

Your Comment on the Barrytown Minerals project

Please include all the contact details listed below with your comments and indicate whether you can receive further communications from us by email to substantive@fasttrack.govt.nz.

1. Contact Details

Please ensure that you have authority to comment on the application on behalf of those named on this form.

This comment was written by one of the owners (Chris Esther LLB, MMgt), and is made with the authority of all owners of [REDACTED].

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These comments relate to Tāiko Critical Minerals Limited's (TCM) substantive application for approvals under the Fast-Track Approvals Act 2024 (FTAA) to undertake mineral sands mining on the Southern Block of the Barrytown Flat.

The FTAA requires¹ that the panel must consider “the extent of the project’s regional or national benefits” and may decline the application if adverse impacts are “out of proportion”² to those benefits.

This requires the panel to assess the benefits based on the information provided within the substantive application.

We submit that the economic information provided to support the substantive application³ can not be relied upon and invite the panel to decline the application and consents.

There are a number of significant issues with the economic and financial information provided, including:

1. Benefits are provided for TCM’s total operation rather than those that the Southern Block will provide,⁴
2. The model used as the basis for the benefits can not be relied on,
3. The indirect job multiplier is over stated,
4. Local spending assumes no leakage,
5. Economic costs are dismissed rather than assessed, and
6. Commodity price, input costs, and exchange rate risk is unaddressed.

Scope of Benefits

The substantive application relies (para 4.7) on section 81(5)(b), under which a panel “may consider the regional or national benefits of the whole project, having regard to the likelihood that any later stages of the project will be completed”.

That provision is directed at later stages. It does not convert the benefits of an earlier stage, already consented and secured under the Resource Management Act 1991 (RMA), into benefits of this approval.

Those benefits accrue whether or not the Panel grants anything, and should carry no weight in the section 85(3) proportionality assessment.

We invite the Panel to find that section 81(5)(b) cannot be applied to TCM’s application and accordingly that only benefits solely provided by the Southern Block can be used to support the application.

¹ Fast-Track Approvals Act 2024 , s 81(4).

² Section 85(3)

³ Appendix L1 Economic Impacts of Barrytown Minerals Project
Appendix L1A Statement of Evidence J. Ballingall

⁴ Within the substantive application there are differing assertions as to the scope of benefits.

Whilst Mr Ballingall's statement of evidence says its purpose is to "specifically identify the economic benefits which can be solely attributed to the Southern Resources Block".⁵ Appendix L1 however, models the entire Barrytown Minerals Project and expressly folds in activity that does not depend on this approval.

The employment figures illustrate the problem. Of the 135 direct full time employees (FTE) at para 10, 39 are "plant operations roles at the Mineral Separation Plant (MSP) and Wet Concentrator Plant" and 11 are administrative roles. The MSP is already consented and will operate on Coates block ore regardless of the Panel's decision. A material share of the 135 jobs, and of the associated wages, tax and multiplier effects, is not attributable to the Southern Block.

Para 14(d) of Mr Ballingall's statement of evidence claims "135 additional full time equivalent direct mining jobs".

Footnote 2 then states "I have not pro-rated the direct and hence indirect jobs and wages impacts. Based on feedback from TCM, the number of workers required to operate the SRB is the same as the number of workers to operate the BMP as a whole."

The economist's own footnote establishes that the 135 jobs are not additional to anything. They are the consented block's workforce carried forward.

The 189 indirect jobs and \$13.0 million in wages are derived from those 135 and fall with them.

The FTAA asks the Panel to weigh the benefits of this project against its adverse effects. Appendix L1 provides no incremental analysis, it does not show what the Southern Block adds over and above the consented Coates block and MSP.

Without that, the headline numbers cannot be used as evidence of the benefit of granting this application.

TCM argue⁶ that benefits should be assessed on project basis rather as that "the long-term financial viability of the Project is contingent upon the second stage ... proceeding, as this stage provides operational longevity", and para 25.2(a) that the Southern Block "secures the long-term financial viability of the Project".

First, this sits beside para 1.9(b)'s statement that the first stage is a complete project ready to proceed. The applicant cannot both have a complete, standalone consented mine and a mine that only works if this application is granted.

Second, it is inconsistent with the RMA record, where the Coates block design was consented on Mr Miller's evidence that it was required "to deliver an appropriate viable mine"⁷ (RMA Decision, paras 51, 268) and a 12-year term was justified by "the level of financial investment required" in that mine⁸.

⁵ Appendix L1A Statement of Evidence J. Ballingall, para 4(c)

⁶ Para 1.9(c)

⁷ Independent Commissioners' Decision on Application by Tiga Minerals and Metals Limited to Mine at Barrytown, 29 April 2024, WCRC: RC-2023-0046 and GDC: LUN-3154/23, paras 51 and 268

⁸ para 504

Third, the claim is without evidence. No financial model, DFS or capital cost is provided.

Model

Every monetary figure in Appendix L1 derives from a financial model prepared for TCM by Oreicast Modelling and “reviewed by PwC”.

Neither the Oreicast report nor the PwC review is included in the application.

The Panel and commenters cannot test the production volumes, product prices, exchange rate, operating costs or capital costs that generate the \$230 million export and \$122.7 million GDP figures.

The nature of PwC’s “review” is not stated. A model-logic or arithmetic check is not an opinion on the reasonableness of the assumptions, and should not be presented as “peer reviewed financial modelling” (para 25).

On 11 March 2026, two days after Appendix L1 was finalised, TCM announced⁹ to the market that it had received the “Financial Model Report” for the project and published its headline outputs in a statement:

1. Life-of-mine revenue of USD 3,284 million,
2. Upfront capex of USD 66 million,
3. 57.5% operating margin,
4. NPV of USD 281 million at 10%, and
5. A staged mining profile of 1.1 Mtpa in years 1–5, 1.5 Mtpa in years 6–9 and 2.0 Mtpa from year 10.

NZ RegCo halted trading in TCM before market open that morning while it discussed the announcement with the company.¹⁰

On 16 March 2026 TCM retracted the entire announcement¹¹, stating that the model “may only be published (and by implication, referred to) if it is signed off by a Competent Person as that term is defined in the JORC Code”.

That “the independent advisor who prepared the Financial Model Report does not meet the JORC Code definition of a Competent Person”, and that the information “has not been prepared to a standard suitable for disclosure to the market by TCM as a mining issuer ... and should not therefore be relied upon”.

⁹ Financial Model, <https://www.nzx.com/announcements/469026>

¹⁰ TCM - Trading Halt of Securities, <https://www.nzx.com/announcements/469084>

¹¹ Retraction of 11 March 2026 Announcement "Financial Model", <https://www.nzx.com/announcements/469264>

It is unsurprising that this appears to be the same model being used to support TCM's substantive application. USD 3,284 million at Appendix L1's fixed 0.65 exchange rate (footnote 11) is NZD 5.05 billion, precisely the life-of-mine export revenue at para 26.

Appendix L1 describes this as "peer reviewed financial modelling" (para 25). The applicant's own position, given to its securities regulator under compulsion, is that the same figures were not prepared to a standard on which anyone should rely.

The Panel is being asked to treat as evidence of \$1.0 billion in Crown revenue using a model that the applicant has told the NZX its own shareholders may not rely on.

Indirect job multiplier

The 189 indirect jobs¹² rest on a multiplier of 1.4 taken from one Australian paper.¹³ The author accepts¹⁴ that no New Zealand equivalent exists.

What Appendix L1 does not disclose is that the paper itself warns against using that figure the way Appendix L1 uses it.

It is a boom-period estimate. The data are Australian census counts for 2001–2011, a decade in which mining exports "more than tripled" and employment doubled (p. 10). The authors state that "caution should be considered when comparing our results to experiences where the mining industry is not booming" and that the analysis "is showing what has happened and not projecting the future economy of regions hosting mines" (Discussion, p. 14).

Appendix L1 uses it as a projection for a single mine over 22 years.

The authors say it may be an over-estimate. They note their multipliers are "around twice as high" as Moretti's US estimates, attribute the difference to macroeconomic effects of the boom, and conclude "our estimated multiplier could be an overestimation of the multiplier generated by mining employment growth in some regions, as other socioeconomic factors could have been taking place"

Appendix L1 assumes the 135 direct workers are additional to the district workforce. Footnote 10 relies on a 2021 statement that most staff can be found "within commuting distance".

No evidence is offered that 17 technical, 31 maintenance and 39 plant-operations specialists are available locally.

To the extent staff are drawn from existing West Coast employers or migrate in, the "1.8% increase in district jobs" is displacement or in-migration, not net local employment, and in-migration is precisely what drives the housing pressure the note dismisses.

¹² para 17

¹³ Fleming and Measham (2014), Local job multipliers of mining, Resources Policy 41, 9–15

¹⁴ para 15

The application concedes the point. Para 8.12(f) states: “While some positions may be filled locally, it is likely that a proportion of the workforce will be drawn from outside the region, either directly or through backfilling of existing local roles.”

That is an admission of both in-migration and displacement — the two things that make the “1.8% increase in district jobs” and the housing dismissal in Appendix L1 unsafe.

Local spending

Paras 21–24 treat \$76.7 million of non-employment operating expenditure, plus \$13.0 million of wages, as an \$89.7 million annual “spending injection” that “will be circulated within the local economy”.

Para 22 asserts that only profits will leave the region.

That is not credible for a mineral sands operation.

Non-wage opex is dominated by:

1. Diesel and electricity; process reagents, consumables and wear parts for the wet concentrator and MSP, almost all imported,
2. Rail freight of product to Timaru and Lyttelton, port handling and ocean shipping, and
3. Insurance, financing, corporate overhead and Australian-based management.

Most of these flow out of the West Coast, and a large share out of New Zealand. The note offers no local-content analysis, no split of opex by supplier location, and no West Coast retention rate.

It simply assumes 100%.

The same applies to wages. Footnote 10 acknowledges that some income “may go to overseas contractors”, but no deduction is made.

A credible regional impact assessment would apply an explicit leakage assumption.

Economic costs

Paras 36–49 address economic costs in four short passages. None quantifies a cost; each finds a reason to set it aside.

Land.

The opportunity cost of 412 ha is set at “at most \$131,300 per year” using DairyNZ’s “young & dry stock grazing” estimate of \$464/ha, the lowest value grazing category, while the same paragraph says the land is used for dairy grazing. No allowance is made for the rehabilitation lag before land returns to production, or for any reduction in post-mining productivity.

Environment.

The note contains no reference to the Canoe Creek lagoon and wetland, groundwater, dust or noise. These are not even listed as unquantified costs.

Tourism.

Para 39 argues the footprint is 0.018% of the West Coast land area. That metric is irrelevant: the

exposure is the SH6 Coast Road, a nationally promoted scenic drive, and the associated truck movements.

Paras 41–44 then compare gross export revenue with tourism spending and conclude tourism could fall 95% and the region would be “better off”. The author concedes at para 45 this is “intentionally a straw man”. It is also the wrong comparison: tourism spend is largely retained by locally owned businesses, whereas mining revenue flows substantially to imported inputs and overseas shareholders.

Housing.

Para 47 describes rent and price increases as “largely distributional, for every home buyer there is a home seller”. That ignores renters, who carry the cost without an offsetting gain, in a district with a thin rental stock. The HUD affordability data at para 48 is a single point in time before any influx and says nothing about the effect of housing 135 workers and their families.

Other.

The application itself lists costs that Appendix L1 does not price. Approximately 6.7 ha of natural inland wetland within the mining area “will be drained and mined” five creeks, Northern, Central, Clarke, Wasabi and Southern, will be diverted and mined through, each potentially “once per year for up to 3 months at a time”; 280 ha will be disturbed over 14 years with 16 ha open at any time ; the final landform is lowered by an average 0.63 m across 408 ha and unrecorded archaeological sites will be destroyed because “there is no scope for earthworks within the mining disturbance area to avoid archaeology”

Unaddressed risk

Ilmenite accounts for 59% of projected revenue and garnet 36% (para 26). Appendix L1 discloses no price assumptions for either and runs no sensitivity. The note fixes the exchange rate at 0.65 USD/NZD for 22 years.

The ilmenite market is currently weak. Independent price trackers report Chinese import prices falling a further 6.25% to March 2026 amid excess supply and subdued titanium dioxide demand and a “strongly bearish” Q3 2026 outlook driven by weak pigment demand and ample raw material availability.¹⁵

A 20% fall in realised ilmenite prices would remove roughly \$27 million a year from the headline export figure and a proportionally larger share of profit, tax and royalties. Without a low case, the Panel has no way to judge how robust the claimed benefits are.

The application’s own market statement¹⁶ is that heavy-mineral prices “trend above global CPI and are less cyclical” and are “outstripping the pace of global inflation”. No source is given, and the claim is contradicted by the price trackers cited above. It is also the assumption on which a 22-year revenue stream at a fixed 0.65 exchange rate rests.

Energy costs are the other side of the same ledger, and are equally unexamined.

¹⁵ <https://www.price-watch.ai/ilmenite-prices/>

¹⁶ Application, paras 4.4, 4.5.

Mineral sands mining is energy-intensive on both fuels. The wet concentrator plant runs 24 hours a day on grid electricity¹⁷ while the mining fleet, the dredge's ancillary equipment, and the haulage of 400,000 tonnes of HMC a year to Rapahoe and MSP waste back again run on diesel from a 40,000-litre on-site store.¹⁸

For the consented block alone, the applicant's own carbon estimate implied roughly 2,400 tonnes of CO₂ a year from diesel in the mining fleet and trucks.¹⁹ This equates to several hundred thousand litres of fuel annually before the Southern Block comes into operation.

Appendix L1 gives no breakdown of the \$76.7 million of annual non-wage opex, so the Panel cannot see what share is energy, and no sensitivity is run on either fuel.

The exposure on electricity is specific and current. New Zealand's wholesale market has structurally re-priced as domestic gas supply has declined.

The West Coast sits at the end of the grid. The application concedes there is "currently insufficient transmission capacity on the line from Rapahoe to Punakaiki" and that TCM must fund a 33 kV upgrade "at a likely cost of \$8M".²⁰ A 24/7 plant in a constrained coastal network, over 22 years, is exposed to both price and supply risk that the note does not mention.

Diesel prices have already moved, and the applicant's figures pre-date the move.

The Orecast model is dated 16 February 2026 and Mr Ballingall's evidence 3 March 2026, days before the US–Israeli strikes on Iran and the closure of the Strait of Hormuz.

Appendix L1 was finalised on 9 March, when New Zealand diesel was still around \$1.90 a litre. What followed was the largest fuel shock in New Zealand's recorded price series: Stats NZ reported diesel up 42.6% between February and March and a further 37% in April, 94.9% over two months. Trucking operators reported fuel bills up 110% and warned of closures²¹.

As at the date of this comment, diesel is 45–65% above the price on which the applicant's cost base was built, and has at times been double it.

The application was lodged on 8 June 2026, three months into the shock, and nothing in Appendix L1, Appendix L1A or the application was revised to reflect it.

Directly, the mining fleet, the haulage contractor and the return of MSP waste all run on diesel, and diesel. A 22-year operation at the end of the West Coast supply chain is exposed to both price and availability.

The applicant's stated intention to move to electric trucks and low-emission machinery (para 2.8(b)) would shift that exposure onto the electricity side rather than remove it.

¹⁷ Application, paras 2.8(a), 6.126(b).

¹⁸ Application, paras 6.63, 6.132.

¹⁹ RMA Decision, para 639.

²⁰ Application, para 2.8(a).

²¹ RNZ, 1 April 2026, <https://www.rnz.co.nz/news/politics/591220/trucking-firm-says-fuel-bill-has-increased-110-percent-due-to-middle-east-conflict>

The Panel does not need to predict oil prices to see the problem. The economic evidence before it was prepared on an input-cost assumption that was overtaken within a fortnight of its date, and has not been updated in the six months since. That alone is reason to require a re-run with current fuel and power prices, and a sensitivity range, before any weight is placed on the margin, tax or royalty figures.

The point is not that energy costs will certainly rise, but that the note assumes they will not. A 57.5% operating margin (the retracted 11 March figure) on a 22-year forecast with no input-cost sensitivity is not evidence of robustness; it is evidence that robustness has not been tested. The Panel should ask for the energy share of opex and the effect on margin, tax and royalties of, say, a 30% rise in delivered electricity and diesel costs, a range well within recent New Zealand experience.