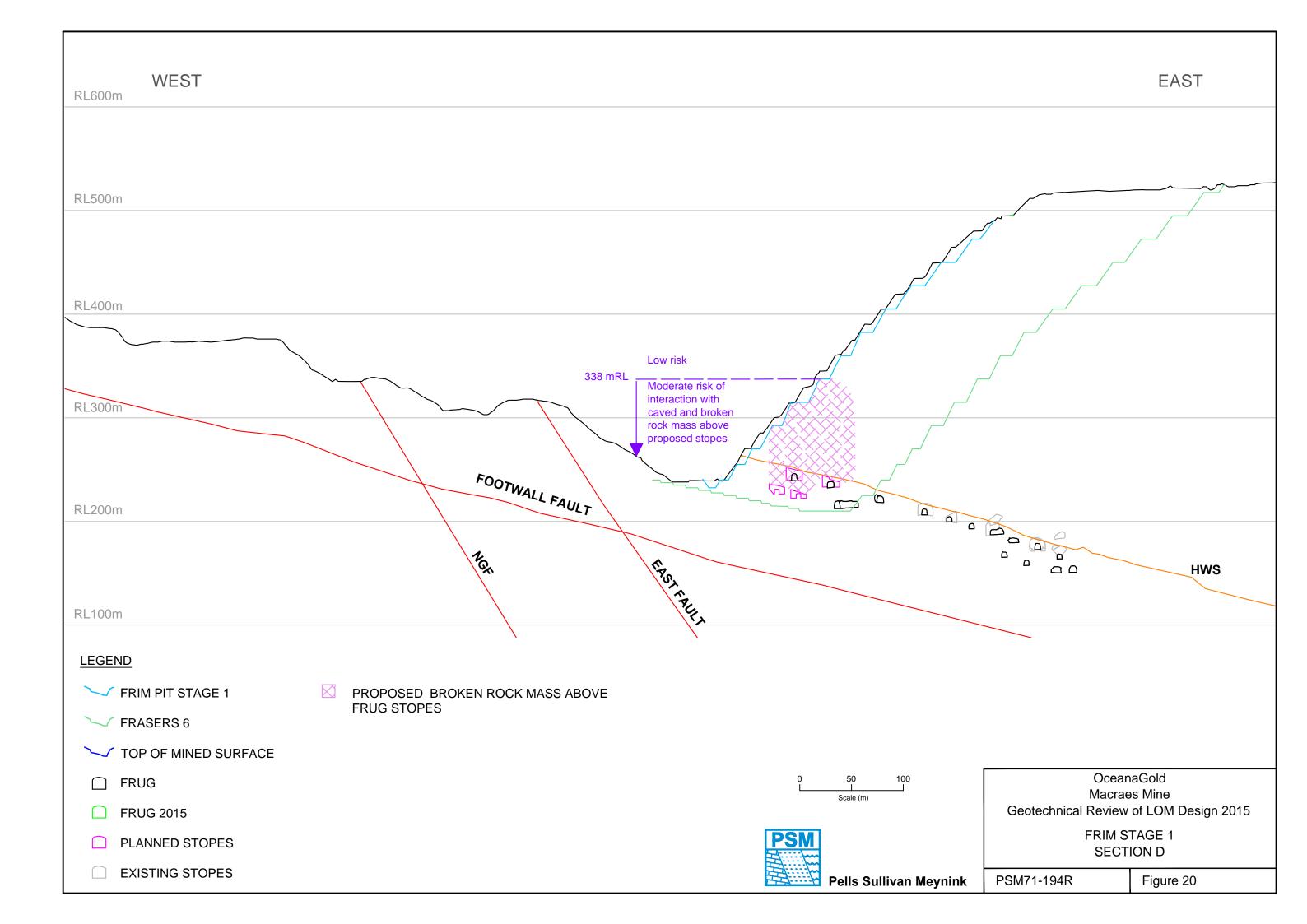












APPENDIX A

QUALITATIVE RISK ASSESSMENT – CORONATION NORTH PIT



APPENDIX A

QUALITATIVE RISK ASSESSMENT - CORONATION NORTH PIT



APPENDIX A QUALITATIVE RISK ASSESSMENT – CORONATION NORTH PIT

PHASE	SLOPE ASPECT	MAXIMUM OVERALL	ВЕ	NCH GEOMET	ΓRY	INTER-			
	(Azimuth °)	SLOPE HEIGHT (m)	BATTER ANGLE (°)	HEIGHT (m)	BERM (m)	RAMP ANGLE (°)	QUALITATIVE RISK*	LOCATION ON PIT	
	220	65	50 & 60	22.5	11.3	43	Moderate	Pit walls potentially	
	198	78	50 & 60	18	11.3	39	Moderate	affected by fault	
	220	65	50 & 60	22.5	11.3	43	High (Major lineaments possibly affecting pit slope sector. See Figures 2 to 5)	220	
Stage 1	280	58	50 & 60	22.5	11.3	37	High (Major lineaments possibly affecting pit slope sector. See Figures 2 to 5)	073*	
Stage 1	019	110	50 & 60	22.5	11.3	42	High (Major lineaments possibly affecting pit slope sector. See Figures 2 to 5)		
	070	150	50 & 60	22.5	11.3	37	Moderate	070*	
	012	140	50 & 60	22.5	11.3	41	Moderate		
	073	100	50 & 60	22.5	11.3	42	Moderate		



APPENDIX A Cont. QUALITATIVE RISK ASSESSMENT – CORONATION NORTH PIT

PHASE	SLOPE ASPECT	MAXIMUM OVERALL	ВЕ	NCH GEOME	TRY	INTER-		
	(Azimuth °)	SLOPE HEIGHT (m)	BATTER ANGLE (°)	HEIGHT (m)	BERM (m)	RAMP ANGLE (°)	QUALITATIVE RISK*	LOCATION ON PIT
	170	102	60	22.5	11.3	42	Moderate	Pit walls potentially
	226	105	60	22.5	11.3	35	Moderate	affected by fault
	202	96	60	5 - 22.5	2.5 – 11.3	42	Moderate	
	218	108	60	22.5	11.3	42	High (Major lineaments possibly affecting pit slope sector. See Figures 2 to 5)	133 226
	290	90	60	22.5	7.5 – 11.3	43	High (Major lineaments possibly affecting pit slope sector. See Figures 2 to 5)	089
Stage 2	330	120	60	22.5	11.3	38	High (Major lineaments possibly affecting pit slope sector. See Figures 2 to 5)	218"
Stage 2	007	127	60	22.5	11.3	39	High (Major lineaments possibly affecting pit slope sector. See Figures 2 to 5)	038
	083	214	60	6.5 - 22.5	2.5 – 11.3	36	Moderate	083*
	054	178	60	22.5	11.3	42	Moderate	
	038	184	60	22.5	11.3	43	Moderate	
	089	135	60	22.5	11.3	43	Moderate	
	133	118	60	22.5	11.3	40	Moderate	



APPENDIX B

QUALITATIVE RISK ASSESSMENT - CORONATION PIT



APPENDIX B QUALITATIVE RISK ASSESSMENT – CORONATION PIT

PHASE	SLOPE ASPECT	MAXIMUM OVERALL	BE	NCH GEOME	ΓRY	INTER-		LOCATION ON PIT
	(Azimuth °)	SLOPE HEIGHT (m)	BATTER ANGLE (°)	HEIGHT (m)	BERM (m)	RAMP ANGLE (°)	QUALITATIVE RISK	
	216	42	60	22.5	11.3	42	Low	
	262	45	60	22.5	11.3	43	Low	
	206	55 – 98	60	22.5	11.3	42	Low	
	224	104	50 & 60	22.5	11.3	42	Low	216°
	272	112	50 & 60	22.5	11.3	43	Low	262°
	324	115	50 & 60	22.5	11.3	41	Low	070° 206° 224° 272°
	001	104	50 - 70	22.5	11.3	47	Low	
Stage 2	322	55	50 & 60	22.5	11.3	42	Low	
	268	61	50 & 60	22.5	7.5 - 11	43	Low	322° 001° 324°
	320	47	50 & 60	15	7.5	41	High - wedge failure associated with N-S trending west dipping faults.	105° 320°
	301	40	50 & 60	15	7.5	39	Moderate	
	010	28	60	22.5	12.4	43	Low	
	105	28	50 & 60	8	22.3	25	Low	
	099	90	50 & 60	2 – 10	12 – 22.3	15	Low	
	070	45	50 & 60	2 – 10	15 – 32	15	Low	

N.B. Fault B represented by magenta line.



APPENDIX B Cont. QUALITATIVE RISK ASSESSMENT – CORONATION PIT

PHASE	SLOPE ASPECT	MAXIMUM OVERALL	BE	NCH GEOMET	ΓRY	INTER-		
	(Azimuth °)	SLOPE HEIGHT (m)	BATTER ANGLE (°)	HEIGHT (m)	BERM (m)	RAMP ANGLE (°)	QUALITATIVE RISK	LOCATION ON PIT
	320	51	50 & 60	22.5	11.3	40	High (Possible wedge failure associated with N-S trending west dipping faults	320°
	268	60	50 & 60	22.5	11.3	42	High (Possible planar failure associated with N-S trending west dipping faults)	268*
Stage 3	314	58	50 & 60	22.5	11.3	42	High (Possible wedge failure associated with N-S trending west dipping faults)	
Stage 3	330	55	50 & 60	22.5	11.3	41	High (Possible wedge failure associated with N-S trending west dipping faults)	178°
	268	44	50 & 60	22.5	7.5	44	Low	
	178	35	60	25.5	7 - 25	11	Low	

N.B. Fault B represented by magenta line.



APPENDIX B Cont. QUALITATIVE RISK ASSESSMENT – CORONATION PIT

PHASE	SLOPE ASPECT	MAXIMUM OVERALL	ВЕ	NCH GEOMET	ΓRY	INTER-		
	(Azimuth °)	SLOPE HEIGHT (m)	BATTER ANGLE (°)	HEIGHT (m)	BERM (m)	RAMP ANGLE (°)	QUALITATIVE RISK	LOCATION ON PIT
	200	71	60	22.5	11.3	43	Low	200°
	187	82	60	22.5	11.3	35	Low	206°
	206	90	60	22.5	11.3	42	Low	060° 255°
	255	100	60	22.5	11.3	47	Low	
Stage 4	297	105	50 - 60	22.5	11.3	44	Low	090° /-> 297°
	330	150	50 – 70	22.5	11.3	43	Low	
	318	65	50 & 60	8 – 22	8 -33	31	Low	330°
	090	67	50 & 60	2.5 - 17	14 - 20	16	Low	
	060	32	50 & 60	2.5	8	14	Low	318*

N.B. Fault B represented by magenta line.



APPENDIX C

QUALITATIVE RISK ASSESSMENT - INNES MILLS PIT



APPENDIX C QUALITATIVE RISK ASSESSMENT – INNES MILLS PIT

PHASE	SLOPE ASPECT	MAXIMUM OVERALL	BE	NCH GEOME	ΓRY	INTER-		
	(Azimuth °)	SLOPE HEIGHT (m)	BATTER ANGLE (°)	HEIGHT (m)	BERM (m)	RAMP ANGLE (°)	QUALITATIVE RISK	LOCATION ON PIT
	207	75	50 & 60	11 – 15	7.5	35	Low	
	252	78	50 & 60	15	7.5	34	Low	127°
	281	76	50 & 60	15	7.5	36	Low	252°
Stone 1	300	75	50 & 60	15	5.5	36	Low	281°
Stage 1	040	83	50 & 60	15	7.5	35	Low	085"
	085	83	50 & 60	15	7.5	35	Low	
	116	97	50 & 60	15	7.5	35	Low	
	127	95	50 & 60	15	7.5	33	Low	

N.B. top of mined surface represented by blue line – backfill to east.



APPENDIX D

QUALITATIVE RISK ASSESSMENT - FRIM PIT



APPENDIX D QUALITATIVE RISK ASSESSMENT – FRIM PIT

PHASE	SLOPE ASPECT	MAXIMUM OVERALL	BE	NCH GEOME	ΓRY	INTER-		
	(Azimuth °)	SLOPE HEIGHT (m)	BATTER ANGLE (°)	HEIGHT (m)	RAMP OLIALITATIVE BISK	QUALITATIVE RISK	LOCATION ON PIT	
	180	85	55	22.5	14	39	Low	180° 207°
	207	209	37 & 55	22.5	6 & 14	35	Low	245°
Stage 1	245	247	37 & 55	22.5	6 & 14	38	Low	090°
Stage 1	198	282	55 & 70	22.5	11.3 & 14	43	Low	
	210	288	55 & 70	22.5	11.3 & 14	42	Low	
	090	100	50 & 60	5 - 18	11.3	31	Low	

N.B. MFZ bounded by magenta lines.

Top of mined surface represented by blue line

