

# Developing High Grade Snowy River Gold Mine in New Zealand

March 2022

Ord Minnett

East Coast Mining Conference



**FEDERATION  
MINING**



# Asset Overview

In situ grade of  
23g/t  
Metallurgical  
recovery of 96%

Production  
commencing  
2024  
70kozpa

- ★ Currently owned by OceanaGold, Federation has a signed Deed with OGC to purchase the asset at a Decision to Mine
- ★ Business Case: 10 year LOM producing 700,000 oz @ A\$1,000/oz average AISC
- ★ Proven and experienced management team
- ★ 20 year mining permit already in hand
- ★ Located in active mining district
- ★ Two key investors (\$102m) and \$69m of funds available now





# Board & Management & Funding

## Management

Managing Director	<b>Mark Le Messurier</b>
VP – ESG	<b>Simon Delander</b>
VP – Finance and Accounting	<b>Kerry Angel</b>
VP – Business Development	<b>Bruce Higson-Smith</b>

## Board

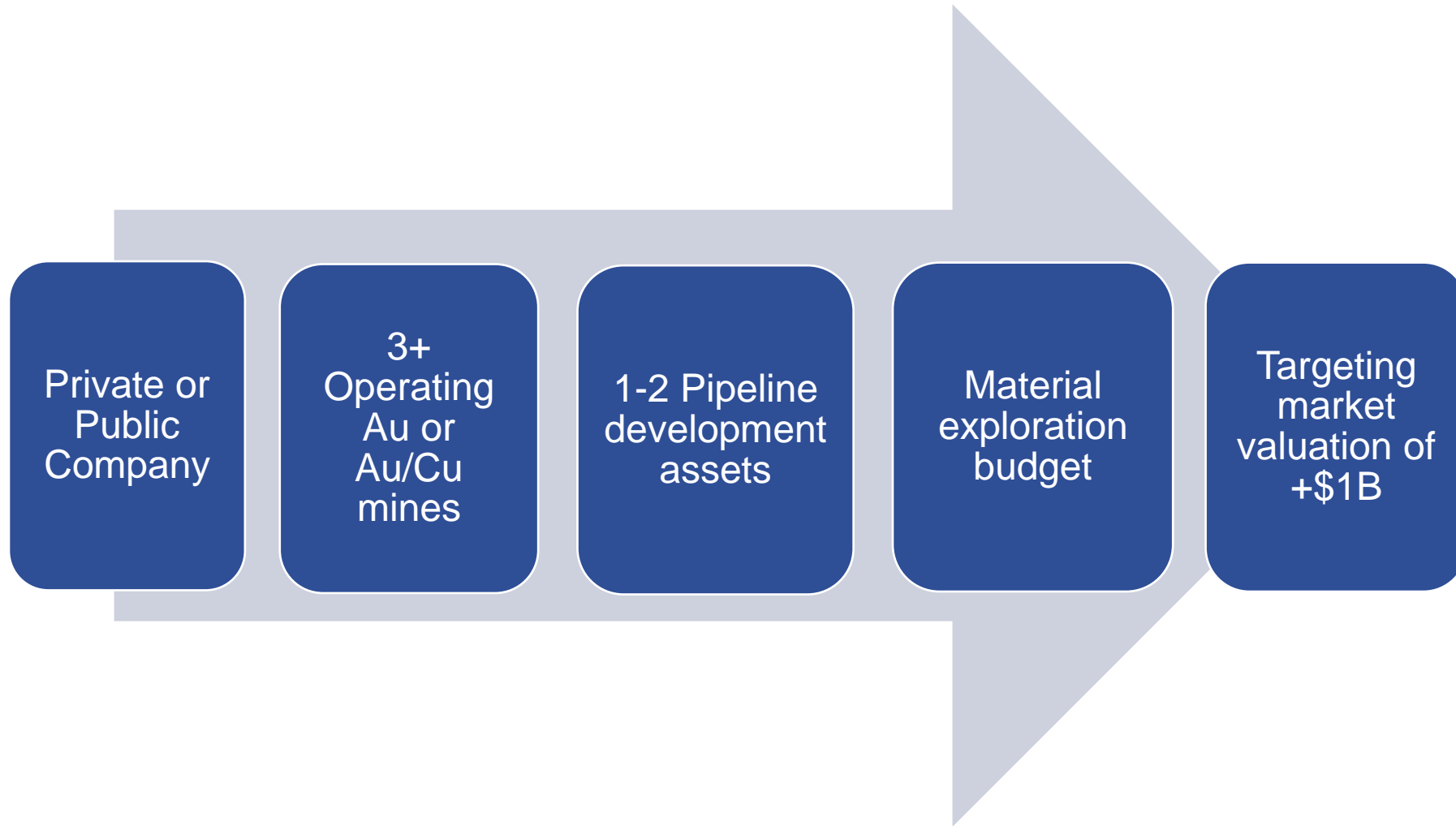
Chairman	<b>Jim Askew</b>
Director	<b>Bob Vassie</b>
Director	<b>Luke Smith</b>
Director	<b>Romina Gaudion</b>

## Initial Funding (2020)

PGF Loan	\$14m
AS Convertible Note	\$50m
AS Share Portfolio (49%)	\$37m
Available Cash today	\$69m



# Federation Mining 5 Year Vision





# Environment, Social and Governance (ESG)



Management and Board come from Operating and Board roles where ESG solutions are an embedded culture



FED will consolidate these same values and strive to be a role model amongst peers



Environment – Strong skill set within company with experience in managing assets in demanding jurisdictions including New Zealand



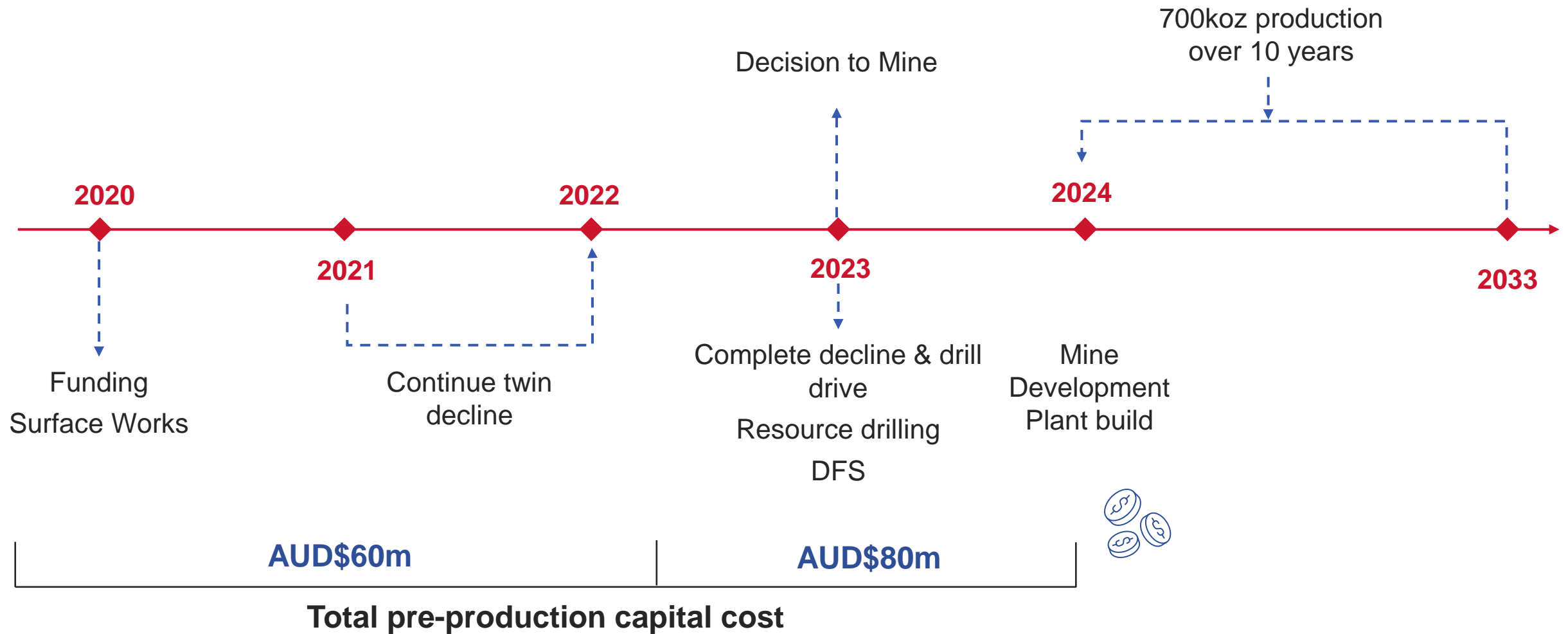
Safety – Establish the leadership and controls to ensure protection of people



Governance – Build trust with government and stakeholders and ensure support for continuing and future operations



# Investment Timeline – Snowy River Mine





# Snowy River Business Case

**AUD\$370m\***

Post-tax NPV @ 5%

**2 years**

Payback period

**10 year**

LOM

**AUD\$1,000/oz**

AISC

## Project Capital Cost

**AUD\$60m**

Pre-Construction

**AUD\$80m**

Construction

**AUD\$40m**

Property  
Acquisition

Gold Price - \$2,520/oz

\* NPV does not include Pre-Construction Capital of \$26m or Property Acquisition



# Snowy River Mine – Overview



Located on the West Coast of New Zealand's South Island, an important mining district



High grade underground mine that produced approximately 740koz from 1908 – 1951



Inferred Resource (JORC 2012) of 0.9Mt grading 23g/t gold for 700koz



Mining Permit and Resource Consents issued  
Low impact operation  
Priority on water management



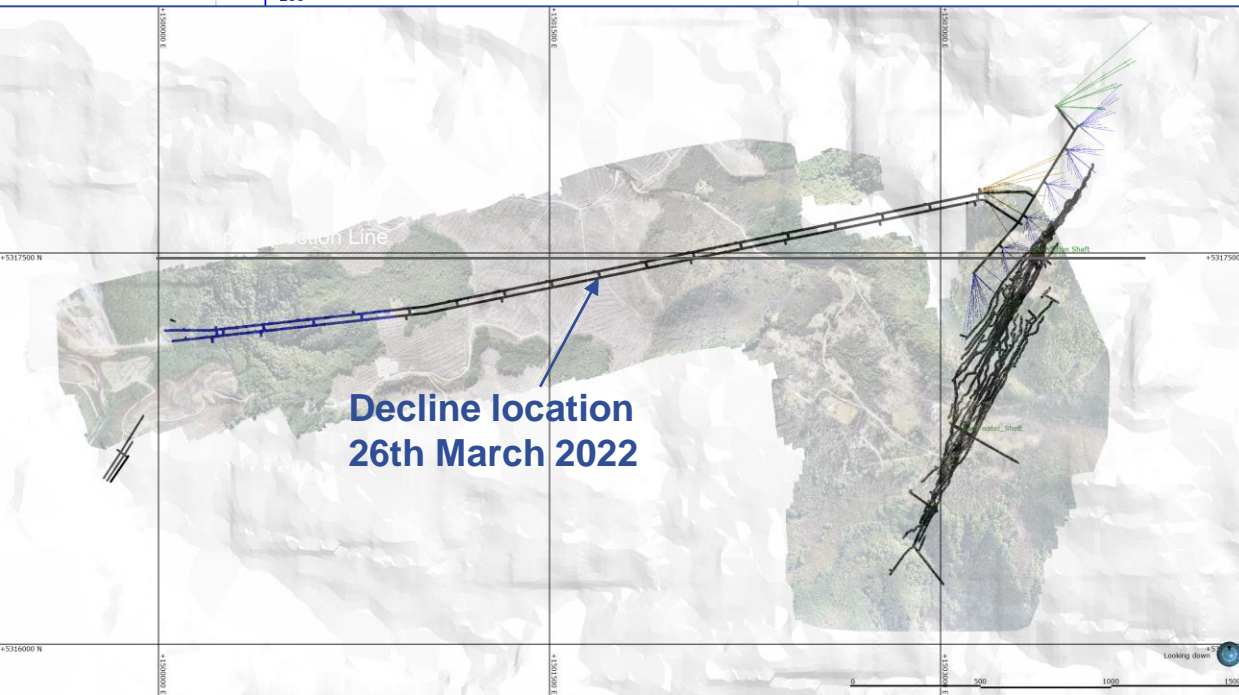
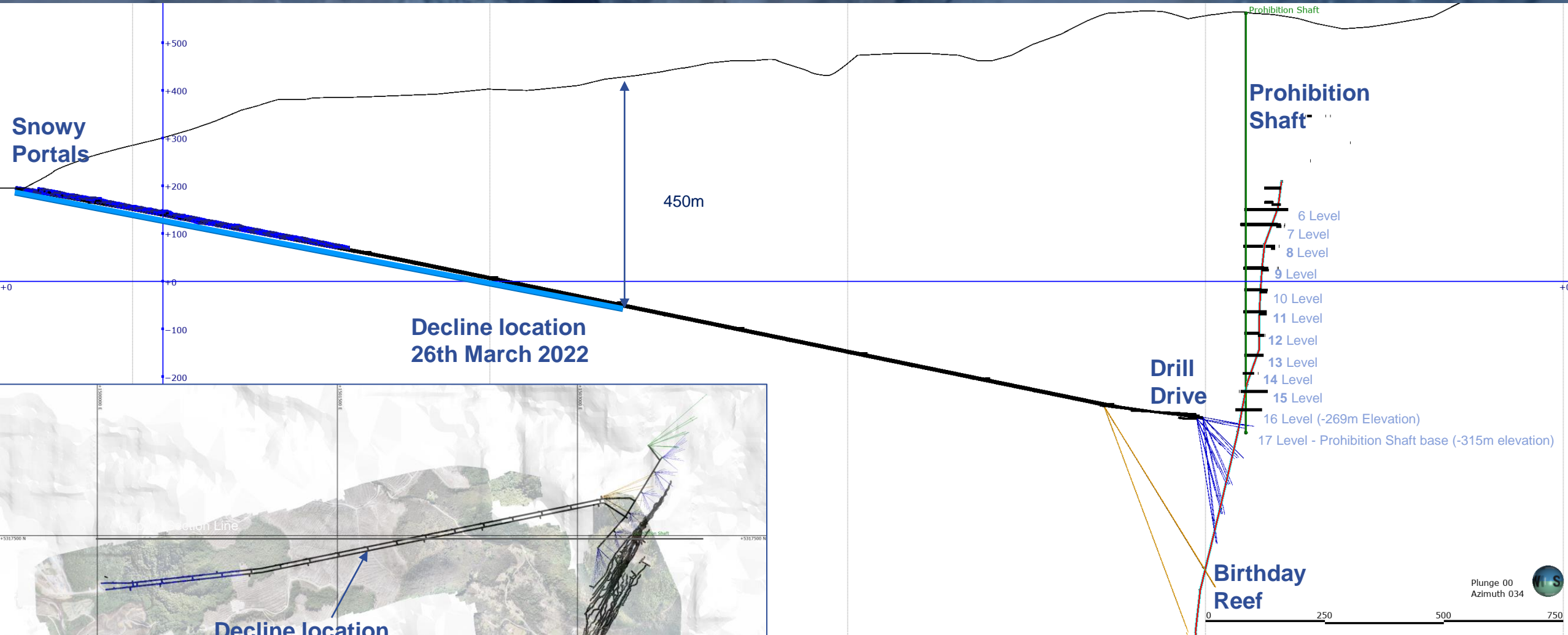
Production – LH stoping of 1.8m wide stopes at 7.9g/t - 300,000 tpa produces ~70,000ozpa



Estimated AISC of AUD\$1,000/oz and generates ~ AUD\$75m FCF per year at AUD\$2,520/oz

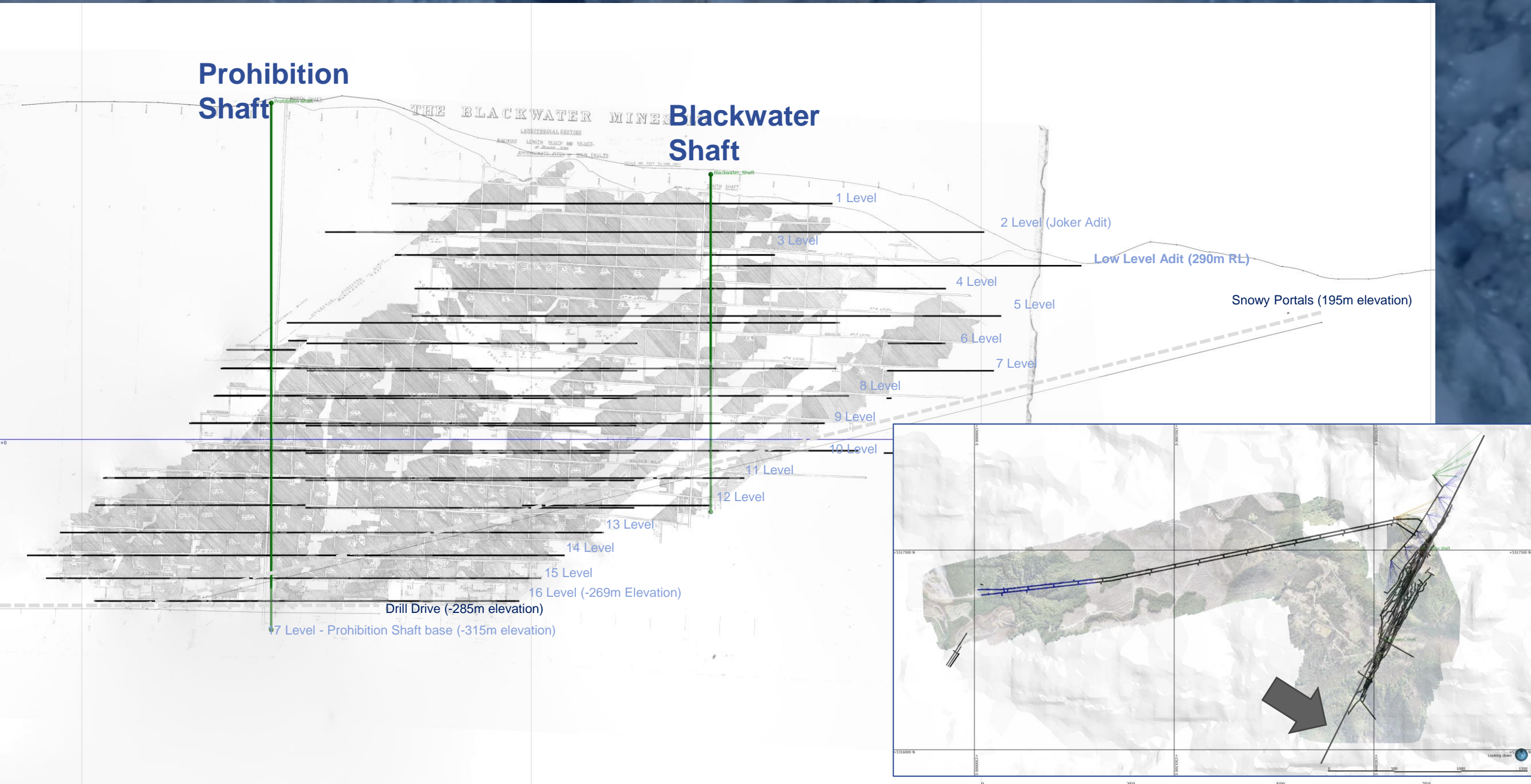


# Schematic Section – Snowy River Looking North



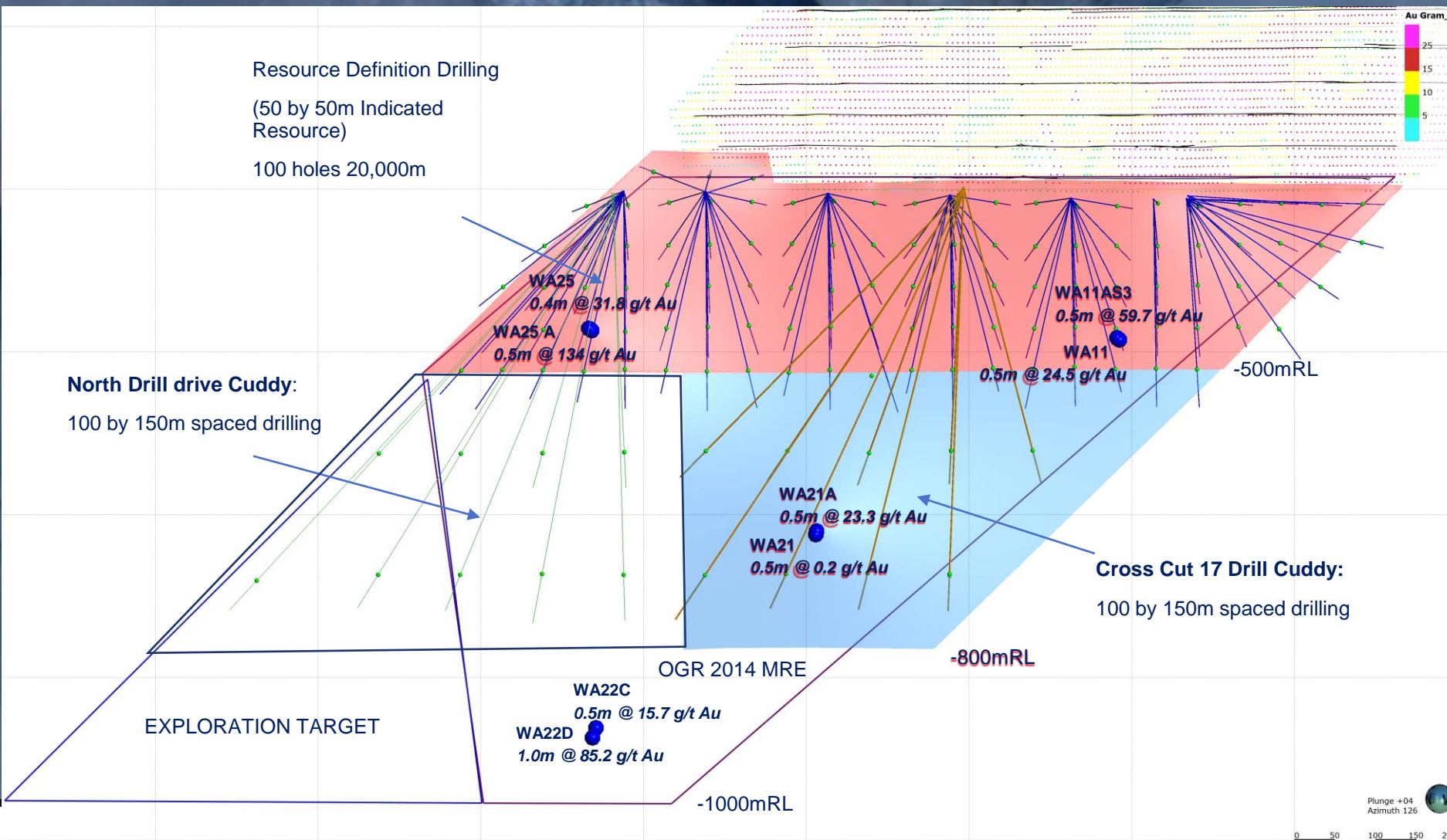


# Schematic Long Section – looking Southeast





# Long Section – Planned Drilling 2023



## Resource Definition Drilling

- (Indicated Resource, assume 50 by 50m) (100 holes, 20,000m) .

## Resource Confidence Drilling

- Cross Cut 17.** Can be begin drilling from decline cuddy before drill drive is completed. (9 holes, 4,800m – 460m to 680m holes).
- North Drill Drive Cuddy.** Allows drilling outside of resource into exploration target plus down dip infill. (9 holes, 4,900m – 420 to 710m). Deeper drilling will mitigate resource risk in lower areas.



# Exploration

## Legend

Snowy River  
Tunnels



Historic Drillhole



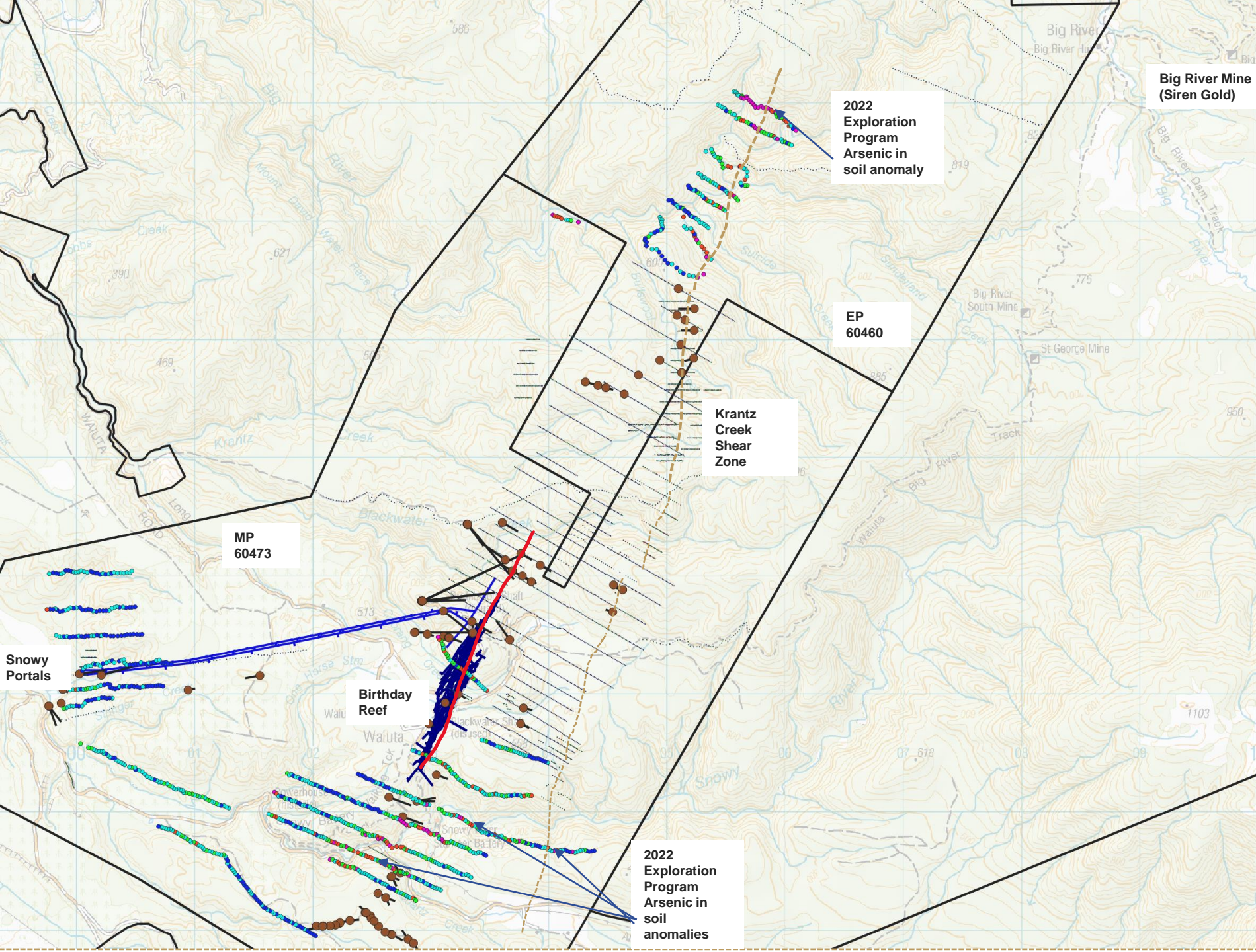
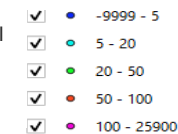
Historic soils  
Sampling  
(As ppm)



Blackwater  
Workings and  
Birthday reef



2021/22  
Federation Soil  
sample line  
As (arsenic  
values ppm)



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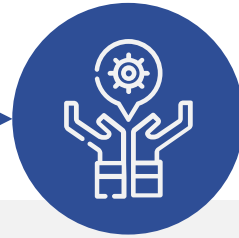


# Federation Mining – Strong Foundations



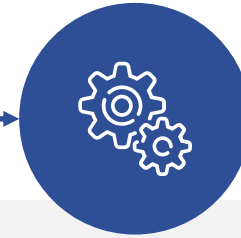
## Strategy

- ★ Work to strengths, utilize experience
- ★ Identify segments of opportunity within gold space



## Build Support

- ★ Clear strategy with stakeholder engagement
- ★ Funding for quality projects and assets



## Delivery

- ★ Resource, project management, operational performance
- ★ Deliver to strategic and project plan consistently and over the long term



# Federation Mining – the Asset and Plan

- ★ Private company developing a high grade underground gold mine in New Zealand
- ★ Twin decline access development well underway
- ★ Gold production 70ozpa scheduled 2024
- ★ Fully financed to orebody access and DFS
- ★ 5 year strategy to expand the company
- ★ Significant experience in M&A and operations
- ★ Long term strategic investors