12 June 2026

Bendigo-Ophir Gold Project Expert Panel
cc. Environmental Protection Authority

Dear Panel,

Response to Panel Request for Information 7 – Matakinui Trust

Introduction

This letter addresses questions asked by the Panel in RFI 7 about the function and funding of the proposed Matakinui Trust ("Trust"). I first provide an overview of this proposed Trust, and then specifically address each question.

Function and funding of the proposed Trust

The Trust will manage effects or maintain conditioned and covenanted ecological outcomes beyond the term of the resource consents.

MGL as the holder of the resource consents will remain responsible to comply with those consents until at least the site attains closure. This includes rehabilitation, ecological uplift, eco-sanctuaries, and establishing and operating any water treatment facility to meet water quality limits. When these more active resource consent conditions are achieved, it is our intention that responsibility for maintenance of the achievements will transfer to the Trust (on agreement of the relevant regulators). Any water related effects that go beyond the covenanted actions will require new resource consent(s) beyond the initial term and will be either transferred to or sought by the Trust, e.g. active and passive water treatment after 35 years. Obligation for those activities would remain with MGL until the transfer of those obligations to the Trust happens.

Key activities post-closure are:

- Maintaining water treatment either active or passive
- Decommissioning of either active or passive water treatment facilities
- Establishment of passive water treatment facilities
- Maintaining predator-proof eco-sanctuaries
- Maintaining wide-scale pest control within the ecological restoration and habitat enhancement areas
- Maintaining ecological uplift plans (including any managed grazing) within the ecological restoration and habitat enhancement areas
- Maintaining public access ways within the covenanted land and any new heritage features from this mine
- Monitoring and reporting.

It is expected that as the site moves substantially into post-closure, the covenant to protect the ecological uplift and other offsetting aspects of the project within the land is registered as required by the proposed conditions of consent. It is our intention that at this point the land, and burden of the covenant would transfer to the Trust (but only on agreement of the relevant regulators).

Effects, methods, processes, tooling and cost estimates of mitigation or offsetting will continue to evolve during the operation of the mine and to ensure ongoing compliance with the proposed conditions of consent as the mitigation of effects and offsetting are implemented, refined and adapted based on actual experience and evolution in technologies. These will be reviewed every three years, and the latest information will inform and be used to update the Mine Closure Plan (MCP) as set out in the proposed consent conditions.

Each year the forward plan for the next 12 months will be assessed against the current MCP and an estimate to complete that MCP generated should an event occur, and the bondholders require the site to be closed and rehabilitated in accordance with that MCP. This includes providing for any anticipated post-closure activities.

The bond will reflect the current status of the mine development, the anticipated status in 12 months' time, and the cost to achieve mine closure and post-closure activities if the bond is called within that 12-month period.

In terms of the entity itself, the Trust will need to be established before planned mine closure, or, in the event of the bond being called, as part of that process.

Under a planned mine closure scenario, MGL proposes to establish the Trust at least 5 years before the planned mine closure. Under the current 14-year mine plan, the Trust would be established in year 9 but MGL may elect to establish the Trust earlier. Once established and funds begin to settle into the Trust account, the bond calculation would be expected to reduce accordingly as part of the annual bond review.

The bond review mechanism within the conditions will calculate the Trust funds required to carry out the actions transferred to the Trust as a function of:

- costs estimated to carry out the post-closure activities
- accumulated funds within the Trust
- additional income earned on that fund (bank interest, other sources)
- planned settlor contributions by MGL
- timing of the contributions and the cost expenditures
- duration of those activities.

MGL will be responsible for any top up required and these amounts for any planned future contributions may vary through the annual bond calculation. Regardless, the funds settled on the Trust will be retained within the Trust to give effect to its purpose.

To give surety to this proposal and support of the framework outlined above, MGL commits to placing NZ$5 million per year from Year 6 of gold production, into escrow, for that year and every year thereafter whilst producing gold. This shall continue until funds with the escrow account total the sum determined via the bond calculation for post-closure described above, up to NZ$50 million. When the Trust is established, the funds in the escrow account will transfer to the Trust. The bond framework outlined above shall ensure any top-up funds will settle from MGL to the Trust to meet its obligations at mine closure.

The updated proposed consent conditions being prepared by Mr Chrisp due for submission to the Panel on 22 June 2026 will provide specific proposed conditions for the Trust mechanism.

The following specifically answers the questions from the Panel RFI.

<u>Question 1:</u> *A copy of the Applicant's letter to Kā Rūnaka conveying the proposal.*

The following is an extract from that letter (also provided in paragraphs 45 to 49 of my statement of evidence of 22 May 2026) relevant to this topic.

"Proposed Matakinui Trust Framework

On Thursday, 7 May 2026, we announced to the ASX that the Overseas Investment Office (OIO) has granted consent for our subsidiary, Matakanui Land Limited, to purchase approximately 3,680 hectares of freehold land at Ardgour and Bendigo Stations.

A unique feature of the Project is that we will hold freehold ownership of significant portions of the Project land. Following the discussions at the marae, we reflected carefully on whether this ownership structure itself could create a more enduring intergenerational outcome aligned with the themes raised by Kā Rūnaka.

Accordingly, we are moving to propose the establishment of a long-term independent entity, presently referred to as the Matakinui Trust, intended to support environmental stewardship, cultural reconnection and long-term whenua outcomes beyond the operating life of the mine.

Under this concept:

- *The rehabilitated mined land, the Ardgour enhancement area and the Matakanui Sanctuary, as determined through the environmentally bonded closure and effects mitigation framework, would be transferred into the Matakinui Trust following completion of mining and satisfaction of all closure obligations with the relevant government regulators.*
- *The Trust would be established as an enduring stewardship vehicle with long-term environmental and cultural objectives with oversight from relevant regulators.*
- *Governance arrangements would include iwi-led representation together with regulator, community and independent trustees and transitional MGL representation during closure phases.*
- *The existing long-term stewardship and closure funding framework contemplated by the Project could support the Trust's enduring operation and environmental management obligations over time.*

Through our updated bonding mechanism, we will prepare and update a mine closure plan every three years, accounting for closure, post-closure maintenance obligations and associated funding requirements. This framework would continue to be refined throughout the life of the mining operation.

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The establishment of the fund would occur progressively during operations and, based on current modelling, the Trust could accumulate up to NZ$50 million in ring-fenced stewardship and post-closure environmental funding, with the capital base preserved to generate enduring intergenerational investment returns.

The initial estimates of provisions are based on conservative assumptions for long-term water treatment and environmental management costs. We do believe that actual long-term requirements, particularly following the detoxification of chemicals added during processing, are likely to be materially lower, enabling investment returns to support ongoing environmental stewardship, cultural initiatives and land management activities while preserving the underlying capital as an enduring intergenerational fund."

Question 2: *Any further definition the Applicant can provide in terms of the long term environmental and cultural objectives which the Trust is intended to recognize and fund.*

The Trust is intended to be set up in consultation with Kā Rūnaka and regulators to ensure all views are included but in particular that of mana whenua with respect to mine closure over the long term, and post regulatory sign-off for active mining. This is to address the concerns mana whenua have about the long term and follows a model used at Waihi by Oceana Gold. It is our intention that the funds will ensure that the key post-closure activities (outlined above) are undertaken and include maintaining or undertaking the following:

- Remaining water treatment either active or passive
- Decommissioning of either active or passive water treatment facilities
- Establishment of passive water treatment facilities
- Maintaining predator-proof eco-sanctuaries
- Wide-scale pest control
- Ecological obligations contained in the covenant
- Public access ways within the land and any new heritage features
- Monitoring and reporting.

In addition, the covenant will be in place and ownership of the land will transfer to the Trust with the agreement of the relevant regulators, and accordingly the community will be able to use this land to support cultural, heritage, recreational and other activities the Trust considers to be optimal, post mine closure. The exact environmental and cultural objectives will be for mana whenua and regulators to prescribe in setting up the Trust.

Question 3: *Details of the funding mechanism proposed, noting Mr Spring's evidence that it "could accumulate up to $NZ50m in ring-fenced stewardship". Is it proposed that the capital of the Trust be established from annual contributions, based for example on net profit after tax or revenue in any operating year? Would there be a top up provision if contributions had not reached the target level by mine closure?*

The basis of the funding mechanism is to ensure adequate funding for the Trust to achieve its objectives and meet ongoing regulatory requirements from either live resource consents or the proposed covenant. Accordingly, the Trust will be funded to a level which is necessary to deliver

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the post-closure obligations it inherits; it will not be funded from day 1, but rather progressively funded for its obligations post establishment (currently projected to be year 9). MGL has proposed that amount will be determined though the bond review calculation as set out in the proposed consent conditions. This review will also establish the Trust funds required as a function of:

- costs estimated to carry out the post closure activities
- accumulated funds
- additional income earned on that fund (bank interest, other sources)
- planned settlor contributions by MGL
- timing of the contributions and the cost expenditures.
- duration of the activities to achieve the remaining obligations of the Trust.

MGL will be responsible for any top up required and these amounts for any planned future contributions may vary through the annual bond calculation. Regardless, the funds settled on the Trust will be retained within the Trust to give effect to its purpose.

To give surety to this proposal and support of the framework outlined above, MGL commits to placing NZ$5 million per year from Year 6 of gold production, into escrow, for that year and every year thereafter whilst producing gold. This shall continue until funds with the escrow account total the sum determined via the bond calculation for post-closure described above, up to NZ$50 million. When the Trust is established, the funds in the escrow account will transfer to the Trust. The bond framework outlined above shall ensure any top-up funds will settle from MGL to the Trust to meet its obligations at mine closure.

Question 4: *Is it intended that the Trust accumulate through the entire mine operational period, or could it make distributions in support of long term environmental and cultural objectives from inception.*

No, it is our intention that the Trust will be established 5 years before planned closure and funded thereafter. The Trust objectives relate to the maintenance of effects mitigation and offsetting and compensation actions. Funding is proposed to be calculated through the MCP review and annual bond review processes. Prior to final mine closure and placing of the covenant and any land transfer to the Trust, the Trust will have sufficient funds to meet post-closure objectives. MGL may elect to establish the fund sooner.

Therefore, it is not intended that funds accumulate in the Trust through the entire mine life nor make distributions from inception. Until post-closure, responsibility for consent conditions remain with MGL and are guaranteed through the bond process.

Question 5: *How would the Applicant's rehabilitative obligations, both within the direct disturbance and wider areas, and the Trust's objectives, interrelate, noting that the Panel would be concerned if the Trust's remit in any way detracted from or became confused with such obligations.*

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MGL will be the resource consent holder and will remain legally responsible for complying with the conditions of the consent and from the completion of mining, the proposed covenant. This includes all activities associated with rehabilitation, ecological uplift, eco-sanctuaries and establishing and operating any water treatment facility, and other activities required post-closure.

When the mine achieves closure, the responsibility for maintenance of the achievements will transfer to the Trust on agreement of the relevant regulators.

Question 6: *Is the "up to" $NZ50m expressed on a NPV basis?*

As elaborated in the letter to Kā Rūnaka, this is an estimate based on conservative assumptions for long-term water treatment and environmental management costs. This is a cash estimate, not on an NPV basis. The actual calculation and basis for the estimate will be reviewed annually together with the bond review calculation, which will account for the long-term (perpetuity) cost of maintaining the closed site including the related eco-sanctuaries and water treatment requirements expressed as an NPV.

Question 7: *Is the "up to" $NZ50m in addition to the value of the rehabilitated mined land, the Ardgour enhancement area and the Matakanui Sanctuary which it is stated could be transferred into the Trust at the conclusion of mining and rehabilitative works.*

The value of the land to be gifted to the Trust has not been included in this estimate; this is additional. The important point here is that the Trust will have the funds and income to manage its objectives. The covenant will ensure those objectives, where relevant, are tied to the land.

Question 8: *What level of security can the Panel assume in terms of whether such transfer will, in due course, take place?*

MGL as the resource consent holder will remain legally responsible for giving effect to the conditions of the consent until any obligations transfer to the Trust on agreement of the relevant regulators. This includes the MCP review every three years; the annual bond review; achieving the numerous closure conditions; setting up and funding the Trust five years before planned closure or otherwise providing for it in the bond calculation; and placing the proposed covenant on the land to protect the objectives. The updated set of consent conditions due for submission on 22 June 2026 will ensure this is deliverable and certain. With iwi and regulator support, MGL is committed to a requirement to transfer the land to the Trust.

On this basis, the Panel should be assured the objectives of the Trust will be attained.

Question 9: *What mechanism is proposed to bind any transferee of the relevant lands on the Sustainable Tarras' premise that any consents will or may well be sold.*

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The land use resource consents and beyond that, the covenant, will bind any landowner who may be transferred the land (including the Trust). The regulators' benefit of the bond would also run with the land. Given that, we consider that the Panel can have comfort that the obligations that would fall to MGL now, will equally fall to any future owner of the land, and also be captured by the bond.

MGL proposes that the land transferred to the Trust is covenanted, that is, subject to a binding agreement registered against the title, which requires the maintenance of post-closure obligations in perpetuity.

Conclusion

I trust this response provides further clarity for the Panel as to the function and funding of the proposed Trust. MGL will remain responsible to comply with the conditions of the consent, and the covenant, and will be bonded on an annual basis to ensure delivery of those obligations. This includes the provision of funds for post-closure of intergenerational effects including potentially water treatment and maintenance of ecological obligations and public access. The establishment of the Trust and the provision of funds will provide further reassurance that these objectives are achieved.

Regards

Damian Spring
CEO
Santana Minerals Ltd and Matakanui Gold Ltd.