

Before the Waikato Regional
and Hauraki District Councils

Under the Resource Management Act 1991 (**RMA**)

In the matter of An application for resource consents to extend the Waihi Gold Mine via underground and open pit mining methods known as Project Martha

By **Oceana Gold (New Zealand) Limited**
Applicant

Statement of evidence of Kerry Watson for Oceana Gold (New Zealand) Limited

29 October 2018

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Qualifications and experience

- 1 My name is Kerry Watson.
- 2 I am employed by OceanaGold Corporation as Corporate Environment Manager, based in Brisbane. I have been in this role since earlier this year. Prior to that I was employed by OceanaGold (New Zealand) Limited (**OGNZL**) as Manager Health, Safety, Environment and Community (**Manager HSEC**) for the Waihi Operation. Prior to OGNZL purchasing the Waihi Operation I was the Environmental Manager for Newmont, the previous owner. In these operational roles I was responsible for the operations health, safety, environment and community portfolios. These roles saw me managing the Company's Waihi interests in regulatory compliance, resource consent applications, district and regional plans/policy statements, legislation development, closure and rehabilitation programmes, stakeholder engagement, Health, Safety, Environment and Community Management System and coordination of the health and safety management.
- 3 Prior to taking up the preceding positions, I was the Environmental Manager for TrustPower, a position I held for approximately four and a half years. This role saw me managing the Company's interests in resource consent applications, district and regional plans/policy statements, legislation, project optimisation, Treaty of Waitangi matters, environmental compliance and hazardous substance programmes. During this time I managed a number of large and medium sized consent processes. I was also involved in numerous local and regional authority planning processes, national policy statements, national environmental standards, and legislation reform.
- 4 Prior to this role I was a Detective Constable with the Criminal Investigation Branch of the New Zealand Police and a secondary school teacher.
- 5 In respect to this application, my team and I have been responsible for the day to day co-ordination of the consent application phase. For the previous mining application for the Correnso Underground mine I fulfilled a similar role.
- 6 It is important to note that this evidence is not technical evidence and is given in my capacity as an employee of OceanaGold. The witnesses that follow will present technical evidence in support of this application.

Scope of Evidence

- 7 One of my most important tasks as Manager HSEC was to take a lead role in managing first Newmont and then OGNZL's relationships with local Iwi who had cultural associations with, and responsibilities for, areas where mining activities take place. While my new position means that I have various responsibilities

across all of the OceanaGold Group's activities, I continue to be closely involved in Waihi, and in particular in OGNZL's work with Iwi.

- 8 The purpose of my evidence is to describe the work that has been done to date to build trust and increase understanding between Iwi and the Mine, and also to discuss the ways in which the resource consents for Project Martha will contain conditions that recognise and provide for the relationship of Iwi with the whenua (land) and wai (water) that are impacted by mining in Waihi.

Discussion

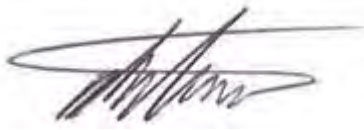
- 9 In the past, the relationship between Iwi and the mining company has not always been as good as it could be. Iwi have found it difficult to find effective ways to have their voices heard, and the mine has sometimes fallen short in the way it has approached Iwi, both in terms of seeking to understand Iwi's perspectives and values, and then looking for ways to provide for those values as mining has progressed. As a result Iwi have not always had a good understanding of the nature of the mining process, and how things might be able to be managed to better reflect cultural values.
- 10 In recent years both Iwi and the mining company have done much better in establishing and maintaining respectful and productive relationships. While we do not always agree on everything we each work hard to increase our understanding of the other's perspective and are able to work together in a constructive and respectful way.
- 11 While a number of Iwi have cultural associations and responsibilities as kaitiaki in relation to Pukewa (Martha Hill) and surrounding areas, it is Ngati Hako that in recent years has been most active in engaging with the mine to ensure that the interests and responsibilities of tangata whenua are better understood and reflected in the way the mine is operated.
- 12 I have learned much about the importance of Pukewa to local Iwi, and in particular to Ngati Hako, through my many conversations with Pauline Clarkin and other members of Ngati Hako over the years.
- 13 I understand that Pukewa is a taonga, and that a particular concern for Ngati Hako is the ongoing mining of the Martha Pit.
- 14 A concern is that to date there has never been a known stage of pit development or point in time when Ngati Hako has known that mining will end, and Pukewa will rest.
- 15 Because of this uncertainty, ongoing mining of the Martha Pit without any 'end point' adversely affects the mauri of Pukewa, who are frustrated in their inability to

properly exercise their responsibilities as kaitiaki of the maunga while mining continues with no confidence around it ending.

- 16 In the past, the mining company has been reluctant or unable to provide a definitive 'end point' for mining of the open pit. The reasons for this principally relate to the ongoing nature of mineral exploration, and the economics of mine development. In essence, progressive stages in pit development have not exhausted the mineral resource, and as further exploration and resource evaluation is undertaken additional pit development opportunities have been identified.
- 17 OGNZL does not intend that this process will continue indefinitely. There are two factors that feed into this. First, the development of the Martha Underground mine as part of Project Martha means that the company will be accessing much of the best ore that sits below the pit by underground mining methods rather than by expanding the pit.
- 18 Second, OGNZL is in active discussion with Ngati Hako to develop a mutually acceptable mechanism to give Iwi certainty that there is an 'end point' to mining of the pit. Those discussions are confidential and commercially sensitive. They are well advanced and I am confident that we will achieve an agreed position.
- 19 The pit development proposed as part of Project Martha does not impact on these discussions, and does not conflict with them.
- 20 While work is ongoing to realise a shared understanding of an end-point for mining in the pit, there are cultural effects from the ongoing mining, including the new activities proposed as Project Martha, that need to be managed.
- 21 As part of the negotiations on the appropriate consent conditions for underground mining at Correnso (this was the process undertaken to resolve appeals from the larger Golden Link Proposal which was declined consents), a number of initiatives were included that were designed to address the cultural issues arising from both underground mining and ongoing mining of the Martha Pit.
- 22 These initiatives comprised the establishment of a Cultural Awareness Programme, the development of a Cultural Balance Monitoring Plan, the establishment of an Iwi Advisory Group, and the requirement to provide to the consent authority an Annual Consultation Report.
- 23 From my discussions with Iwi, and from my own observations, I believe these measures have generally been effective. We propose to continue with them, and appropriate conditions are proposed for the Project Martha land use consent as discussed in Richard Turner's evidence.

- 24 The Cultural Awareness Programme has been a particular success, and is something OGNZL is very keen to see continue. This is a training and awareness programme to which all mine staff and permanent contractors are required to attend. The Programme was developed and approved by the Iwi Liaison Group and presented by Ngati Hako, and helps staff and contractors gain a much greater appreciation of the Maori world view and how mining is viewed through that lens. This training is run over 6 – 8hours depending on the level of discussion during the training.
- 25 The Cultural Balance Monitoring Plan is designed to plan and implement collaborative measures to restore and enhance the mauri of Pukewa and surrounding areas. Initial development of this plan requires the identification of cultural values and suggestions for restoration and enhancement of mauri, and appropriately rests with Iwi. The timing of this is not something that OGNZL can dictate. That said, I understand that Ngati Hako has undertaken considerable work in developing a draft plan, and wishes to see the plan finalised and implemented. OGNZL shares that view. A challenge appears to be that other Iwi with an interest in Pukewa are not actively engaged in the process. At the time of writing this evidence I am in discussions with Ngati Hako to see if we can reach agreed changes to the proposed consent conditions in relation to the Cultural Balance Plan to address the concerns they have raised regarding the finalisation of the report.
- 26 The Iwi Advisory Group requirement provides a 6-monthly forum to discuss issues of interest of concern that Iwi may have in relation to mining activities. I believe this Forum has worked well. Ngati Hako has expressed an interest in understanding more of the work that the independent Peer Review Panel does to assist in ensuring that all the work OGNZL does relating to the design, construction, operation and rehabilitation of the pit and underground mines complies with the requirements of the resource consents. At the time of writing this evidence I am in discussions with Ngati Hako to see if we can reach agreed changes to the proposed consent conditions in relation to the Peer Review Panel and process to address the concerns they have raised. The annual Iwi Consultation Report process appears to be working well and I do not propose any changes to the current consent requirement.
- 27 I understand that Ngati Hako have some questions or reservations in relation to OGNZL's proposal to increase the amount of water that may be taken from the Ohinemuri River to accelerate the filling of the pit lake once mining has ended. At the time of writing this evidence I am in discussions with Ngati Hako to see if we can agree a path forward to address the concerns they have raised.
- 28 I have commenced discussions with Pauline Clarkin about these matters. We will update the hearing panel on our progress at the hearing.

29 In conclusion, I would like to record my thanks to Pauline Clarkin in particular for her willingness on behalf of Ngati Hako to be in a constructive relationship with OGNZL. I appreciate that dealing with ongoing mining of Pukewa is challenging from a cultural and personal perspective, and I am grateful that Ngati Hako has chosen to offer the company the collaborative path it has in recent years. I know that I personally have gained a lot of insight and awareness through working with Pauline and Ngati Hako, and I believe that view is shared widely within OGNZL. OGNZL remains committed to working closely with Ngati Hako, and with other Iwi who wish to be engaged in dialogue with us, to achieve a future that is seen as positive for all parties.

A handwritten signature in black ink, appearing to read 'Kerry Watson', with a large, sweeping flourish extending to the left.

Kerry Watson

29 October 2018