Before the Expert Panel appointed under the Fast-track Approvals Act 2024

Under	the Fast-track Approvals Act 2024 (**Act**)
And	
In the Matter of	an application for approvals by Matakanui Gold Limited to establish, operate, rehabilitate and ultimately close an open pit and underground gold mining operation known as the Bendigo-Ophir Gold Project

Statement of Evidence of **Malcolm Robert Lane** on behalf of **Matakanui Gold Limited** in response to Section 53 Feedback

Bond

Dated: 17 April 2026

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INTRODUCTION

1. My name is Malcolm Robert Lane.

2. I hold a Bachelor of Engineering degree and have more than 45 years of experience, much of which has been with the mining industry. In 1997 I was part of a very small team that developed an approach for deriving bonds for mining projects that has become the standard in New Zealand. I was engaged by Matakanui Gold Limited (**MGL**) to provide advice on bonding that would apply to its Bendigo-Ophir Gold Project (the **Project**).

3. This statement is given as part of MGL's response to comments on the Project made under Section 53 of the FTA. This statement responds to specific comments relating to the proposed bond provisions to apply at the operation as provided in submissions by:

   (a) Otago Regional Council (**ORC**).

   (b) Central Otago District Council (together with ORC, the **Councils**).

   (c) The Ardgour Family Trust.

   (d) The Trevathon Family.

   (e) The following environmental entities:

      (i) The Director-General of Conservation.

      (ii) New Zealand Fish and Game.

      (iii) Sustainable Tarras.

      (iv) Environmental Defence Society.

   (f) Each of the following additional organisations:

      (i) Business South.

      (ii) Santana Mine Supporters Group.

      (iii) Parliamentary Commission for the Environment (**PCE**).

4. My original findings are provided in full in the following reports:

   (a) Lane Associates Limited Bond Introduction (Substantive Application, Part B Technical Reports, B.44).

5. I have prepared this statement in the limited time available for MGL to respond to comments under the Act. If the Panel requires elaboration on any of the matters raised in this statement, I am available to provide further information on request.

6. Although this is not an Environment Court proceeding my confirmation of compliance with the Code of Conduct for Expert Witnesses in the Environment Court Practice Note 2023 is included in Substantive Application Document A0.2B.

OVERVIEW

7. Many of the submissions have questioned the adequacy of the scope of the bonds as covered in my report included in the substantive application lodged by MGL. That report is labelled B.44 in Part B – Technical Reports of the application. The report provided an introduction to the bond process and an example of how it would apply including how the bond quanta could vary over the life of the Project. It did not attempt to specify a definitive bond quantum for any period of the Project.

8. As the final consent conditions are expected to dictate some matters that need to be accounted for in the bond, a bond quantum cannot be finalised until the consents have been granted and the relevant obligations for the initial bond period priced. In addition, ongoing planning for the works to be undertaken on the site in the first year of the Project is expected to have resulted in detailed design changes and refinements that were not available when preparing the application report.

9. Assuming the consents sought by MGL are granted, the first formal bond assessment will be undertaken based on the requirements of those consents and the latest mine plan, to be completed very early in the Project life. That assessment will be subject to review and approval or amendment by the Councils.

10. I note that Sustainable Tarras at [95] of their comments refers to the bond values that currently apply at both of Oceana Gold (NZ) Ltd's Waihi and Macraes mines as examples of the scope of the works and costs that might apply to the Project. I have undertaken the annual bond assessments for the Waihi operation since 1999 and for the Macraes operation since 2012. The same approach as used for those operations will be applied to deriving and updating bonds applicable to the Project.

SPECIFIC RESPONSE TO COMMENTS

11. In its comments on the draft conditions contained in the application, the ORC suggests a number of amendments. The first of these is to change the date for providing the bond from that proposed in condition C51 of the application, which reads "*Within 12 months of the commencement of the consents*", to "*Prior to the first exercise of this consent*".

12. This amendment potentially introduces an unreasonable delay of months to the start of works while the Councils review and approve or amend the proposed bond. While the amended condition is broadly applied to various mine consents across the country, many if not all of those consents have been granted at sites that are already operating. The condition might delay the start of a new project but the existing operation can continue. This is not the situation for MGL where the proposed condition amendment could introduce a material delay to starting any work authorised by the approvals.

13. The site works undertaken during those first few months would be similar in nature and scale to subdivision development works, comprising such activities as the formation of roads and building platforms.

14. Draft condition C51 only applies to the first bond, i.e. to the commencement of the consents. Thereafter, annual updates are required by draft condition C55. In my opinion the 12-month delay allowed in the draft condition is not unreasonable and could be retained without placing the Councils at unnecessary risk.

15. The ORC also proposes a new condition, C51(f), requiring the cost of purchasing Industrial and Special Risk insurance (**ISR**). This is a copy of a condition originally granted in 1999 for the Martha Mine Extended Project. ISR is a policy that covers only first party costs, that is the effects that arise on the mine site. It is doubtful that this proposed condition achieves its intended objectives.

16. Conversely, the bond will cover effects that could occur both on and off the mine site, primarily through its risk cost component. This includes cover for uninsurable risk events and for events for which insurance premiums are unreasonably high. Where risks can be cost-effectively insured, such as through public liability insurance, the annual premiums will be included in the derivation of the bond quantum. I support retention of this part of the condition as lodged.

17. The letter reports prepared by Damwatch for both Councils acknowledge the appropriateness of the process that will apply to deriving the Project's bond quantification. Damwatch is familiar with that process as it provides a technical review for the Otago Regional Council of the annual bond assessment that I prepare for the Macraes mining operation.

18. While acknowledging that my application report was prepared before the Project definition was finalised, Damwatch questions a range of details relating to the example in that report, including the costs of long-term maintenance requirements, dam safety inspections, risks, monitoring and earthworks. All of the matters raised by Damwatch will be assessed based on a confirmed Year 1 mine plan and the

costs updated when preparing the first bond assessment. That process will be repeated for each subsequent bond based on the applicable year's mine plan.

19. The annual review required by the draft consent conditions enables the bond to take account of the forthcoming year's planned level of site disturbance and rehabilitation, non-mining commitments such as the offset environmental programmes, some of which may involve costs that will be incurred beyond the life-of-mine, applicable risks, and post-mining management, monitoring and maintenance obligations at then-current rates. The bond value will be underwritten by an independent party, such as a trading bank approved by the Councils, which will provide the Councils with a document that gives them an unconditional right to uplift the full bond sum at any time. This process, which has been operating in New Zealand for decades, addresses the issues raised by the Ardgour Family Trust, the Trevathon Family, Business South, Santana Mine Supporters Group and others.

20. The Director-General of Conservation and the PCE suggest that mining in New Zealand is "*immature*" and that our regulators may not be appropriately experienced or qualified. Currently operating mines in New Zealand are multi-decadal ventures, e.g. modern mining in Waihi has operated continuously for the past 35 years while the Stockton coal mine started operating in the late 1880s. Local and regional authorities have developed the in-house skills where required, such as within the Otago Region, to regulate these operations or engage New Zealand and international consultants with appropriate experience to assist where they do not have the required skills. Specifically in relation to bonding to provide project financial security, there has been a robust practice in place and operating since 1999.

21. The PCE also cites Stockton as an example of a mine for which the New Zealand public has been held financially responsible. Stockton was owned and operated by a state-owned enterprise, Solid Energy. As a commercial entity, MGL has proposed draft conditions of consent that would require it to establish and maintain an appropriately quantified bond sufficient to cover the cost of closure, aftercare and long-term maintenance. The bond will provide for payment of insurance premiums and will include a risk cost component to cover remediation of risk events that could occur.

22. If the site were abandoned by MGL, the bond would provide the Councils with funds to close the site, undertake a period of aftercare to ensure the rehabilitation objectives had been met, and to continue any post-closure management of the remnant mining features, e.g. the TSF, that may extend into the long-term and potentially in perpetuity. This scope addresses the remaining matters raised by the Director-General of Conservation and the PCE.

23. In its submission, Fish & Game raise a range of matters that I've addressed in the preceding paragraphs. One additional, specific matter in the Fish & Game submission relates to ongoing review costs for the TSF embankment. The bond will provide for these costs, which will cover routine annual inspections, intermediate dam safety reviews and 5-yearly comprehensive dam safety reviews as required by the Building Act and Regulations.

24. The preceding paragraphs also cover the matters raised by Sustainable Tarras and the Environmental Defence Society in their submissions.

25. In summary, the bond will provide for the costs of closure, for long-term post-closure site management, and for environmental risks, as assessed annually based on MGL's mine plan. The proposed conditions relating to the bond have been developed and are considered appropriate and adequate for achieving this purpose based on their application over the past 27 years since the modern approach to bonding was first developed. That process remains leading edge.

26. I have reviewed the recent amendments to the conditions proposed by MGL relating to the mine closure plan (C47 and C48 in the set of conditions lodged with the application) and to the bond (C51, C55 and C56) and consider these to be appropriate.

Malcolm Robert Lane

17 April 2026