



HISTORY OF MINING AND CLOSURE AT JUNCTION REEFS

Gold was discovered in the Belubula River 13 kilometres downstream of Junction Reefs in the early 1870s and was traced to the Junction Reefs area where hard rock mining soon commenced.

From 1886, a number of companies mined the gold bearing ore in three ore-bodies now known as Sheahan-Grants, Frenchmans, and Cornishmens. Mining virtually ceased in 1938 with only mining of the odd underground remnant and sporadic open pitting continuing until 1954.

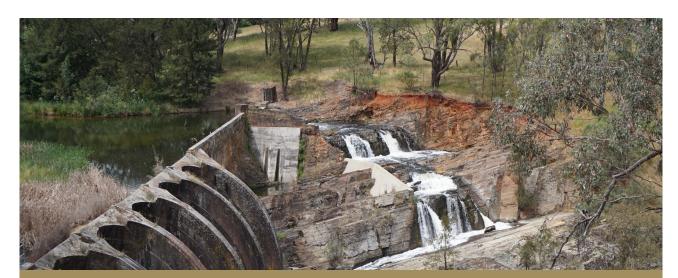


1987 - 1996

The most recent phase of mining at Junction Reefs was approved in February 1987 to the joint venture partners Climax Mining Limited (Climax) and Cyprus Minerals Australia.

The project initially involved the construction and operation of an open cut gold mine at the Sheahan-Grants pit and was subsequently expanded to the Frenchmans, Cornishmens, Glendale and Glendale North Pits for the extraction of arsenic, copper, gold, lead, silver and zinc.

Between July 1987 and late 1995 the mine was constructed, operated, and closed. The last ore was mined on site from the Glendale Pit on 31 August 1995 and the last ore processed on site on 14 October 1995 producing 3,244,058 tonnes of ore from the open pits and 225,396 ounces of gold. The process plant was then decommissioned in November 1995. All plant, equipment and buildings, other than the administration office (retained for rehabilitation purposes) were auctioned in early 1996 and the site cleared by mid-1996.







1996 - 2006

Progressive rehabilitation on site was undertaken between 1995 and 2001, and further extensive rehabilitation works occurred between 2001 and 2006. Key site rehabilitation activities during that period included:

Decommissioning and removal of site infrastructure

Back filling the Sheahan-Grants pit with tailings, capping the pit with inert waste rock, constructing surface drainage controls and revegetating the surface

Capping the main tailing storage facility with inert waste rock, constructing surface drainage controls and revegetating the surface

Contouring, capping and revegetating the waste rock storage area, constructing surface drainage controls and revegetating the surface

Backfilling the Cornishmens pit, shaping the area, constructing surface drainage controls and revegetating the surface

Backfilling the Frenchmans pit, shaping the area, constructing surface drainage controls and revegetating the surface

Implementation of seepage management and treatment controls and surface water management works on the site

2007 - NOW

In 2007, the site was considered rehabilitated to a point whereby the Environment Protection Licence issued pursuant to the Protection of the Environment Operations Act 1997 was surrendered.

At this time, Climax was acquired by OceanaGold Corporation, including the Junction Reefs Site, which was subject to continued monitoring requirements to ensure the success of the environmental rehabilitation works.

OceanaGold has since undertaken minor rehabilitation improvements and continued environmental monitoring to demonstrate that the site is safe and stable for relinquishment in the future. The rehabilitation of the key areas of the mine is exceptional, well advanced and species rich. It has often been used as an example of 'best practice' in mining rehabilitation.

We have worked actively with local landholders, the Junctions Reefs Reserve Trust, the Blayney Shire Council and the Department of Planning, Industry and Environment to undertake additional remedial works and establish a pathway to relinquish the former mining land for recreation purposes under the direction of the Trust. The Trust was established by the Crown to manage the area once relinquished for use in environmental protection, heritage preservation and public recreation due to the various heritage mining sites, recreational opportunities, and highly diverse range of native species on the site.

The site contains many mining relics, reflecting the changes in technology and treatment of gold bearing ores over the years. One of the most imposing features is the Belubula Dam, an arched buttress dam constructed of concrete and bricks in 1897. Water was piped from the dam to drive pelton wheels which powered crushers and later an electric generator. The Heritage Council of NSW placed an Interim Conservation Order over the Belubula Dam and relics at the Frenchmans and Cornishmens sites.

The Junction Reef Mine has areas of high environmental value to both the New South Wales Government and the local community who are represented by the Junction Reef Reserve Trustee.

