

Crown Pastoral Land Tenure Review

Lease name : MORVEN HILLS

Lease number : PO 359

Preliminary Proposal – Part 2

A Preliminary Proposal is advertised for public submissions as per Section 43 of the Crown Pastoral Land Act 1998.

The report attached is released under the Official Information Act 1982.

March

15

Appendix 14: Copy of a registered Water Permit pursuant to Section 417(2) of the Resource Management Act 1991 in favour of Brian Alexander McCaughan and Sheila Ellen McCaughan. registered as No. 928124

MC030, 96637

417 928124 Certificate Si

Cpy - 01/01, Pgs - 004.22/05/03.09:48



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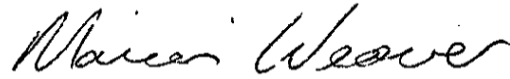
CERTIFICATE UNDER S. 417 OF THE RESOURCE MANAGEMENT ACT 1991

o/o

Pursuant to Section 417(2) of the Resource Management Act 1991, the Otago Regional Council hereby certifies that:

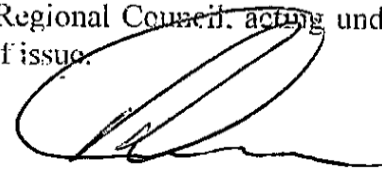
Brian Alexander McCaughan and Sheila Ellen McCaughan
Geordie Hill Station, Private Bag, Tarras

being registered as holder of Licences for a Water Race Nos. 3078 & 3079, Cromwell Registry of the Warden's Court, are entitled to cut, construct, and maintain the races, to use races as a natural channel (but only where that channel has been so used under the licences), to occupy (but only for the purposes of the construction, maintenance, and improvement of the races) the land forming the course of the races plus a three-metre strip on each side, to deposit within those strips any material removed from the races in the course of maintaining and improving it, and to convey water in the races, across the lands described in the Schedule, as indicated on the attached diagram.



M E Weaver
Manager Resource Administration

This Certificate is issued by the Chairperson of the Otago Regional Council, acting under powers delegated to her by the Council and not revoked at the date of issue.



R W Scott
Director Corporate Services

Common Seal



M L Rosson
Chairperson

LKL PASI:PS417MCCA.DOC

17/1/97

MC030, 96637



Our reference:

SCHEDULE

Land Affected

Pastoral lease

Run 675, Lindis and Cluden Survey District

Run 678, Blks V, X and XIV, Lindis Survey District

Run 680, Lindis Survey District

Reserves (Goodyer Road and unformed road Blk XIV Lindis Survey District)

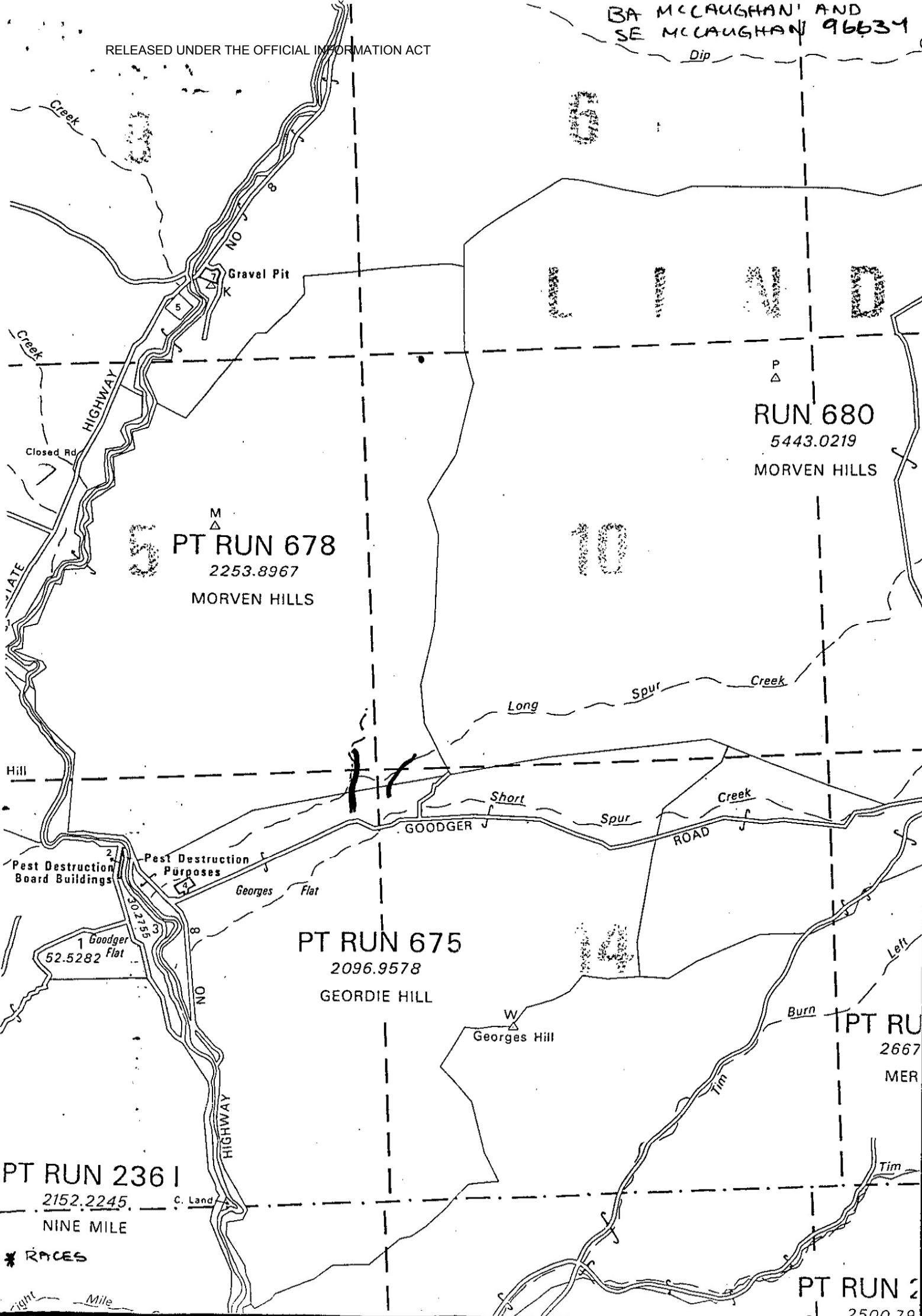
Certificates of Title 338/70 and 338/71

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BA McLAUGHAN AND SE McLAUGHAN 96634

Dip



5 PT RUN 678
2253.8967
MORVEN HILLS

10
P
RUN 680
5443.0219
MORVEN HILLS

PT RUN 675
2096.9578
GEORDIE HILL

PT RUN 236 I
2152.2245
NINE MILE

PT RU
2667
MER

PT RUN 2
2500.79

* RACES

Eight Mile

F5000000500510

MWP_0014633

2002 16.APR.97

0202197

PROPERTY REGISTRATION

338/20 338/71



Appendix 15: Copy of a registered Mining Permit No 41 625 pursuant to the Crown Minerals Act 1991 in favour of Richard Gibson Snow and Annie Louise Snow, registered as instrument No. 5058889.1.



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**OTAGO
LAND REGISTRY OFFICE**

**MINING PERMIT 41 625
CROWN MINERALS ACT 1991**

PERMIT HOLDER: Richard Gibson Snow and Annie Louise Snow
Morven Hills Station
Tarras
Otago

NOW THEREFORE: I, DARRYL FOSTER THORBURN, Group Manager Crown Minerals, acting under delegated authorities of 4 November 1997 and 23 April 2001, do

HEREBY GRANT to the Permit Holder a mining permit for the duration of 40 years commencing on the date hereof

WHICH HEREBY gives the exclusive rights to mine for building stone (schist) in the land described in the First Schedule and delineated on the plan attached hereto

UPON THE CONDITIONS specified in the Second Schedule hereto and subject to the Crown Minerals Act 1991 and any regulations made thereunder.

DATED AT Wellington this 10 day of July 2001

Darryl Thorburn
Group Manager Crown Minerals

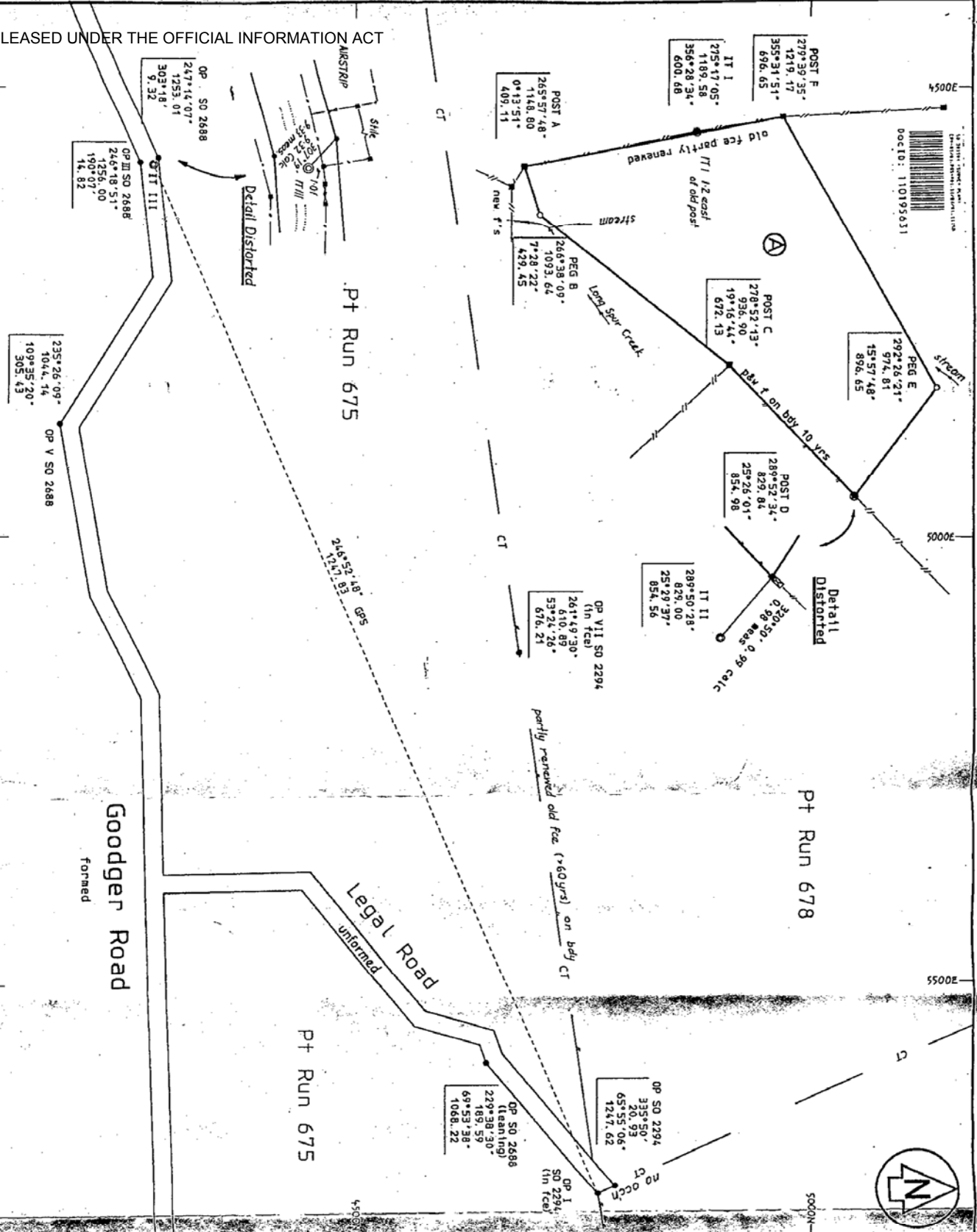
**FIRST SCHEDULE
MINING PERMIT 41 625**

AREA: 8.90 hectares
LAND DISTRICT: Otago
LOCAL AUTHORITY: Central Otago District

LEGAL DESCRIPTION OF PERMIT AREA:

All that area of land being Pt Run 678 situated in Blocks V, X and XIII, Lindis Survey District as is more particularly shown on SO Plan 301504.

Legal Description	Instrument of Title	Ownership of Non-Statute Minerals under report
Pt Run 678 Blocks V, X and XIII, Lindis Survey District	CL 338/20	Crown



LAND DISTRICT OTAGO
 Survey Bk & Dist V, X, XIII Lindis
 NZMS 261 Sheet G40 Record Map No.

Mining Permit 41 625

TERRITORIAL AUTHORITY Central Otago District
 Surveyed by C. Hughes & Associates
 Scale 1:3000 Date Jan 2001

Approvals
GPS SURVEY

NOTES:

1. GPS survey using Leica System 300 Total Station in RTK mode.
2. Boundary points are marked by aluminium discs.
3. No occupation unless shown.
4. Double GPS ties to marks are shown as follows :-

Bearing and Distance from OP I SO 2294
 Bearing and Distance from IT III

COORDINATES		
Mark	MM	ME
OP I SO 2294 (TB844/17)	4762.19	5735.62
IT III	4277.20	4388.01
IT II	5043.56	4955.82

DATUM : OLD CADASTRAL
ORIGIN : LINDIS PEAK
0 MM 0 ME

Class of survey : III

Total Area _____
 Comprised in _____

ANTHONY JOHN COX
 being a person entitled to practice as a registered surveyor only, in
 (a) The survey to which this detailed plan is attached, and was a technician by
 name of _____ in accordance with the Survey Act 1980 and the
 Survey Regulations 1983.
 (b) This detailed plan is accurate and has been created in accordance with the Act and
 these regulations.

Signed *[Signature]* Date 05/02/2001

Trial Book _____ Traverse Book _____
 Reference Post SO S 2294, 2688

Examined _____ Contd _____

Approved for Mining Permit Purposes Only
[Signature] Chief Surveyor

Deposited this _____ day of _____
 for Registrar General of Land.

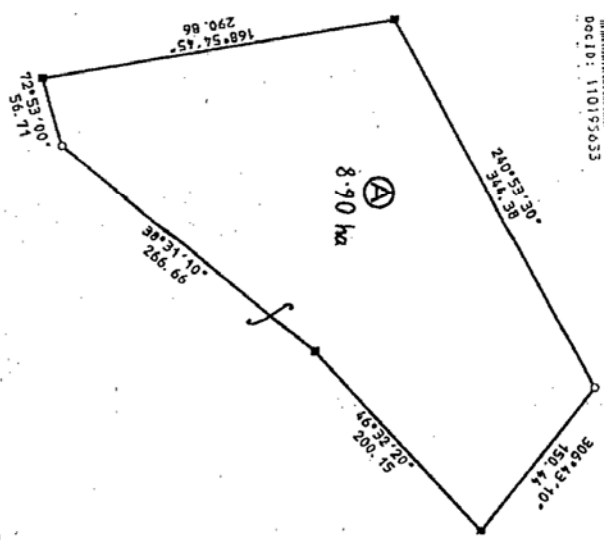
File No. SO 301504
 Received 9-4-01
 Insulators

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5000E



Pt Run 678
C.L. 338/20

Run 680



Approve

Schedule of Area

Shown	Description	Title Reference	Area
(A)	Part Run 678	CL 338/20	8.90 ha

Class of survey: III

Total Area 8.90 ha

Comprised in CL 338/20

ANTHONY JOHN COX

Being a person entitled to practice as a registered surveyor under the
 (a) The survey to which this classed refers was conducted in accordance with the Survey Act 1986 and the
 Survey Regulations 1988.
 (b) This classed is accurate and has been created in accordance with the Act and
 these Regulations.

Signed: *[Signature]* Date: 05/02/2001

Field Book _____ Page Box _____ p. _____

Reference Plans SO's 2294, 2688

Examined _____

Approved for Mining Permit Purposes Only

516101

Deposited this _____ day of _____

for Registrar General of Land

Filed Received 9-4-01

SO 301504

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Pt Run 675

Goodger Road
Legal

Legal Road

Pt Run 675

Mining Permit 41 625

LAND DISTRICT OTAGO
 Survey Bk. & Dist. V, X, XIII Lindis
 NZMS 261 Sheet G40 Record Map No. _____

TERRITORIAL AUTHORITY Central Otago Districts
 Surveyed by C. Hughes & Associates
 Scale 1: 30,000 Date Jan 2001

ALL RIGHTS RESERVED BY THE LAND INFORMATION NEW ZEALAND

SECOND SCHEDULE CONDITIONS OF MINING PERMIT 41 625

(Terms used in this Schedule shall have the same meaning as in the Minerals Programme for Minerals other than coal and petroleum (1 October 1996) unless the context indicates otherwise.)

WORK PROGRAMME

1. The permit holder shall make all reasonable efforts to undertake the activities authorised by the permit in general accordance with the following work programme:
 - (a) stripping of topsoil and overburden and stockpiling, backfilling or other disposal as appropriate using earthmoving machinery as necessary;
 - (b) unless otherwise approved in writing by the Chief Executive of the Ministry of Economic Development (the Chief Executive) quarrying of building stone by open cut methods at a rate determined by contract demand using hand methods and earthmoving machinery as necessary;
 - (c) drilling and blasting as appropriate;
 - (d) rehabilitation as appropriate.
2. The permit holder shall undertake all quarrying operations in accordance with good exploration or mining practice.

ANNUAL WORK STATEMENT TO BE SUBMITTED

3. The permit holder shall, within 60 days of the anniversary of the grant of this permit in each year, submit to the Chief Executive a brief statement which details mining activities under the permit during the preceding year.

TECHNICAL REPORTS

4. Within thirty days following the anniversary of the grant of this permit in each year the permit holder shall provide to the Chief Executive a report of all exploration and appraisal work which has been completed within the permit area during the preceding 12 months.

MARKING OUT

5. If required by the Chief Executive the permit holder shall clearly mark the boundaries of the permit or areas defined in the approved work statement of this permit by pegs, coloured tape or other approved means.

ROYALTIES

6. (a) Subject to condition 6(b) the permit holder is required to calculate and is liable to pay royalties to the Crown for any period for which a royalty return must be provided, in respect of all building stone taken from the land comprised in the permit that is:
- i sold; or
 - ii gifted or exchanged or bartered or removed from the permit area without sale; or
 - iii used in the production process (as a substitute for otherwise having to purchase building stone for this purpose); or
 - iv unsold on the surrender, expiry or revocation of the permit, that is, inventory or unsold stocks of any building stone. (This does not include where building stone has been extracted but returned to the land and thus its ownership is retained by the Crown).
- (b) The permit holder is not liable to pay a royalty when:
- i The net sales revenues from the permit are less than \$100,000 for a reporting period, except where the permit is part of a production unit; or
 - ii The net sales revenues from the permit average less than \$8,333 per month if the reporting period is less than 12 months, except where the permit is part of a production unit; or
 - iii The permit is part of a production unit and the combined net sales revenues of all permits and licences in the production unit are less than \$100,000 for a reporting period; or average less than \$8,333 per month, if the reporting period is less than 12 months.

Rate of Royalty

- (c) Subject to condition 6(b), condition 6(d) and condition 6(e), the royalty payable in each reporting period, and that must be calculated, is the higher of either a one percent (1%) ad valorem royalty on net sales revenues or a five percent (5%) accounting profits royalty on accounting profits.
- (d) Subject to condition 6(b) and condition 6(e), where net sales revenues for the permit or the production unit are \$1,000,000 (one million dollars) or less for a reporting period, the permit holder is required to calculate, and is liable to pay

the 1% ad valorem royalty only, and does not have to calculate and is not liable to pay the accounting profits royalty.

- (e) Where net sales revenues for the permit or the production unit exceed \$1,000,000 (one million dollars) for a reporting period, and in the preceding reporting periods net sales revenues were \$1,000,000 or less and greater than \$100,000, the permit holder is required to calculate the provisional accounting profits royalty for that reporting period and previous reporting periods (excluding any period for which a royalty was not payable in accordance with condition 6(b), starting from either the commencement of the permit or the previous time the accounting profits royalty was calculated.
- (f) Where the permit holder is required to calculate the accounting profits royalty, then until all restoration costs are determined in respect of the permit, the permit holder is liable to pay the higher of a 1% ad valorem royalty on net sales revenues or a 5% provisional accounting profits royalty on provisional accounting profits. In the royalty return for the final reporting period, the permit holder is required to take into account all unclaimed restoration costs, and any proceeds or gains from hire, rent, lease or disposal of land or fixed assets which have not previously been deducted, and then to calculate any liability to pay the accounting profits royalty in all reporting periods where net sales revenues for the permit or the production unit exceeded \$1,000,000 (or averaged \$83,333 per month if the reporting period was less than 12 months).
- (g) The net sales revenues, ad valorem royalty, the provisional accounting profits royalty and the accounting profits royalty must be calculated in accordance with the provisions of paragraphs 15.9 to 15.47 of the Minerals Programme for Minerals other than coal and petroleum (1 October 1996).

Point of Valuation

- (h) For the purpose of calculating net sales revenues, the point of valuation for the building stone recovered under this permit is at the point where the building stone is transported across the permit boundary.

Reporting Period

- (i) The annual reporting period for this permit is 1 July to 30 June in the following year.

Royalty Return

- (j) The permit holder is required to provide to the Chief Executive a royalty return for every reporting period within the duration of the permit regardless of whether or not a royalty is payable in accordance with conditions 6(a) or 6(b). The royalty return is required to be provided within five months of the end of

the reporting period. The royalty return must be in the form prescribed, from time to time, in relevant regulations. If no relevant regulations have been made the royalty return must be in a form that sets out information as presented in paragraphs 15.54 to 15.57 of the Minerals Programme for Minerals other than coal and petroleum (1 October 1996).

- (k) The declaration in the royalty return filed for the permit must be signed by the permit holder.
- (l) If the net sales revenues are \$1,000,000 or less for a reporting period (or average \$83,333 or less per month, if the reporting period is less than 12 months) and the permit holder employs or engages the services of an accountant (in public practice) the accountant must also sign the declaration in the royalty return filed for the permit.
- (m) If the net sales revenues are over \$1,000,000 in a reporting period (or average more than \$83,333 per month if the reporting period is less than 12 months), the royalty return filed for the permit must also be accompanied by a written statement signed by either an accountant or an auditor. If the permit holder engages the services of an auditor to review financial statements or financial information as part of meeting the statutory requirements of the Companies Act 1993 or the Financial Reporting Act 1993, then the auditor must sign the written statement. The statement must be in the form prescribed in the relevant regulations. The statement is required to be paid for by the permit holder.

Royalty Payments

- (n) Subject to condition 6(o), where net sales revenues for any half year (six months) in a reporting period average \$8,333 or more per month, the permit holder is liable to make an interim royalty payment of 1% of the net sales revenues for that six month period. The interim royalty payment must be received by the Chief Executive within 30 calendar days after the end of that six month period.
- (o) Where a reporting period is less than 12 months, the permit holder is liable to make one interim royalty payment to the Chief Executive of 1% of the net sales revenues for the reporting period, where net sales revenues for the reporting period average \$8,333 or more per month. The interim royalty payment must be received by the Chief Executive within 30 calendar days of the end of the reporting period.
- (p) The permit holder must pay to the Chief Executive any royalty that he or she is liable to pay within five months of the end of each reporting period. If the permit holder has made any interim payments of royalty and upon completion of the royalty return, the amount of royalty that he or she is liable to pay

exceeds the total amount of interim payments made, the permit holder is required to pay the difference.

Keeping of Records

- (q) The permit holder must, for the purposes of supporting the royalty return, keep for seven years or until the acceptance of the final royalty return for which the permit holder is responsible, whichever occurs first, proper books of account and records, which may include the books and records listed in paragraph 15.62 of the Minerals Programme for Minerals other than coal and petroleum (1 October 1996) maintained in accordance with accepted business practice and which explain or provide details of any aspect of the matters listed in paragraph 15.61 of the Minerals Programme for Minerals other than coal and petroleum (1 October 1996).
- (r) The permit holder must supply additional information or a detailed explanation of the basis of the royalty return to the Chief Executive within 30 days of receipt of a request by the Chief Executive for such information or explanation (refer paragraph 15.57 of the Minerals Programme for Minerals other than coal and petroleum (1 October 1996)).

Reports of Production

- (s) The permit holder is required to provide to the Chief Executive an accurate report of building stone production for the preceding six-month period within 30 calendar days following 30 June and 31 December in each year. This report may be made as part of an interim royalty statement accompanying any interim royalty payment or the royalty return or by means of a separate production report. A report of production is required to be forwarded irrespective of whether there has been any production during the relevant six-month period.

Amendment of Royalty Conditions

- (t) Where the Minister of Energy (the Minister) considers that the amount of net sales revenues specified in condition 6(d), at which and below which the permit holder is required to calculate and is liable to pay the 1% ad valorem royalty only, should be increased, the Minister may amend that condition and conditions 6(e), 6(l) and 6(m) to increase that amount by giving the permit holder one month's notice in writing.

Books to be Available for Inspection

- (u) All books, accounts and other records of the permit holder in relation to the permit shall be available at all reasonable times for inspection, for the purpose of verifying the royalty returns, by the Chief Executive or any person legally authorised in writing for that purpose.

FEES

7. The permit holder shall pay any prescribed fees that apply to this permit.

THE CROWN MINERALS ACT 1991

MINING PERMIT No. 41 625

Group Manager Crown Minerals

TO

Richard Gibson Snow
and
Annie Louise Snow

Area: 8.90 hectares

MEMORIALS

5058889.1

PARTICULARS ENTERED IN REGISTER

LAND REGISTRY OTAGO

FOR REGISTRAR-GENERAL OF LAND

13.7.2001 at 9.00 a.m.



Particulars entered in the Register shown in the First Schedule herein on the date and at the time stamped below.

.....
District/Assistant Land Registrar

Registry Office Use Only

Execution Section

This Proposal (including the schedules and appendices) is signed by the Commissioner and the Holder as a binding agreement.

SIGNED for and on behalf of the
Commissioner of Crown Lands
by [] pursuant to a
delegation under the Crown
Pastoral Land Act 1998 in the
presence of:

Witness

Occupation

Address

SIGNED for and on behalf of Morven Hills Limited
[the Holder] by two of its directors:

[name of director]

[name of director]
