

STATEMENT OF BENJE PATTERSON ON BEHALF OF MATAKANUI GOLD LIMITED

To: The Expert Panel, Bendigo-Ophir Gold Project (FTAA-2507-1089)

From: Benje Patterson, Economist

On behalf of: Matakanui Gold Limited (MGL)

Date: 8 September 2026

Subject: Response to submissions on the economic aspects of RFI 11 (Questions 23-30) and to the expert tax advice commissioned by the Panel

To the Expert Panel

1. My name is Benje Patterson. I am an economist. I prepared the assessment of the economic impacts of the Bendigo-Ophir Gold Project for Matakanui Gold Limited (**MGL**) dated October 2025 that was included in the Substantive Application, and I provided a Statement of Evidence on behalf of MGL in response to the Panel's Request for Information – Economics as well as in response to comments from invited parties (Section 53 feedback), with both responses dated 17 April 2026. My qualifications and experience are set out in that earlier evidence.
2. The purpose of this statement is to respond, on behalf of MGL, to the feedback received from Section 53 invited parties on the economic aspects of MGL's response to RFI 11 (Questions 23-30), and to the tax advice commissioned by the Panel. Specifically, I respond to: the statement of Mr Edward Miller and the statement of Dr Richard Meade, each dated 19 August 2026 and filed on behalf of Sustainable Tarras Inc; the supplementary statement of evidence of Dr William Kaye-Blake dated 19 August 2026, filed on behalf of the Environmental Defence Society Inc; and the tax advice of Mr Robin Oliver of Olivershaw Limited dated 17 August 2026, prepared at the Panel's request. My intention is not to repeat evidence already before the Panel, but to provide a concise summary of my views on the matters raised and to advise whether they change my previously expressed conclusions.
3. I have organised this statement thematically, with each theme tied to the specific RFI 11 questions to which it relates. In short, and for the reasons set out below, nothing in the feedback provides by the parties or in the tax advice changes my previously expressed conclusions about the economic impacts of the Project.

Approach taken in this statement

4. I did not provide an individual statement as part of MGL's response to RFI 11. In this statement I have not sought to reconcile every individual assumption or figure in that response with those in my own earlier analysis. From my review, and to the best of my knowledge there are no instances where MGL's responses have any material inconsistencies with my earlier work.
5. I note that the bonding and Matakini Trust questions in RFI 11 (Questions 12–16) are being addressed separately on behalf of MGL. I comment on those matters only to the extent that they relate to the economic assessment (see Theme 4 below).

6. Unless otherwise stated, all dollar figures in this statement are expressed in New Zealand dollars.

Theme 1: Tax assumptions and the effective tax rate (RFI 11 Questions 25 and 29; the Olivershaw tax advice)

7. Although I am not a tax expert, I have considered the specialist tax advice from Robin Oliver of Olivershaw Limited as it relates to my role as an economist. This included testing the materiality of comments made in relation to tax on my economic conclusions.
8. A recurring theme across the statements of Mr Miller (paragraphs 3-4 and 6), Dr Meade (paragraphs 15-18) and Dr Kaye-Blake (paragraphs 13-17) is that the project cash flows were presented on an ungeared basis (a standard practice in mining project evaluation, adopted so that the Project's underlying economic performance can be assessed independently of its financing structure). The statements highlighted that debt financing, through the tax deductibility of interest, could reduce the corporate tax ultimately paid to the Crown below the levels in my assessment. Related concerns were raised about related-party financing, transfer pricing and depreciation settings.
9. The Panel commissioned specialist advice on these matters from Robin Oliver of Olivershaw Limited. Mr Oliver's central conclusion is that, given the character of the Project and the relevant tax laws, the risks of "tax leakage" are low, and that an effective company tax rate of 28% plus gold mining royalties "seem reasonable estimates". These were precisely the assumptions underpinning my analysis. In other words, the independent expert engaged by the Panel has concluded that the tax treatment adopted in the economic assessment is in the right realm.
10. The feedback on behalf of Section 53 invitees places considerable weight on one caveat in Mr Oliver's advice: that if the Project were highly geared with debt, the effective tax rate could be halved while still complying with thin capitalisation rules. That caveat is expressly conditional. It describes what would be legally possible at the maximum gearing permitted by the thin capitalisation regime, not what is proposed or commercially likely. Mr Oliver himself observes that MGL's stated intention is for the Project to be substantially equity funded, that Santana Minerals Limited currently carries a debt-to-equity ratio of just 0.23%, and that low gearing is consistent with practice among major gold producers (he cites Newmont at 16%, Agnico Eagle at 1.1% and Barrick at 13%), reflecting the risk profile of gold mining that makes debt funding relatively expensive and so not widely used.
11. Since the submissions were filed, MGL has provided me with estimates that incorporate an explicit allowance for debt financing, based on its banking comparison modelling of the funding structure contemplated for the Project. Those estimates indicate an average total return to lenders over the life of the Project in the order of [REDACTED]. Set against forecast net profit before tax of approximately \$3,813 million under MGL's base case, interest deductions of that order would reduce taxable income commensurately and reduce total corporate tax payable by roughly [REDACTED] – from approximately [REDACTED] to approximately [REDACTED]. The effective tax rate would move from 28.0% to approximately 27.75%.
12. I consider that the effect of gearing at the levels actually contemplated is therefore negligible in the context of the overall analysis. It moves the effective tax rate by around a quarter of a

percentage point. Even allowing for debt financing, the effective rate remains close to the 28% assumed in my reports.

13. My conclusion on the basis of these figures from MGL is that the effect of gearing on tax is not a material issue for the conclusions of the economic assessment, and the Panel's own expert advice supports this conclusion.

Theme 2: The layering of downside assumptions and the composite "worst-case" scenario (RFI 11 Question 28)

14. Question 28 of RFI 11 asked MGL to model composite scenarios in which all of the upside assumptions, and separately all of the downside assumptions, from paragraph 31 of my April 2026 Statement of Evidence occur simultaneously. It is important to be clear about what the composite downside scenario represents. The downside assumptions have been deliberately layered together rather than assessed as isolated risks: the scenario assumes that a lower gold price, weaker grades, higher operating costs, higher capital costs and other adverse outcomes all eventuate at the same time. It is best understood as a stress test of the Project's economics, not as a forecast of what is expected to happen as it is highly improbable that everything bad could happen in the same way at the same time.
15. Even on that deliberately extreme basis, the Project retains substantial value. MGL's response shows that the fully layered downside scenario reduces the Project NPV from \$748 million to \$197 million.
16. A particularly relevant point of context comes from Dr Kaye-Blake's analysis. Dr Kaye-Blake undertook a structured risk analysis using the ranges provided in MGL's response, randomly drawing revenue and cost outcomes across those ranges against a distribution. On that analysis, he assessed the probability of the fully layered worst-case scenario actually eventuating at 0% (and the fully layered best case at about 4%), concluding that "the best case and worst case are unlikely to occur, and something closer to the original estimate is more likely" (paragraphs 32 and 35(a) of his supplementary statement). Put another way, in my view Dr Kaye-Blake's own modelling does not consider it likely that all of these adverse outcomes eventuate at once.
17. Dr Kaye-Blake also presents, in his paragraph 34, an alternative scenario applying a 50% cost overrun (over and above the 10% contingency already built into all of MGL's modelling, including its base scenario). Different assumption sets will naturally widen or shift the modelled distribution, and Dr Kaye-Blake offers no context for these assumed overruns against the actual specifications of this Project. It is worth reiterating what the scenario entails: it not only inflates input costs, it also anchors revenue to the Updated Pre-feasibility Study (PFS) base-case gold price of NZ\$3,825 per ounce (against a price of around NZ\$6,900 per ounce at the time of MGL's response, and over NZ\$7,300 per ounce as at 2 September 2026). It is, in short, a heavily distorted scenario on which to fit a distribution: the gold price is in effect assumed to nearly halve from current levels, and input costs already carrying a 10% contingency are then inflated by a further 50%. Yet even on that basis, Dr Kaye-Blake's analysis attaches only around a 14% likelihood to outcomes at or below the fully layered worst case, and his modelled distribution still ascribes a zero probability to the NPV falling below zero.

18. On the gold price specifically, Dr Meade takes issue (paragraphs 24-27) with the description of certain price assumptions as “conservative”. Whatever terminology is preferred, the facts are these: the base-case price used in the Updated PFS (July 2025) and carried through the modelling is NZ\$3,825 per ounce, long-term Consensus Economics real price forecasts equate to approximately NZ\$5,604 per ounce at July 2026 exchange rates, and the spot price at the time of MGL’s response was around NZ\$6,900 per ounce (rising to over NZ\$7,300 per ounce as at 2 September 2026). The modelling within my assessment and before the Panel is built on a price well below both current market levels and consensus expectations. That embeds a considerable buffer against the downside risks on which the submissions focus.

Theme 3: Suggestions of a very low or near-zero expected NPV (RFI 11 Questions 23 and 28)

19. Some of the feedback has suggested that a very small NPV is a realistic expectation for the Project. That suggestion is inconsistent with MGL’s project financial modelling. The base-case NPV is \$748 million using the Treasury’s 8% real discount rate (rising to \$890 million at a 6% rate, as set out in the response to Question 23). To arrive at a near-zero expected value, one must not only mechanically layer all of the downside assumptions simultaneously (NPV of \$197 million in Question 28) – a scenario assessed in Dr Kaye-Blake’s own analysis as having a 0% probability – but go materially beyond it.
20. There is also a real-world cross-check available on the suggestion that the Project should be expected to have a low NPV: the behaviour of the investors themselves. MGL is continuing to advance the Project strongly and investors have already committed significant expenditure before they have approval to proceed. That behaviour is difficult to reconcile with a proposition that the Project is expected to generate little or no economic value. The willingness of parties with their own capital at risk to incur substantial upfront costs provides a useful reality check: investors’ own revealed expectation is that such a low Project NPV is improbable.

Theme 4: Project costs, post-closure funding and the NPV (RFI 11 Question 26, with reference to Questions 12-16)

21. Mr Miller (paragraph 5) and Dr Meade (paragraph 19) note that the NPV incorporates the costs expected and known at the time the Updated PFS (July 2025) was prepared, and that costs may have moved since. That is true of any point-in-time estimate, and cost lines for a project of this kind are in a constant state of flux in both directions. The relevant question is again materiality. The largest single movement in the Project’s economics since the Updated PFS has been the gold price, which now sits far above the base-case assumption of NZ\$3,825 per ounce. Movements of that scale dwarf plausible variations in individual cost lines, and they run in the Project’s favour. I therefore remain of the view that cost movements since the Updated PFS do not alter my substantive conclusions.

Conclusion

22. Drawing the themes together:
- (a) The tax treatment underpinning my assessment has been reviewed by the Panel’s own independent expert and found to be reasonable, with an effective rate likely close to (if

not above) the 28% rate assumed in my evidence. Allowing explicitly for debt financing at the levels contemplated moves that rate by only around a quarter of a percentage point.

- (b) The composite worst-case scenario is a stress test in which all adverse assumptions are layered simultaneously: Dr Kaye-Blake's own risk analysis assesses its probability at 0%, and even that scenario leaves the Project with an NPV of \$197 million.
 - (c) Suggestions of a very low expected NPV sit uncomfortably with both the probability-weighted evidence of Dr Kaye-Blake and the revealed behaviour of investors committing substantial capital ahead of approval.
 - (d) Potential movements in costs are dwarfed by the scale of the run up in gold prices relative to the base case assumptions and are immaterial next to the Project's base-case NPV of \$748 million. The NPV of the direct GDP effects on the New Zealand economy under more current gold prices modelled in my response to Section 53 Feedback was \$5.0 billion, compared to an NPV of the direct GDP of \$2.1 billion under lower gold prices.
23. Having reviewed the statements of Mr Miller, Dr Meade and Dr Kaye-Blake, and the tax advice of Mr Oliver, my previously expressed conclusions about the potential economic impacts of the Bendigo-Ophir Gold Project are unchanged.

Benje Patterson

A handwritten signature in black ink, appearing to read 'Benje Patterson', with a stylized, cursive script.

10 September 2026