

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER of an appeal pursuant to section 120 of the Act

BETWEEN WELCOME GOLD MINES LIMITED
and AUAG RESOURCES LIMITED

(ENV A0009/04)

Appellant

AND

HAURAKI DISTRICT COUNCIL

Respondent

BEFORE THE ENVIRONMENT COURT

Environment Judge R J Bollard sitting alone under section 279 of the Act

IN CHAMBERS at Auckland

CONSENT ORDER

HAVING CONSIDERED the notice of appeal, AND the memorandum of counsel dated 20 July 2004 lodged on behalf of the appellant and respondent AND the supplementary memorandum of counsel for the appellant and respondent and of T MacKenzie (a s.274 party) dated 18 August 2004, THIS COURT ORDERS BY CONSENT that:

1. **THE** conditions attached to the land use consent granted by Hauraki District Council for the Favona Underground Mine be amended as follows. The proposed additions and deletions are shown for each condition:

(a) *Condition 1*

Condition 1 be amended by inserting the words "*where relevant*" so that the condition reads:

This consent shall be exercised in accordance with the following additional licences, permits and consents where relevant:



- Mining Licence ML 32 2388;
- Variations to Mining Licence ML 32 2388;
- Waikato Regional Council consents for Martha Mine Extended Project;
- Waikato Regional Council consents for the Favona Decline project ~~108544~~ 108554 & 108556;
- Waikato Regional Council consents for the Favona Underground Mine project 109741, 109742, 109743, 109744, 109745 & 109746;
- Authorities to destroy, damage or modify part of an archaeological site from the New Zealand Historic Places Trust;
- Hauraki District Council Land Use Consent for the Martha Extended Project (97/98 – 105); and
- Hauraki District Council Land Use Consent for the Favona Decline project 85.050.326D.

(the additional licences, permits and consents).

(b) **Condition 2**

Condition 2 be amended as follows:

~~This consent shall not be exercised until such time as documentation is provided to the Hauraki District Council confirming that the holder of the additional licences, permits and consents listed in Condition 1 has provided permission for the holder of this consent to utilise those additional licences, permits and consents for the purpose of the operation of the Favona Underground Mine Project. If for any reason, the consent holder is unable to utilise the relevant parts of the additional licences, permits and consents in the exercise of this consent then activities in accordance with this consent shall cease until such time as all further necessary licences, permits and consents are obtained.~~

(c) **Condition 5**

Condition 5 be amended as follows:

All noise associated with the construction and use of the Favona Underground Mine Project (including associated activities of stockpiling and construction works) shall be measured at any point within ~~or close to or~~ at the boundary of any residentially zoned site or the notional boundary of any occupied rural dwelling site not owned by the consent holder or related Company, or not subject to an agreement with the consent holder or related Company as shown on Figure 2-3 of the Assessment of Environmental Effects (attached to this consent as Attachment A). In the event that a property is sold, and is not subject to an agreement between the consent holder (or related Company) and the purchaser, or in the event that there is no longer an agreement between the consent holder (or related Company) and the occupier of a rural



~~dwelling site, the measurement of noise shall revert to being measured at any point within or at or close to the boundary of the residentially zoned site or the notional boundary of the occupied rural site that property.~~

~~All~~The noise associated with the construction and use of the Favona Underground Mine Project shall be measured cumulatively with other noise emanating from the Exploration Decline (should this be operated simultaneously), all operations within the process plant, operations within the waste and tailings area, and the conveyor and associated activities over the periods specified below, and shall not exceed the following limits:

Monday-Friday	0700-2100	55dBA L ₁₀
Saturday	0700-1200	55dBA L ₁₀
All other times		40dBA L ₁₀
All nights	2100-0700 (the following day)	70dBA L _{max}

~~The noise from the Favona Underground Mine shall be measured cumulatively with other noise emanating from the Exploration Decline (should this be operated simultaneously), all operations within the process plant, operations within the waste and tailings area, and the conveyor and associated activities.~~

The measurement periods to determine the daytime L₁₀ shall be representative of any single working day (ie. 0700 – 2100 Monday to Friday, and 0700 – 1200 Saturday) and shall consist of at least three measurement periods of at least 15 minutes duration each, in any non consecutive 60-minute periods spread over the working day.

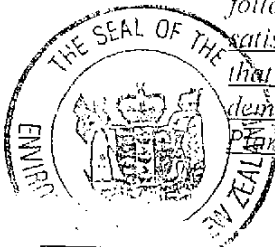
The daytime mean corrected noise level shall be calculated on an energy basis from the measurements and no single corrected measured level shall exceed the permitted mean level by more than 5dBA.

(NOTE: The term 'related Company' includes Waihi Mines Limited, Welcome Gold Mines Limited, Auag Resources Limited, Martha Mining Limited, Waihi Gold Mining Company Limited, and Waihi Gold Company Nominees Limited, ~~Otter Gold Mines Limited and Newmont~~)

(d) Condition 7

Condition 7 be amended as follows:

~~No~~ Before any operations shall take place on or in association with the polishing pond stockpile between the hours of 2100 hrs and 0700 hrs the following day the consent holder shall demonstrate in practice, to the satisfaction of the Manager – Planning and Environmental Services, that it is able to comply with condition 5. The process proposed to demonstrate compliance shall be included in the Noise Management Plan (Condition 10) and will require Council to obtain a report from the



liaison officer appointed under condition 40 as to complaints received and the steps taken in response.

~~(Note: The information to be provided to Council in support of a change to or cancellation of Condition 7 as provided by Section 127 of the Resource Management Act 1991, will need to be of sufficient detail and certainty to satisfy Council that the adverse effects of the activity on the environment will be minor and that no persons will be adversely affected by the change or cancellation sought. The matter of whether such a request would be dealt with on a notified or non-notified basis would be considered by Council at the time of the application.)~~

(e) **Condition 8**

Condition 8 be amended as follows:

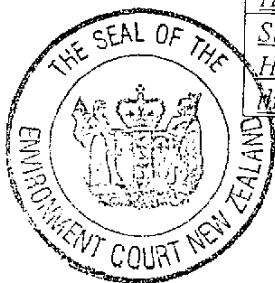
~~The consent holder shall establish maximum sound power levels for individual items of Favona Mine equipment and record these in the Noise Management Plan, and shall monitor all new equipment before it commences operation and for all items of equipment every six months. If the equipment exceeds the limits then it shall be maintained or treated to reduce noise. All equipment and machinery shall be regularly maintained to ensure compliance with the noise levels in Condition 5.~~

(f) **Condition 12**

Condition 12 be amended as follows:

The activity shall comply with the following standard.

Time	Maximum number of blast events per period	Maximum ground vibration level (instantaneous vector sum of velocity components) (95% design)
Monday to Saturday (0700 to 2100)	4 per day	56.0 mm/s
Monday to Saturday (2100 to 0700 <u>the following day</u>)	4 per period	1.0 mm/s
Sunday Public Holidays	4 per day	4.0 mm/s
Sundays & Public Holidays (0700 to 2100)	4	1.0mm/s
Sundays & Public Holidays (2100 to 0700 <u>the following day</u>)	4	1.0mm/s



Blast Event Duration:

Blast events involving:

- Production blasts only shall have a duration not more than 6 seconds:
- Development blasts only shall have a duration not more than 12 seconds:
- A combination of production and development blasts shall have a duration not more than 18 seconds.

(Note: Blast events of longer than the periods specified above are not permitted.)

A 'Blast Event' is defined as:

'An individual or number of linked individual blasts of not more than the total duration periods specified above. ~~a total duration period of 6 seconds.~~'

(Note: ~~Blast events of longer than a period of 6 seconds is not permitted.~~)

The maximum number of blast events does not include blast events necessary for safety and minor maintenance purposes, but the maximum ground vibration level of 1.0 mm/s standard shall apply.

The maximum ground vibration (instantaneous vector sum of velocity components) of 1.0mm/s shall apply to all maintenance blast events during the periods that this standard applies, as specified above.

(g) **Condition 14**

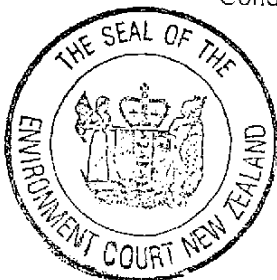
Condition 14 be deleted.

The deletion would result in consequential renumbering of the conditions of the consent, however to avoid confusion, the numbering of the original consent is retained.

(h) **Condition 20**

Condition 20 be amended as follows:

A roving monitor shall be deployed to record vibrations at locations the subject of ~~subjected to~~ effects and complaints.



(i) **Condition 21**

Condition 21 be amended as follows:

A complete record of each blast event shall be maintained. The record shall include:

- a) Types of measurement instrument used*
- b) Time and duration of the blast event*
- c) Location of the blasty event*
- d) Locations of monitoring positions*
- e) Distances from the blasty event to the monitoring position and nearest residence*
- ~~g)~~f) Distance from monitoring position to nearest residence*
- ~~h)~~g) Measured vibration levels*
- ~~i)~~h) Total amount of explosive used*
- ~~j)~~i) Delay sequence of the blast event*
- ~~k)~~j) Maximum instantaneous charge*
- ~~l)~~k) Volume of rock blasted*
- ~~m)~~l) Effects and Complaints (including the nature of effects for example rattling window, was the complainant awoken) and whether the Vibration Mitigation Action Process has been undertaken*
- m) Advice as to whether the blast was a safety or minor maintenance blast.*
- n) Design criteria not covered in Items a) to m) above.*

(j) **Condition 23**

Condition 23 be amended as follows:

The consent holder shall, at least 1 month prior to commencement of mining, but not until the results of blasting and community consultation associated with the Favona Exploration Decline Project and any consequential review of the consent conditions for the Favona Underground Mine Project have been completed, submit a vibration management plan for written approval by Council—the Manager – Planning and Environmental Services. The objective of the plan is to provide generic detail on how vibration consent condition compliance will be achieved for the duration of the Favona Underground Project. The Plan shall include a blasting programme that sets out in general terms the numbers, times (generally around shift changeovers), duration of blast events, coordination of development and production blasts into one blast event and steps to minimise the duration of blast events, records to be kept and mitigation actions to be implemented in the event of non compliance.



(k) *Condition 24*

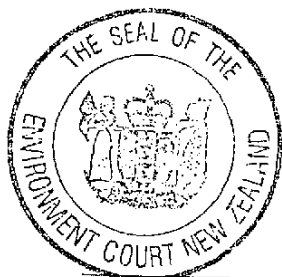
Delete all the text following the first paragraph of subparagraph c) to Condition 24 so that the condition reads:

- a) *No blasting operations shall be carried out without the written approval of the Favona Mine Manager. Before blasting commences the Favona Mine Manager shall ensure that the operations will not cause danger, damage and undue discomfort to any person nor danger and damage to property.*
- b) *In the event that blast monitoring shows that the vibration standards have been exceeded, the consent holder shall implement mitigation actions to ensure compliance. Possible mitigation actions include:*
- i) Limiting the rate of excavation advance*
 - ii) Reducing the blast hole diameter*
 - iii) Reducing the weight of explosive in the blast hole*
 - iv) Using alternative explosive types*
 - v) Using electronic delays to adjust sequencing*
 - vi) Decking*
 - vii) Changing the blast pattern*
 - viii) Drilling and blasting in two passes*
 - ix) Changing the method of mining.*
- c) *The consent holder shall provide a report to Council for each blast event where the measured vibration exceeds the specified maximum limits. The reports shall be submitted within five (5) days after the blast event and include the records listed in Condition 21 above and mitigation actions taken to limit subsequent blast vibrations to the maximum limits or less.*

~~*Further to the consent holder's Standard Operating Procedure for Complaints (attached to this consent as Attachment C), the following actions shall apply with respect to complaints resulting from vibration in the ground:*~~

- ~~*i) If residents from the same property make three (3) complaints to the consent holder and/or the Hauraki District Council, the Liaison Officer (refer to Condition 10) shall within two (2) working days from receipt of the last complaint or notice from Hauraki District Council, visit the complainant at the place where the vibration event was experienced. The Liaison Officer shall:*~~

- ~~*• identify and record causative factors (eg perceived vibration, windows rattling, cosmetic building damage);*~~



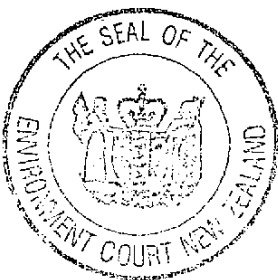
- ~~Document the visit;~~
- ~~Arrange for the roving monitor to measure two (2) blast event vibration levels within two (2) working days of the visit; and~~
- ~~Include vibration measurements in the complaint record.~~

~~Should monitoring indicate that vibration compliance levels are exceeded, blast design mitigation actions shall be implemented immediately in accordance with the requirements of Condition 24b) above.~~

- ii) ~~If residents from the same property make more than three (3) complaints to either the Hauraki District Council or the consent holder and previous vibration monitoring indicated compliance, the Liaison Officer shall within two (2) working days from receipt of the last complaint or notice from the Hauraki District Council, visit the complainant at the place where the vibration event was experienced. The Liaison Officer shall discuss with the complainant mitigation actions (eg fixing rattling windows) and implement these, subject to the complainant's approval. Should the complainant either disagree with the proposed actions or subsequently express dissatisfaction with the actions taken, the complainant shall be offered an endeavour at resolution of the matter through mediation.~~
- iii) ~~If three (3) or more different residences complain about any one blast event to either the Hauraki District Council or the consent holder, the Liaison Office shall visit each complainant and undertake the tasks set out in Action i) above.~~
- iv) ~~The consent holder shall provide a report to the Hauraki District Council detailing complaints, investigations and actions taken for Actions i), ii) and iii). Reports for Action ii) shall not include details of any mediation undertaken. Reports shall be submitted within ten (10) working days of the Liaison Officer's visit to the complainant.~~

d) The consent holder shall provide a summary report to Council at six (6) monthly intervals after commencement of this consent. The report shall include the following:

- i) Confirmation of actions taken during the previous reporting period



- ii) *All vibration related complaints received during the current reporting period and mitigation actions taken by the consent holder*
 - iii) *Results of vibration monitoring.*
- e) *Monitoring records, reports and complaint schedules shall be stored and maintained in a systematic manner. Storage shall be secure and maintained for 12 months after completion of all blasting at the underground mine. Records shall be available for perusal by the Health and Safety Inspector, Council and their representatives.*

(l) **Condition 25**

Condition 25 be amended by replacing the second subparagraph number "b)" with subparagraph number "c)".

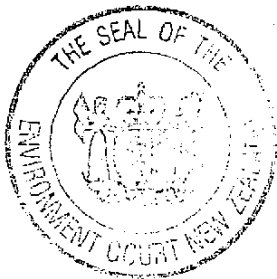
(m) **Condition 32**

Condition 32 be amended as follows:

Any night lighting established in the Project Area shall be installed, designed, located and shaded in order that the level of lighting measured at the boundary of any site not owned by the consent holder or related Company or not subject to an agreement with the consent holder or related Company, as shown on Figure 2-3 of the Assessment of Environmental Effects (appended to this consent as Attachment A), is no greater than 8.0 lux.

In the event that a property is sold, and is not subject to an agreement between the consent holder (or related Company) and the purchaser, or in the event that there is no longer an agreement between the consent holder (or related Company) and the occupier of a dwelling site, the measurement of night lighting shall revert to being on or close to the boundary of that property.

(NOTE: The term 'related Company' includes Waihi Mines Limited, Welcome Gold Mines Limited, Auag Resources Limited, Martha Mining Limited, Waihi Gold Mining Company Limited, and Waihi Gold Company Nominees Limited, ~~Otter Gold Mines Limited and Newmont~~)



(n) **Condition 40**

Condition 40 be amended by replacing the word "The" at the beginning of the last sentence of the condition, with the word "A", and inserting reference to "any replacement person" so that the entire condition reads:

*Prior to the exercising of this consent, the consent holder shall appoint a person (the 'Liaison Officer') and any replacement person subject to the approval of the Hauraki District Council and the Waikato Regional Council (the 'Councils') to liaise between the consent holder, the community and the Councils as set out in **Attachment C** to this consent. The Liaison Officer shall have sufficient delegated power to be able to deal immediately with complaints received and shall be required to investigate those complaints as soon as possible after receipt. ~~A~~The Liaison Officer shall be appointed for the duration of this project.*

(o) **Condition 42**

Condition 42 be amended by deleting the reference to condition 24 c) so that the condition reads:

The Standard Operating Procedure for Complaints and as amended by the Vibration Mitigation Action Process ~~Condition 24 e) above~~, shall be used for any complaints received from the community.

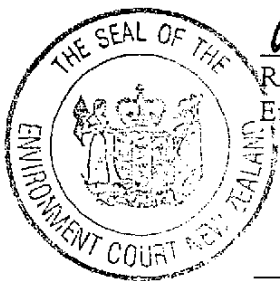
(p) **Condition 59**

Condition 59 be amended by the insertion of the reference to conditions 33-39 so that the condition reads:

Notwithstanding Condition 58 above, where Council elects to review Conditions 33 - 39 and 44 - 56 of this consent, such a review shall be undertaken with the agreement of, and in conjunction with, the Waikato Regional Council.

2. **THERE** is no order for costs.

DATED this *19th* day of *August*, 2004.



R J Bollard
R J Bollard
Environment Judge

CONDITIONS OF CONSENT (AS AGREED BETWEEN THE PARTIES)

Pursuant to the provisions of Sections 108 of the Resource Management Act 1991, the consent is subject to the following conditions:

General

1. This consent shall be exercised in accordance with the following additional licences, permits and consents where relevant:
 - Mining Licence ML 32 2388;
 - Variations to Mining Licence ML 32 2388;
 - Waikato Regional Council consents for the Martha Mine Extended Project;
 - Waikato Regional Council consents for the Favona Decline project 108554 & 108556;
 - Waikato Regional Council consents for the Favona Underground Mine project 109741, 109742, 109743, 109744, 109745 & 109746;
 - Authorities to destroy, damage or modify part of an archaeological site from the New Zealand Historic Places Trust;
 - Hauraki District Council Land Use Consent for the Martha Extended Project (97/98 – 105); and
 - Hauraki District Council Land Use Consent for the Favona Decline project 85.050.326.D.

(‘the additional licences, permits and consents’).

2. If for any reason, the consent holder is unable to utilise the relevant parts of additional licences, permits and consents in the exercise of this consent then activities in accordance with this consent shall cease until such time as all further necessary licences, permits and consents are obtained.
3. The development to be carried out in general accordance with the plans and information submitted in the application, but as amended by the conditions set out below.
4. The land use activities permitted under this consent for all activities relating to the Favona Underground Project within the Favona Underground Project Area (excluding the area alongside the Ohinemuri River and Black Hill that is zoned as ‘Reserve (Passive)’ in the Operative Hauraki District Plan), being the mining of the mineral resource through to the rehabilitation of the land and final mine closure, and associated facilities, include, but are not limited to the following activities:
 - Earthworks;
 - Mine development including construction and use of surface and underground facilities, drill drives, stockpiles, recesses, ventilation shaft(s) and ancillary buildings including offices;
 - Construction and use of haul and service roads;
 - Construction and use of noise bunds;
 - Construction and use of pipelines;
 - Storage and use of additional hazardous substances;



- Drilling and blasting;
- Underground mining 24hrs/day, 7 days/week;
- Modification/destruction of part of an archaeological site for construction of the polishing pond stockpile;
- Construction and use of temporary stockpiles for ore and waste, including the polishing pond stockpile;
- Backfilling stopes;
- Removal of surface ancillary facilities on the completion of the Project;
- Recontouring and rehabilitation of the land for pastoral use.

Noise

5. All noise associated with the construction and use of the Favona Underground Mine Project (including associated activities of stockpiling and construction works) shall be measured at any point within or at the boundary of any residentially zoned site or the notional boundary of any occupied rural dwelling site not owned by the consent holder or related Company, or not subject to an agreement with the consent holder or related Company as shown on Figure 2-3 of the Assessment of Environmental Effects (attached to this consent as **Attachment A**). In the event that a property is sold, and is not subject to an agreement between the consent holder (or related Company) and the purchaser, or in the event that there is no longer an agreement between the consent holder (or related Company) and the occupier, the measurement of noise shall revert to being measured at any point within or at the boundary of the residentially zoned site or the notional boundary of the occupied rural site.

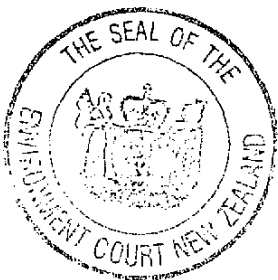
The noise associated with the construction and use of the Favona Underground Mine Project shall be measured cumulatively with other noise emanating from the Exploration Decline (should this be operated simultaneously), all operations within the process plant, operations within the waste and tailings area, and the conveyor and associated activities over the periods specified below, and shall not exceed the following limits:

Monday-Friday	0700-2100	55dBA L ₁₀	
Saturday	0700-1200	55dBA L ₁₀	
All other times		40dBA L ₁₀	
All nights	2100-0700 (the following day)	70dBA	L _{max}

The measurement periods to determine the daytime L₁₀ shall be representative of any single working day (ie 0700 – 2100 Monday to Friday, and 0700 – 1200 Saturday) and shall consist of at least three measurement periods of at least 15 minutes duration each, in any non consecutive 60-minute periods spread over the working day.

The daytime mean corrected noise level shall be calculated on an energy basis from the measurements and no single corrected measured level shall exceed the permitted mean level by more than 5dBA.

(NOTE: The term 'related Company' includes Waihi Mines Limited, Welcome Gold Mines Limited, Auag Resources Limited, Martha Mining



Limited, Waihi Gold Mining Company Limited, and Waihi Gold Company Nominees Limited.)

6. Subject to the express provisions of Condition 5, the noise levels shall be measured and assessed in accordance with the requirements of the New Zealand Standards NZS6801:1999 Measurement of Environmental Sound and NZS6802:1991 Assessment of Environmental Sound.
7. Before any operations take place on or in association with the polishing pond stockpile between the hours of 2100 hrs and 0700 hrs the following day the consent holder shall demonstrate in practice, to the satisfaction of the Manager – Planning and Environmental Services, that it is able to comply with Condition 5. The process proposed to demonstrate compliance shall be included in the Noise Management Plan (Condition 10) and will require Council to obtain a report from the liaison officer appointed under Condition 40 as to complaints received and the steps taken in response.
8. The consent holder shall establish maximum sound power levels for individual items of Favona Mine equipment and record these in the noise management plan. All equipment and machinery shall be regularly maintained to ensure compliance with the noise levels in Condition 5.
9. Monitoring and Reporting

Unless it can be demonstrated that adverse weather conditions prevented noise monitoring on each day of the seven day period, the consent holder shall monitor noise levels at weekly intervals during any construction of buildings, haul and access roads, any noise bunds and the vent shaft riser and during stockpile site preparation works. In addition and unless it can be demonstrated that adverse weather conditions prevented noise monitoring on each day of the seven day period the consent holder shall monitor noise levels at weekly intervals for the first six months of production operations and, if the monitoring demonstrates compliance with the noise limits, thereafter at intervals not exceeding 3 months. In the event that noise limits are exceeded then monitoring shall continue at weekly intervals while steps are undertaken to remedy the situation. Such measures shall be implemented immediately.

Records of all noise monitoring shall be maintained and provided to Council on request.

Representative noise levels shall be measured and assessed in accordance with the methods specified in Condition 6, and as set out in the Noise Management Plan (Condition 10).

The consent holder shall, unless otherwise directed to do so by Council following consultation with the consent holder, provide a summary report to the Council at the end of each 3 month period from commencement of work to completion of the project (ie once all rehabilitation has been completed) on the following:

- i) Results of the noise monitoring;



- ii) Any complaints received during the previous 3 month period, action taken by the consent holder and the resolution (if any); and
- iii) Any other matters of concern raised with the consent holder.

10. Noise Management Plan

The consent holder shall, 1 month prior to the exercising of this consent, prepare a noise management plan to the satisfaction of the Manager Environment and Planning. The objective of this plan is to detail the methods to be used to comply with Conditions 5, 6, 7, 8 & 9.

Blasting and Vibration

Ground vibration

11. The activity shall comply with Rule 9.4.3 of the Operative Hauraki District Plan including Standard 9.4.3.3A - Continuous Vibration and Standard 9.4.3.3B – Impulsive Vibration from Blasting, as amended by Condition 12 below.

(NOTE: The magnitudes of vibrations from Favona Underground Mine Project activities may be increased by the concurrent Favona Exploration Decline Project and Martha Mine activities. In terms of the Operative Hauraki District Plan, Rule 9.4.2, vibrations from sources other than the Favona Underground Mine Project activities are background vibrations and are additive to vibrations from the Favona Underground Mine Project.)

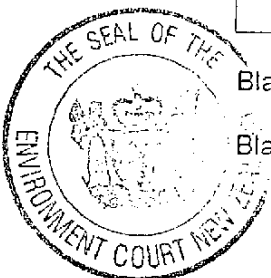
Impulsive Vibration from Blasting

12. The activity shall comply with the following standard.

Time	Maximum number of blast events per period	Maximum ground vibration level (instantaneous vector sum of velocity components) (95% design)
Monday to Saturday (0700 to 2100)	4	6.0 mm/s
Monday to Saturday (2100 to 0700 the following day)	4	1.0 mm/s
Sundays & Public Holidays (0700 to 2100)	4	1.0mm/s
Sundays & Public Holidays (2100 to 0700 the following day)	4	1.0mm/s

Blast Event Duration:

Blast events involving:



- Production blasts only shall have a duration not more than 6 seconds;
- Development blasts only shall have a duration not more than 12 seconds;
- A combination of production and development blasts shall have a duration not more than 18 seconds.

(Note: Blast events of longer than the periods specified above are not permitted.)

A 'Blast Event' is defined as:

"An individual or number of linked individual blasts of not more than the total duration periods specified above."

The maximum number of blast events does not include blast events necessary for safety and minor maintenance purposes.

The maximum ground vibration (instantaneous vector sum of velocity components) of 1.0mm/s shall apply to all maintenance blast events during the periods that this standard applies, as specified above.

13. The consent holder shall ensure that blast events at the Favona Mine shall not coincide with blast events at the Martha Mine.
14. Deleted

Monitoring

15. Impulsive vibration from all blast events shall be monitored.
16. The monitoring system shall be automated to allow for the immediate analysis of each blast event.
17. Suitably trained personnel shall conduct monitoring. Equipment used for monitoring, equipment calibration and vibration measurement procedures shall comply with the current Australian Standard AS2187.2 (or equivalent international standards) and equipment manufacturers' recommendations.
18. Monitoring locations shall be at the three (3) locations shown on Plate C – Amended (dated 20 November 2003) prepared by Heilig & Partners Pty Ltd, appended to this consent as **Attachment B**.

The monitoring position shall be the point at or within the residence boundary nearest the project area. The monitoring position shall not be on or inside a building or other structure.

19. Before blasting starts, and provided the property owner consents, the consent holder shall complete a structural condition survey for each of the 3 properties selected for monitoring. The survey shall be carried out by an independent structural engineer suitably qualified and experienced in domestic building design and construction. The survey report shall include a visual inspection and video record of all existing built surfaces and defects including concrete accessways.



20. A roving monitor shall be deployed to record vibrations at locations the subject of complaints.
21. A complete record of each blast event shall be maintained. The record shall include:
- a) Types of measurement instrument used
 - b) Time and duration of blast event
 - c) Location of blasts
 - d) Locations of monitoring positions
 - e) Distances from the blasts to the monitoring position and nearest residence
 - f) Distance from monitoring position to nearest residence
 - g) Measured vibration levels
 - h) Total amount of explosive used
 - i) Delay sequence of the blast event
 - j) Maximum instantaneous charge
 - k) Volume of rock blasted
 - l) Complaints (including the nature of effects for example rattling window, was the complainant awoken) and whether the Vibration Mitigation Action Process has been undertaken.
 - m) Advice as to whether the blast was a safety or minor maintenance blast.
 - n) Design criteria not covered in Items a) to m) above.

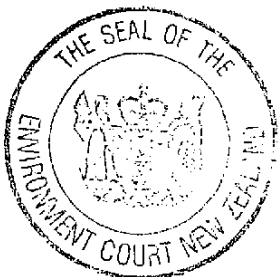
Health and Safety

22. All blasting and material storage and handling shall be carried out so as to ensure the safety of persons in the Favona Project Area and adjacent area. The Health and Safety in Employment Act, 1992, the Health and Safety in Employment (Mining Underground) Regulations, 1999 shall be complied with.

The consent holder shall notify the Health and Safety Inspector of the blasting procedures to be employed and of any changes to the procedures.

Vibration Management Plan

23. The consent holder shall, at least 1 month prior to commencement of mining, but not until the results of blasting and community consultation associated with the Favona Exploration Decline Project and any consequential review of the consent conditions for the Favona Underground Mine Project have been completed, submit a vibration management plan for written approval by the Manager – Planning and Environmental Services. The objective of the plan is to provide generic detail on how vibration consent condition compliance will be achieved for the duration of the Favona Underground Project. The Plan shall include a blasting programme that sets out in general terms the numbers, times (generally around shift changeovers), duration of blast events, coordination of development and production blasts into one blast event and steps to minimise the duration of blast events, records to be kept and mitigation actions to be implemented in the event of non compliance.

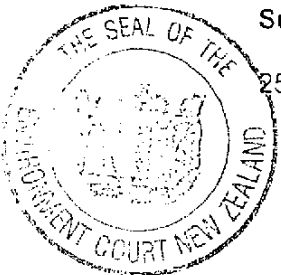


Management and Reporting

24. a) No blasting operations shall be carried out without the written approval of the Favona Mine Manager. Before blasting commences the Favona Mine Manager shall ensure that the operations will not cause danger, damage and undue discomfort to any person nor danger and damage to property
- b) In the event that blast monitoring shows that the vibration standards have been exceeded, the consent holder shall implement mitigation actions to ensure compliance. Possible mitigation actions include:
- i) Limiting the rate of excavation advance
 - ii) Reducing the blast hole diameter
 - iii) Reducing the weight of explosive in the blast hole
 - iv) Using alternative explosive types
 - v) Using electronic delays to adjust sequencing
 - vi) Decking
 - vii) Changing the blast pattern
 - viii) Drilling and blasting in two passes
 - ix) Changing the method of mining.
- c) The consent holder shall provide a report to Council for each blast event where the measured vibration exceeds the specified maximum limits. The reports shall be submitted within five (5) days after the blast event and include the records listed in Condition 21 above and mitigation actions taken to limit subsequent blast vibrations to the maximum limits or less.
- d) The consent holder shall provide a summary report to Council at six (6) monthly intervals after commencement of this consent. The report shall include the following:
- i) Confirmation of actions taken during the previous reporting period
 - ii) All vibration related complaints received during the current reporting period and mitigation actions taken by the consent holder
 - iii) Results of vibration monitoring.
- e) Monitoring records, reports and complaint schedules shall be stored and maintained in a systematic manner. Storage shall be secure and maintained for 12 months after completion of all blasting at the underground mine. Records shall be available for perusal by the Health and Safety Inspector, Council and their representatives.

Subsidence

25. The consent holder shall provide to the Hauraki District Council on an annual basis (within one month of the agreed anniversary) a report:



- a) Describing the location, depth and height of completed unfilled stopes;
- b) Describing the backfilling and compaction associated with each stope; and
- c) Ground conditions revealed by the mine excavations;

Landscape/Visual

- 26. Mitigation screen planting shall be undertaken in the two locations shown on Figure 3 of Technical Report 2, submitted as part of the application to which this consent relates.
- 27. All landscaping, screen planting, rehabilitation planting and mitigation planting shall be maintained in a satisfactory manner while the activity is in operation. Once a continuous canopy or screen shelter row has been established, this maintenance shall include replanting of any gaps created by death or damage of trees, in order to allow a continuous canopy to re-establish.

Archaeology

- 28. The consent holder shall comply with the Standard Operating Procedure Archaeological Finds in relation to the discovery of any archaeological feature as set out in **Attachment D** attached to this consent.

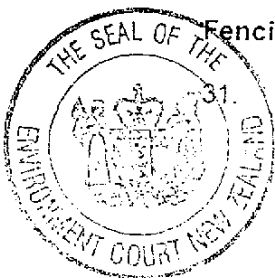
Rehabilitation

- 29. The consent holder shall prepare a Rehabilitation Plan covering all areas that may be affected by the Favona Underground Mine. This Plan shall be submitted to the Council for written approval prior to the exercise of this consent. The Plan shall set out details on flooding of the mine, plugging of the decline, landscaping, rehabilitation of the polishing pond stockpile area, planting, fencing, and ongoing maintenance and may be the same Plan that is required as a condition of the consents granted by the Waikato Regional Council (see note below). The Plan shall be consistent with and complement the Rehabilitation Plan prepared for the Martha consents.
- 30. The consent holder may amend the Plan at any time. No amendments shall be made to the Plan without the written approval of Council. Unless otherwise agreed in writing by the Council, the consent holder shall undertake the rehabilitation works in accordance with the most recent version of the approved Rehabilitation Plan.

(Note : Conditions 29 & 30 are complementary to Condition 4 of Schedule One – General Consents granted by the Waikato Regional Council)

Fencing

- 31. The consent holder shall provide and maintain a secure fence around the Favona Mine portal, surface facilities area and any other area required to be fenced for public safety purposes.



Lighting

32. Any night lighting established in the Project Area shall be installed, designed, located and shaded in order that the level of lighting measured at the boundary of any site not owned by the consent holder or related Company or not subject to an agreement with the consent holder or related Company, as shown on Figure 2-3 of the Assessment of Environmental Effects (appended to this consent as **Attachment A**), is no greater than 8.0 lux.

In the event that a property is sold, and is not subject to an agreement between the consent holder (or related Company) and the purchaser, or in the event that there is no longer an agreement between the consent holder (or related Company) and the occupier of a dwelling site, the measurement of night lighting shall revert to being on or close to the boundary of that property.

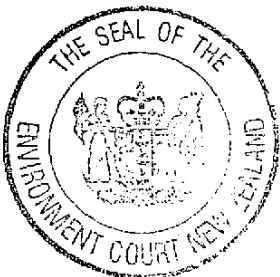
(NOTE: The term 'related Company' includes Waihi Mines Limited, Welcome Gold Mines Limited, Auag Resources Limited, Martha Mining Limited, Waihi Gold Mining Company Limited, and Waihi Gold Company Nominees Limited.)

Settlement and De-watering Monitoring Plan

33. Prior to exercise of this consent, the consent holder shall prepare, and submit to the Council for its written approval, a Settlement and De-watering Monitoring Plan (referred to as 'the Plan' in the following Conditions 34 – 38). The purpose of this Plan is to monitor and assess the effects of the activities on land settlement, and the groundwater hydraulic regime, and also to detail the contingency measures that will be actioned should groundwater or surface settlement triggers be exceeded.
34. The Plan shall, as a minimum, provide an overall description of the groundwater and settlement monitoring system and the measures to be adopted, including contingency measures, to meet the objectives of the groundwater and settlement management system, as proposed in the consent application. The monitoring regime shall be designed to assess the effects of:
- a) Mine dewatering on the regional groundwater system; and
 - b) Mine de-watering on settlement.
35. Final details of the monitoring locations are to be agreed with the Council. The Plan shall also provide trigger limits that will initiate the implementation of contingency mitigation and/or monitoring measures and shall detail any linkages with the Martha pit operation.

The Plan shall be consistent with the recommendations included in the report to the Council entitled;

"Proposed Favona Underground Mine – Review of Groundwater Assessment" dated October 2003 and prepared by Pattle Delamore Partners.

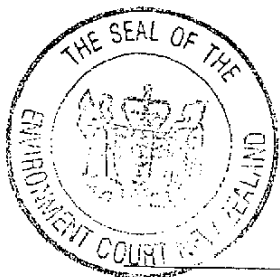


36. The exercise of this consent shall be in accordance with the Plan as approved by the Council. The Plan shall be reviewed, and updated as necessary by the consent holder, but at least once every two years. Any updated Plan shall be promptly forwarded to the Council for approval and following approval the updated Plan shall be implemented in place of the previous version.
37. In the event of any conflict or inconsistency between the conditions of this consent and the provisions of the Settlement and De-watering Monitoring Plan, then the conditions of this consent shall prevail.
38. In the event that a tilt greater than 1 in 1000 occurs between any two network monitoring locations, installed in accordance with the Settlement and De-watering Monitoring Plan required pursuant to the conditions above, or if there is a significant variance from the predicted settlement rates, the consent holder shall notify the Council in writing, within 20 working days of receiving the results of the monitoring. The consent holder shall then:
 - a) Explain the cause of the non-conformance;
 - b) Agree with the Council the appropriate settlement contingency measures to be implemented as described;
 - c) Implement settlement contingency measures as agreed with Council; and
 - d) Advise the Council on the steps the consent holder proposes to take in order to prevent any further occurrence of the situation.

Settlement and De-watering Monitoring Report

39. The consent holder shall provide to the Council an annual Settlement and De-watering Monitoring Report. The report shall include at least the following information:
 - a) The volume of groundwater abstracted;
 - b) The data from monitoring undertaken during the previous year including groundwater contour plans (derived from the data) in respect of the piezometer network;
 - c) An interpretation and analysis of the monitoring data, in particular any change in the groundwater profile over the previous year, predictions of future impacts that may arise as a result of any trends that have been identified including review of the predicted post closure effects based on actual monitoring data, and what contingency actions, if any, the consent holder proposes to take in response to those predictions. This analysis shall be undertaken by a party appropriately experienced and qualified to assess the information;
 - d) Any contingency actions that may have been taken during the year; and
 - e) Comment on compliance with Conditions 33 - 38 of this consent including any reasons for non-compliance or difficulties in achieving conformance with the conditions of this consent.

The report shall be forwarded in a format acceptable to the Council.



(Note : Conditions 33 to 39 above are complementary to Condition 2 of Schedule Two - General Conditions to the Waikato Regional Council consents)

Community Liaison

Liaison Officer

40. Prior to the exercising of this consent, the consent holder shall appoint a person (the 'Liaison Officer') and any replacement person subject to the approval of the Hauraki District Council and the Waikato Regional Council (the 'Councils') to liaise between the consent holder, the community and the Councils as set out in **Attachment C** to this consent. The Liaison Officer shall have sufficient delegated power to be able to deal immediately with complaints received and shall be required to investigate those complaints as soon as possible after receipt. A Liaison Officer shall be appointed for the duration of this project.
41. The name of the Liaison Officer together with the contact phone numbers for that person shall be publicly notified in local newspapers by the consent holder prior to the exercising of this consent and at least once a year thereafter.

Complaints Procedure

42. The Standard Operating Procedure for Complaints and as amended by the Vibration Mitigation Action Process shall be used for any complaints received from the community.

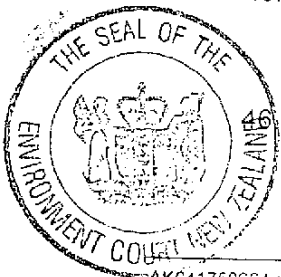
Term

43. This consent is for an unlimited term.

Bond

44. Unless otherwise agreed in writing by the Hauraki District Council and the Waikato Regional Council (the "Councils"), the consent holder shall provide and maintain in favour of the Councils a rehabilitation bond to:
 - a) Secure compliance with the conditions of this consent and to enable any adverse effect on the environment resulting from the consent holder's activities and not authorised by a resource consent to be avoided, remedied, or mitigated;
 - b) Secure the completion of rehabilitation and closure of the activities authorised by this consent in accordance with the approved Rehabilitation Plan; and
 - c) Ensure the performance of any monitoring obligations of the consent holder under this consent.
45. The bond shall be in a form approved by the Councils and shall, subject to these conditions, be on the terms and conditions required by the Councils.

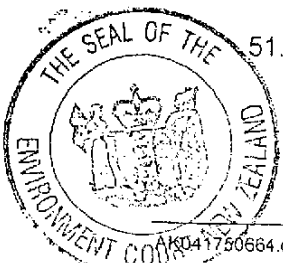
The bond shall provide that the consent holder remains liable under the Resource Management Act 1991 for any breach of the conditions of



consent which occurs during the exercise of this consent and for any adverse effects on the environment which become apparent during or after the exercise of the consent.

47. Unless the bond is a cash bond, the performance of all of the conditions of the bond shall be guaranteed by a guarantor acceptable to the Councils. The guarantor shall bind itself to pay for the carrying out and completion of any condition in the event of any default of the consent holder, or any occurrence of any adverse environmental effect requiring remedy.
48. The amount of the bond shall be fixed prior to the exercise of this consent and thereafter at least annually by the Councils who shall take into account any calculations and other matters submitted by the consent holder which are relevant to the determination of the amount. The amount of the bond shall be advised in writing to the consent holder at least one month prior to the review date.
49. The amount of the bond shall include:
 - a) The estimated costs (including any contingencies necessary) of rehabilitation and closure in accordance with the conditions of this consent, on completion of the operations proposed for the next year;
 - b) Any further sum which the Councils consider necessary to allow for remedying any adverse effect on the environment that may arise from the exercise of this consent;
 - c) The estimated costs of monitoring, in accordance with the monitoring conditions of this consent; and
 - d) Any further sum which the Councils consider necessary for monitoring any adverse effect on the environment that may arise from the exercise of this consent including monitoring anything which is done to avoid, remedy, or mitigate an adverse effect.
50. Should the consent holder not agree with the amount of the bond fixed by the Councils then the matter shall be referred to arbitration in accordance with the provisions of the Arbitration Act 1996. Arbitration shall be commenced by written notice by the consent holder to each of the Councils advising that the amount of the bond is disputed, such notice to be given by the consent holder within two weeks of notification of the amount of the rehabilitation bond. If the parties cannot agree upon an arbitrator within a week of receiving the notice from the consent holder, then an arbitrator shall be appointed by the President of the Institute of Professional Engineers of New Zealand. Such arbitrator shall give an award in writing within 30 days after his or her appointment, unless the consent holder and the Councils agree that time shall be extended. The parties shall bear their own costs in connection with the arbitration. In all other respects, the provisions of the Arbitration Act 1996 shall apply. Pending the outcome of that arbitration, and subject to Condition 51, the existing bond shall continue in force. That sum shall be adjusted in accordance with the arbitration determination.

51. If, for any reason other than default of the Councils, the decision of the arbitrator is not made available by the 30th day referred to above, then the amount of the bond shall be the sum fixed by the Councils, until such



time as the arbitrator does make his/her decision. At that stage the new amount shall apply. The consent holder shall not exercise this consent if the variation of the existing bond or new bond is not provided in accordance with this condition.

52. The bond may be varied, cancelled, or renewed at any time by agreement between the consent holder and the Councils provided that cancellation will not be agreed to unless a further or new bond acceptable to the Councils is available to replace immediately that which is to be cancelled (subject however to the condition below as to release of the bond on the completion of the rehabilitation).
53. The Councils shall release the bond on the completion of the rehabilitation. This means when the rehabilitation has been completed in accordance with the approved Rehabilitation Plan and demonstrated to be successful, to the satisfaction of the Councils
54. All costs relating to the bond shall be paid by the consent holder.
55. This consent shall not commence unless and until the consent holder provides the bond to the Councils.
56. These conditions form an integrated whole and are not severable.

(Notes:

1. *The bond covers only those elements of the Favona Underground Mine not already subject to the rehabilitation bond imposed by the land use and resource consents granted for the Martha Mine Extended Project.*
2. *Conditions 44 to 56 above are complementary to Conditions 6.1 to 6.13 of Schedule One - General Conditions to the Waikato Regional Council consents)*

Administrative Charges

57. The consent holder shall pay to the Hauraki District Council any administrative charge fixed in accordance with Section 36 of the Resource Management Act 1991, or any charge prescribed in accordance with regulations made under Section 360 of the Resource Management Act 1991.

Review of Conditions

58. Pursuant to Section 128(1)(a)(i) and (iii) of the Resource Management Act 1991, the Council may review any or all of the conditions of this consent for the purpose of dealing with any adverse effects on the environment arising from the exercise of the consent and for the review of the appropriateness of the monitoring requirements required by the consent:

- 3 months from the commencement of this consent; and
- At 6 monthly intervals thereafter.

Such a review shall only be commenced after consultation between the consent holder and Council.



59. Notwithstanding Condition 58 above, where Council elects to review Conditions 33 - 39 and 44 - 56 of this consent, such a review shall be undertaken with the agreement of, and in conjunction with, the Waikato Regional Council.
60. Pursuant to Section 127(1) of the Resource Management Act 1991, the consent holder may apply to the Council at any time after the grant of this consent for a change or cancellation of any condition of the consent. Such an application shall only be made after consultation between the consent holder and the Council.

