

10 September 2026

Matakanui Gold Ltd
15a Chardonnay Street
Cromwell, 9310
New Zealand

Attention: Cheryl Low
Environment Manager

Dear Cheryl,

Subject: Response to Supplementary Statements

We received copies of supplementary statements that contain further questions relating to the bond proposed for the Bendigo-Ophir Gold Project from:

- Damwatch Engineering Ltd
Matakinui Trust Funding Adequacy Review, 25 August 2026;
- Dr Richarde Meade
Statement of evidence on behalf of Sustainable Tarras, 19 August 2026; and
- Dr William Kaye-Blake
Supplementary statement of evidence, on behalf of the Environmental Defence Society, 19 August 2026.
- Dr Richard Maloney with contributions from Matt Maitland and Max Crowe, on behalf of the Department of Conservation, Bendigo-Ophir Gold Project – Matakinui Trust Funding Adequacy Review, 6 September 2026
- Memorandum of Counsel on behalf of the Trevathan Family, 7 September 2026.

These submissions appear to misunderstand the bond purpose, its scope, and its relationship with the Matakinui Trust fund and do not accurately reflect the way in which the proposed bond and Trust conditions work together.

Bond Purpose and Scope

The bond required by the proposed resource consent conditions is not a fixed sum established once and left unchanged. It is subject to an annual review and recalculation throughout the life of the Project, the resource consents, and sometimes beyond the expiry of the resource consents (as required by Condition C141 of the D.03 Schedule One Common Conditions). In addition to covering the cost of site closure and rehabilitation, its scope will include the other obligations required by the consents over the short, intermediate and long term. The purpose of the bond is to ensure that sufficient funds are always available to the regulators to undertake these tasks should that responsibility ever fall to them.

For the avoidance of doubt, the scope of the bond includes all closure and post-closure activities required by the consent conditions. Its quantum takes no account of whether those activities are undertaken by the Matakinui Trust or any other party.

To ensure that the intended bond scope is clearly stated, the following underlined additions are proposed to Condition C141 of the D.03 Schedule One Common Conditions:

Within six months of the commencement of the consents, and reviewed annually thereafter or at a timing agreed between the Consent Holder and the Councils, the Consent Holder must provide and maintain jointly in favour of the Councils a bond to:

(a) ...

(b) Secure the completion of rehabilitation and active closure and ongoing post-closure obligations in accordance with the conditions of the consents and in accordance with any Mine Closure Plan to be certified by the Councils;

Condition C141 works in conjunction with Conditions C145 and C146 that provide more specificity as to the relevant bonded actions that need to be assessed in determining the annual bond value.

Matakinui Trust

At some time beyond a term of site closure and aftercare (commonly referred to as active-closure in the application documentation), responsibility for the long-term management of the site will potentially be transferred to the Matakinui Trust. The magnitude of Trust's funding will be determined by the ongoing annual maintenance costs attributable to the closed mine site by the resource consents that are transferred to the Trust, other project-related initiatives such as the environmental rehabilitation, offsetting and compensation programmes, and the Trust's operating costs.

Condition C157 of D.03 Schedule One Common Conditions requires that Matakanui Gold Ltd (MGL) will be able to ensure that adequate funding is provided to the Trust to fulfil its function of maintaining the site and related obligations. In the far less likely case where MGL fails commercially, those same functions will be funded by the bond.

Under neither outcome is the Trust funding restricted to a fixed \$50 million endowment. All required funding levels will be quantified in the first bond and in each subsequent annual review, allowing for incremental adjustments to be made over time as necessary. This annual update is reviewed by the regulators prior to a new quantum being accepted and a new bond facility provided. The post-closure component of the bond that will eventually pass to the Trust should therefore cover all of the long-term costs that it will incur.

Under the expected outcome MGL and the regulators can undertake a final review of the proposed Trust funding adequacy, which would need to be of a level accepted by the

regulators prior to transferring the post-closure responsibility to the Trust. Any shortfall identified at that time will remain covered in the bond until that shortfall is addressed.

Consent Conditions

The proposed consent conditions establish an integrated framework under which the bond remains the primary financial assurance mechanism throughout the mining, active closure and post-closure phases, unless and until the regulators are satisfied that the Trust is adequately funded and capable of assuming its responsibilities.

Reiterating the details contained in the proposed D.03 Schedule One Common Conditions that relate to the bond and Trust:

- Condition C141 - the bond must secure compliance with all consent conditions, secure rehabilitation and active-closure, secure monitoring, and ongoing post-closure obligations, and enable the Councils to undertake monitoring and management of the site until the closure objectives/outcomes set out in Condition C137 have been achieved.
- Condition C145 - requires the annual bond calculation to take into account the Mine Closure Plan, remaining ecological outcomes, cultural obligations, and the extent to which funds are held by or set aside for the Matakiniui Trust. This condition creates a direct and explicit link between the bond calculation and the Trust funding position.
- Condition C146 - reinforces that relationship by requiring the bond to include:
 - rehabilitation and closure costs;
 - contingencies for adverse environmental and cultural effects;
 - monitoring costs;
 - post-closure management costs; and
 - any amount required for the Councils to establish the Matakiniui Trust if it has not already been established.
- Condition C150 – provides for the release of the bond subject to attainment of closure objectives/outcomes and the establishment of the Trust (Condition C152).

Accordingly, if mining ceased at any point before transfer to the Trust, the annual bond calculation would necessarily include the costs required to establish the Trust and provide sufficient funds for it to fulfil its long-term obligations. The bond functions as the financial backstop to the Trust framework. Under Condition C145, the quantum is fixed by the regulators.

For the Trust:

- Condition C152 – establishes the Trust; and
- Condition C157 – for each year of gold production beyond Year 6, requires MGL to provide the Trust with \$5 million.

Condition C152 sets out the Trust's responsibilities, which include:

- Maintaining water treatment systems;

- Monitoring and maintaining the TSF and engineered landforms;
- Maintaining pest control programmes;
- Maintaining predator sanctuaries;
- Maintaining ecological outcomes achieved under the rehabilitation and restoration plans
- Maintaining public access;
- Carrying out monitoring and reporting; and
- Managing cultural outcomes.

To reiterate, any shortfall between the cost of these long-term Trust responsibilities and the current level of funding provided under Condition C157 will be covered by the bond.

The relationship between the annual bond and the Trust can therefore be summarised as follows:

1. The Trust is established in Year 6 and begins accumulating funds.
2. The annual bond continues to be recalculated under Conditions C145-C146 by reference to all remaining closure and post-closure liabilities.
3. The annual bond calculation specifically takes account of the extent of funds already held by or for the Trust. Condition C145(f) expressly requires this.
4. If the Trust does not have sufficient funds to perform its obligations, that shortfall remains part of the residual closure liability and is therefore reflected through the bond assessment.
5. Before transfer of land or obligations occurs, the regulators must approve the transfer and MGL must provide any additional funding identified, if determined to be necessary.
6. The bond is only released once closure outcomes are achieved and the regulators are satisfied that the Trust has been established in accordance with the Trust conditions. Condition C150 expressly links release of the bond to regulatory satisfaction regarding the Trust.

Closing

The Matakiniui Trust should not be viewed as a standalone entity receiving a fixed sum and assuming open-ended liabilities. The proposed consent conditions create an integrated system where:

- The bond secures the full closure and post-closure liability;
- Trust funding is reassessed through the annual bond review process;
- Identified funding shortfalls must be rectified by MGL in each new bond;
- Transfer of responsibility to the Trust cannot occur without regulatory approval; and

- The bond remains in place until both closure outcomes and Trust requirements have been met.

Concerns that the Trust may be under-funded are considered unfounded. They do not accurately reflect the way the proposed bond and Trust conditions operate together.

Yours sincerely
For and on behalf of
LANE ASSOCIATES LTD.



Malcolm Lane