

Crown Pastoral Land Tenure Review

Lease name: CARRICK STATION

Lease number: PO 357

Public Submissions - Part 2

These submissions were received as a result of the public advertising of the Preliminary Proposal for Tenure Review.

February 10

Submission 11

Simon de Lautour



From: Dave Payton [Dave.Payton@opus.co.nz]
Sent: Wednesday, 29 April 2009 11:35
To: 'Simon de Lautour'
Subject: FW: CARRICK TENURE REVIEW
Attachments: Carrick sub.pdf

From: Barry Winfield [mailto:Barry.Winfield@med.govt.nz]
Sent: Wednesday, 29 April 2009 10:56 a.m.
To: dave.payton@opus.co.nz
Subject: CARRICK TENURE REVIEW

Hi Dave, please find attached a submission on the preliminary tenure review proposal for Carrick. I will forward a hardcopy of the submission in the post today.

Regards
Barry

Barry Winfield | Senior Analyst Petroleum and Minerals Policy | Crown Minerals | **Ministry of Economic Development**
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29 April 2009

Commissioner of Crown Lands
c/- Opus International Consultants Limited
Private Bag 1913
DUNEDIN 9016

Attention: Dave Payton



Dear Dave

**CARRICK PASTORAL LEASE
TENURE REVIEW SUBMISSION BY CROWN MINERALS**

The Commissioner of Crown Lands has invited public submissions on the tenure review of Carrick Pastoral Lease which occupies an area of some 9,262 hectares of land on the Bannockburn-Nevis Road, near Cromwell.

An assessment of the area has shown that the lease area, and much of the surrounding land, is prospective for a range of metallic minerals and is currently overlain by granted permits.

Please find enclosed a written submission on this tenure review proposal.

Yours sincerely

Barry Winfield
Senior Analyst, Petroleum and Minerals Policy

**Crown Pastoral Land Act 1998
Tenure Review
Preliminary Proposal**

Lease name: CARRICK

Lease numbers: PO 357

**Submission by Crown Minerals
Ministry of Economic Development**

April 2009

**CARRICK PASTORAL LEASE
PRELIMINARY PROPOSAL FOR TENURE REVIEW**

**SUBMISSION BY CROWN MINERALS TO
COMMISSIONER OF CROWN LANDS**

BACKGROUND

1. The Crown Pastoral Land Act 1998 provides a framework for the review of high country land in the South Island. In order to gain ownership of the all or part of the land leaseholders may request that their lease be considered for tenure review.
2. An invitation to undertake tenure review has been accepted for the Carrick pastoral lease and the review has reached the stage where the Commissioner of Crown Lands has put a preliminary proposal to Donald and Marion Clark as lessees of this pastoral lease. The Commissioner of Crown Lands has invited public submissions on this preliminary proposal for tenure review.
3. The Carrick lease comprises some 9,262 hectares of land on the Bannockburn-Nevis Road approximately 12 km from Cromwell in Otago.
4. It is proposed that 3,000 ha be restored to Crown ownership or control (as conservation areas and historic reserve, subject to qualified designations) and 6,262 ha to be passed into freehold ownership (subject to protective mechanisms and qualified designations).

CROWN MINERALS

5. Crown Minerals, a group within the Ministry of Economic Development. It is the government's agent that manages New Zealand's state owned oil, gas, mineral and coal resources known as the Crown mineral estate. Crown Minerals is responsible for the efficient allocation of prospecting, exploration and mining rights, the promotion of the mineral estate to investors, and ensuring that the Crown receives a fair financial return for the use of its mineral estate.
6. The Crown (on behalf of all New Zealanders) owns all in-ground petroleum, gold and silver and approximately half of the in-ground coal, non-metallic and other metallic minerals including industrial rocks and building stones.

LAND TENURE REVIEW

7. The Minister of Energy and Crown Minerals have previously registered their concern to both the Minister for Land Information and LINZ officials that the land tenure review

process gives little consideration to the land's mineral value and potential for mineral development and that it does not recognise existing mineral permit and licence holders interest in the land. As a consequence of the ongoing review of pastoral leases, some land that is highly prospective for mineral development is passing into the Conservation estate, or into private ownership, where it may become more difficult, if not impossible in some cases, for individuals and companies to gain access to this land for the purpose of exploration and mining. This represents a significant loss of economic development opportunity.

8. The objectives of tenure review are set out in section 24 of the Crown Pastoral Land Act and include *"enabling reviewable land capable of economic use to be freed from the management constraints (direct and indirect) resulting from its tenure under reviewable instrument"*.
9. The economic benefits from mineral development can be substantial and should not be overlooked. If the land has high mineral potential and/or significant mineral content, then consideration should be given to the mineral value when determining future ownership and use of such land.
10. The purpose of this submission is to bring to your attention the known and potential mineral wealth of the land subject to the Carrick review and to request that this be taken into consideration when making a final decision on the review.

REGIONAL GEOLOGY

11. The area comprises schist of the Haast Schist group, which formed during the juxtaposition of Rakaia and Caples terrane rocks along a complex fault zone during the Jurassic to Cretaceous. The schistose parts of the Caples, and Rakaia terranes are known collectively as the Haast Schist, and are divided into Otago, Alpine, Haast and Marlborough schists on the basis of geography. Caples and Rakaia terrane rocks become increasingly metamorphosed and deformed towards the centre of the schist belt.

LOCAL GEOLOGY

12. The Carrick Pastoral lease covers both Caples and Torlesse terranes, predominantly comprised of psammitic to semi-psammitic schist. Known gold mineralised lodes occur within a 4.5 km by 1 km north-northeast trending structural corridor between the upper and lower Carrick areas and are associated with shear zones consisting of crushed schist with relatively minor quartz veining.

KNOWN MINERALISATION AND CURRENT PERMITS

13. The Carrick Goldfield was discovered in 1868 and lode mining commenced in 1870. The peak years of gold production were from 1871 to 1877, although intermittent prospecting and mining continued over 50 years with the last recorded production in 1921.

14. Recent exploration using modern geochemical sampling techniques and drilling was undertaken throughout the 1980s and 1990s by a number of exploration companies including Amco Minerals New Zealand (1980-81), Summit Gold (1987-90), Rio Tinto (1989-90) and AMAX/Goldmines of New Zealand (1991-94).
15. At the present time a majority of the lease is subject to granted permits or applications. A map showing the relationship between these permits and the Carrick lease is appended to the submission.
16. Glass Earth New Zealand Limited ('Glass Earth') holds prospecting permit 39322 which covers a large part Carrick (with the exception of those areas covered by other minerals permits). Activities under this permit which covers some 12,790 km² of the Otago region are targeting a wide range of metallic and non metallic minerals. Glass Earth has made an application for an extension of duration for this permit.
15. Glass Earth has completed an ultra-detailed magnetics, radiometrics, resistivity, altimetry, hi-map geoscan aerial geophysical survey. The majority of the region has been flown at a scale suitable to delineate significant mineralogical systems and totalled approximately 25,000 line kilometres of flying. This has been followed by a programme of data retrieval, levelling, gridding, modelling and interpretation to identify anomalies.
16. Overall, the work being undertaken by Glass Earth in Otago involves a radically different approach to exploration in this region that has the potential to target specific gold permissive areas via a set of tools unreliant on geochemistry. The interpretation of these data sets should add substantially to:
 - the geological knowledge of the area;
 - the mineral potential of the area;
 - the structural understanding of the area;
 - the agricultural/forestry and horticultural knowledge of the area via specific landform delineations; and
 - the shallow aquifer/water resource potential of the area (specifically affecting the dairying and crop growing potential of the area).
17. Glass Earth is now assessing targets for delineation and further exploration including drilling. This may include areas within or directly adjacent to Carrick in order to fully explore the potential mesothermal gold resources.
18. Prophecy Mining Ltd currently holds Exploration Permit 40536 which covers part of the northern section of the Carrick lease. The permit was granted in 2002 and Prophecy has been actively exploring the area through geochemical sampling and more recently with over 2,000 m of RC drilling (in excess of \$260,000 being expended). Results have been encouraging with anomalous elevated grade gold intersections and other broader zones of anomalous gold being identified. Prophecy has also lodged an application for an exploration permit (EPA 50019) which lies over part of the Carrick lease that is contiguous with EP 40536.

19. Mining Permit 41851 held by Alan Skinner is located within the west edge of the northern section of Carrick lease. The permit authorises suction dredging for gold over 14 km the bed of Nevis River. Suction dredging is a low impact operation whereby gold is recovered from the river bottom sediments using a pontoon mounted suction apparatus.
20. Accordingly, the historical recordings of mesothermal arid alluvial gold workings, and the present prospecting and exploration activity within the Carrick lease} highlight the area's potential and the fact that it is considered to be highly prospective for gold.

COMMENT

21. Prospecting is a relatively high risk business and the very nature of mineral prospecting and exploration means that a company starts with a large area of land and with time it reduces the area after eliminating areas of no interest. Where early reconnaissance work under a prospecting permit justifies further exploration expenditure, a company will apply for an exploration permit. Progressively the size of the area will be reduced to only a fraction of the original area and more often than not, a company will fail to identify economic mineralisation and the ground will be surrendered or the permit will be allowed to expire. Modern day prospecting and exploration techniques present little threat to the environment and yet the ultimate outcome of exploration can be the development of a mine with numerous economic spin-offs for the local economy.
22. Crown Minerals acknowledges that the transfer of areas of the Carrick lease to both the Department of Conservation ("DOC") and private ownership does not preclude access to the land for the purpose of prospecting, exploration and mining. Permit holders can apply to DOC and the private landowner for an access arrangement under section 61 of the Crown Minerals Act 1991. However, because the Minister of Conservation's consideration of an application for access largely relates to conservation objectives, it is fair to say that it becomes more difficult for an exploration or mining company to secure a workable access agreement on conservation land.

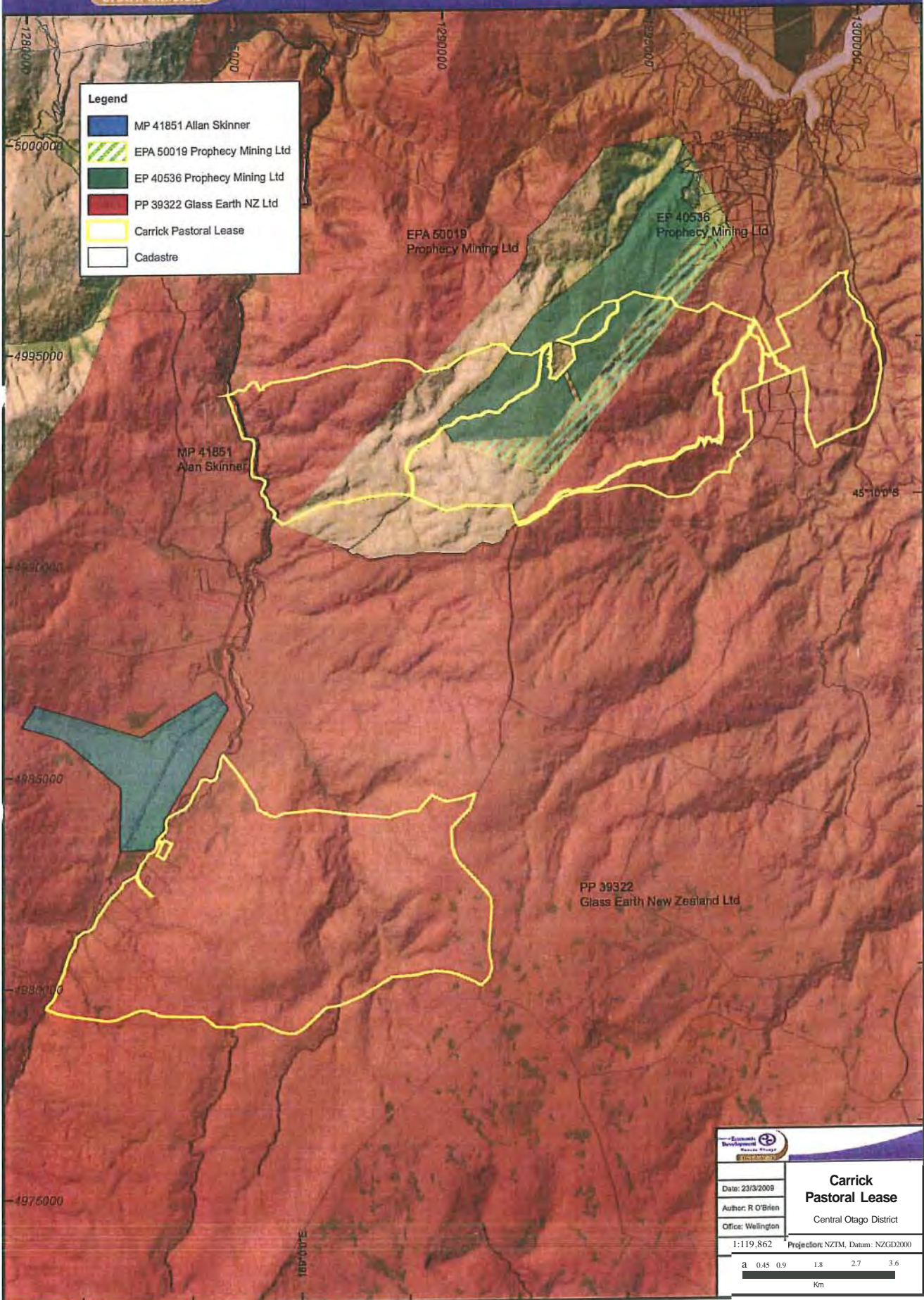
CONCLUSION

23. The current and proposed prospecting and exploration activity by Glass Earth and Prophecy, highlights the new interest being shown to assess the mineral potential of the Carrick lease area and the surrounding region, and testifies to the economic mineral potential of the area.
24. The Carrick pastoral lease area should be recognised as being prospective for minerals. To further assess the mineral potential of the area it is critical that exploration and mining companies get ongoing access to this land. Whatever the outcome of this review, Crown Minerals would want to see provision made to allow for mineral prospecting activities to continue to be undertaken.

25. Crown Minerals requests that the Commissioner of Crown Lands takes notice of the mineral potential of Carrick pastoral lease. Consideration should be given to some form of transitional provisions to ensure that future explorers and developers have a right to access to Crown and freehold land on reasonable terms for the purpose of carrying out prospecting and exploration activities and also any development activities under subsequent permits granted in accordance with section 32 of the Crown Minerals Act.

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Active Mineral Permits in the vicinity of Carrick Pastoral Lease



Submission 12

Simon de Lautour

12

From: Dave Payton [Dave.Payton@opus.co.nz]
Sent: Wednesday, 29 April 2009 17:11
To: 'Simon de Lautour'
Subject: FW: Carrick Submission
Attachments: Carrick submission .doc

From: Niall Watson [mailto:N.Watson@fish-game.org.nz]
Sent: Wednesday, 29 April 2009 4:55 p.m.
To: dave.payton@opus.co.nz
Subject: Carrick Submission

Dear Dave,

The original will follow by mail.

Kir Regards

John Hollows
Otago Fish and Game



Carrick Crown Pastoral Lease Tenure Review

Submission from Otago Fish & Game on the preliminary proposal

Fish & Game wish to make the following submission regarding the advertised preliminary proposal for the Carrick Property.

Property Values

We support the acknowledgement of the unique landscape values of the area throughout the document including the visual aspect which is part of the angling experience. We agree with the noted potential vulnerability aspects including subdivision and built elements and submit that either covenants and other protective mechanisms to be worded specifically in order to give meaningful protection to the values outlined or that land be retained in Crown ownership as reserves of one sort or another.

Areas of the property within the Nevis Valley constitute part of the backcountry setting for the already recognized outstanding trout fishery

Protective Mechanisms

In our opinion, the protective mechanisms are inadequate to protect the values present within the property. This is particularly so when considering linkages to wider landscape, historical and recreational values located within the valley.

The wording for CC4 outlines that damming, diverting or taking of natural water is only permitted if both parties agree (owner and the Department of Conservation (D.O.C)). You may be aware from the Department's past advice to Quotable Value that DOC has agreed that consent to hydro development within the Nevis Valley will not be unreasonably withheld. This makes the covenants of little or no value and the exercise of putting them in place something of a charade. There needs to be certainty that protective mechanisms will work where important values are present. We note the CPLA's preference for retention in Crown ownership.

Our assessment is that at least the wording for CC4 and CA2 needs to be strengthened to protect the numerous values outlined in the preliminary proposal. Adding Fish and Game as a party to any covenant would help with that.

Statutory managers of freshwater sports fish, game birds and their habitats

Otago Region

Cnr Hanover & Harrow Sts, PO Box 76, Dunedin 9054, New Zealand. Telephone (03) 477 9076 Facsimile (03) 477 0146
www.fishandgame.org.nz

We would like wording attached to land marked CC4 and CA2 amended such that the future damming, diverting or taking of natural water is not permitted under any circumstances.

Public Access

The provisions for public access appear sufficient to facilitate recreational opportunity in the area.

Fish & Game Access for Management Purposes

Fish & Game may on occasions need to access land for the management of sports fish and game bird species. We understand that we have the same access rights for management as the Department although this has not been formally confirmed. We are working through this process with The Department of Conservation. In the interim we request that wording be added to the proposal which confers the same access rights to Fish & Game as the Department with regard to management access. Alternately a letter from the Department or LINZ confirming that Fish & Game have the same management rights would meet our concerns.



John Hollows
Environmental Officer

28 April 2009

Submission 13

Simon de Lautour

13

From: Dave Payton [Dave.Payton@opus.co.nz]
Sent: Thursday, 30 April 2009 08:50
To: 'Simon de Lautour'
Subject: FW: CARRICK PASTORAL LEASE TENURE REVIEW: NZHPT COMMENTS
Attachments: Carrick Pastoral Lease TR.pdf

From: Doug Bray [mailto:dbray@historic.org.nz]
Sent: Wednesday, 29 April 2009 5:32 p.m.
To: Dave.payton@opus.co.nz
Subject: CARRICK PASTORAL LEASE TENURE REVIEW: NZHPT COMMENTS

Kia ora David

Attached refers. Original follows by mail.

Cheers

Doug Bray
Heritage Adviser (Planning)
Otago/Southland Area Office
New Zealand Historic Places Trust (Pouhere Taonga)
PO Box 5467 (L4, Queens Bldg, 109 Princes Street)
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Email: dbray@historic.org.nz
Shop online at www.historic.org.nz and help keep New Zealand's heritage places alive

AS EMAIL
PM 29 APR 2009
(SEE ATTACHED)

New Zealand Historic Places Trust
Pouhere Taonga



Our Ref: 22015-001
Your Ref: Po 357

Patron:
His Excellency The Hon
Anand Satyanand, PCNZM
Governor General of New Zealand

29 April 2009

David Payton
Tenure Review Contract Manager
Opus International Consultants
Private Bag 1913
DUNEDIN 9054



Dear Mr Payton

RE: CARRICK PASTORAL LEASE TENURE REVIEW

Thank you for your letter of 27 February 2009 concerning the above.

The NZHPT is a Crown Entity and is New Zealand's lead agency in historic heritage management. Its purpose is to promote the identification, protection, preservation and conservation of the historical and cultural heritage of New Zealand, as provided for in Section 4(1) of the Historic Places Act 1993. The NZHPT's powers and functions are set out in Section 39 of the Historic Places Act.

The NZHPT has developed guidelines based on internationally recognised best practice to assist in the identification and protection of historic heritage values. This includes a specific guideline on the undertaking of archaeological assessments. NZHPT monitors "one off" opportunities such as this to ensure the Crown's commitment to the identification of significant inherent heritage values and other features warranting recognition and protection on pastoral lease lands subject to the tenure review process.

The NZHPT has checked the Conservation Resources Report prepared by the Department of Conservation and has the following comments to make with respect to the Carrick Station proposal:

- Both the Summary of Preliminary Proposal and Conservation Resources Report indicate that a number of historic and archaeological sites are present on Carrick Station. These are referred to in both reports and shown on Map 4.2.4: Significant Historic Values of the Conservation Resources Report. The NZHPT believes such findings should have acted as a "trigger" in terms of suggesting further items of heritage significance could be found, thereby necessitating an archaeological assessment being undertaken before the property reached preliminary proposal stage in any tenure review;
- Neither the Summary of Preliminary Proposal nor Conservation Resources Report make any reference to a formal archaeological assessment having been undertaken for Carrick Station. Rather, it would appear that information has been obtained from either the New Zealand Archaeological Association's (NZAA) Site Record Database and/or desktop historic research;

- The quality of information on and extent of coverage by the NZAA database varies considerably between locations. It is far from a comprehensive record of New Zealand archaeology and should not be relied upon to demonstrate whether or not sites of archaeological or historic heritage significance are present;
- Carrick Station adjoins Craigroy Pastoral Lease which also contains which also contains significant archaeological and historic heritage values contiguous across both Leases.

The NZHPT has undertaken its own research into whether or not an archaeological assessment of Carrick Station has been undertaken, and believes that this is not the case. It does not believe, therefore, that the Preliminary Proposal the subject of this submission has been sufficiently informed with respect to historic heritage and its protection proposed as part of the tenure review.

In terms of this preliminary proposal in its component parts:

- Retention of that area labelled CA2 on the proposed designation plans in Crown ownership as a conservation area and retired from grazing is **supported**;
- Retention of areas CA1 A and CA1 B in Crown ownership as a conservation area is **supported**. It should be noted, however, that this area includes the Carrick Range water race, which is an archaeological site. The NZHPT **notes** that the proposed grazing concession is restricted to sheep and will be phased out over five years;
- Creation of Reserve R is **supported**. The NZHPT notes that this endeavours to capture many of the archaeological sites shown on Map 4.2.4. The NZHPT believes, however, that further fieldwork is needed to determine whether or not the proposed reserve boundaries will in fact capture all, and certainly the most significant, archaeological sites. Such research would also provide useful guidance to the proposed photo-point monitoring and help to determine whether or not cattle grazing is likely to damage the sites;
- The NZHPT recognises that Conservation Covenants CC1, CC2, and CC3 seek to protect historic values (amongst other). Conservation Covenant CC4 may need to have its schedule amended to include protection of historic values relating to the Potters Creek area. Page 31, paragraph 2 of the Conservation Resources report describes the valley of Potters Creek as "an historic landscape of very high significance".

The Crown has an obligation to both the lessee and the public to properly inform itself of significant inherent values on Carrick Station. That should have occurred prior to proposals being developed to identify those lands to be retained by the Crown and those lands proposed for disposal to the lessee. Where appropriate, adequate protection measures should be recommended as part of the tenure review process.

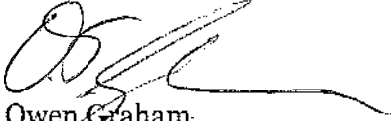
On the strength of the above, the NZHPT recommends:

- That a thorough field based archaeological assessment of the property should now be undertaken to properly locate, assess and recommend appropriate levels of protection for all historic heritage values identified. The NZHPT is able to provide advice on how to undertake this work, and should be provided with a copy of the assessment once completed. It can then offer advice on appropriate protection measures should that be deemed necessary;
- The proposed freeholding ought to be revisited, in view of the need to have this archaeological assessment and the known significance of archaeological and historic heritage on adjoining pastoral Leases. Tenure review is an important "one off"

opportunity to decide future ownership, hence management of land and its resources. It may be that the assessment determines those areas proposed for freeholding, or parts of them, are of historic heritage significant to warrant their being retained in Crown ownership.

Please let me know if you have any queries with respect to the above.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Owen Graham', with a long horizontal flourish extending to the right.

Owen Graham
Area Manager (Otago/Southland)

Doug Bray

From: Doug Bray
Sent: Wednesday, 29 April 2009 5:32 p.m.
To: 'Dave.payton@opus.co.nz'
Subject: CARRICK PASTORAL LEASE TENURE REVIEW: NZHPT COMMENTS
Attachments: Carrick Pastoral Lease TR.pdf

Kia ora David

Attached refers. Original follows by mail.

Cheers

Doug Bray
Heritage Adviser (Planning)
Otago/Southland Area Office
New Zealand Historic Places Trust (Pouhere Taonga)
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Shop online at www.historic.org.nz and help keep New Zealand's heritage places alive

Submission 14



Department of Botany

14

University of Otago
Te Whare Wananga o Otago

Division of Sciences
PO Box 56, Dunedin
NEW ZEALAND

Tel: National 03479 7573 International 64 3479 7573
Fax: National 03 4797583 International 64 34797583
Email: amark@otago.ac.nz



April 28, 2009.

Commissioner of Crown Lands,
C/o Manager,
OPUS International Consultants Ltd.,
Private Bag 1913,
DUNEDIN.9016

SUBMISSION ON PROPOSED TENURE REVIEW: CARRICK PASTORAL LEASE

Dear Sir,

Thank you for sending me a copy of this proposal and I appreciate the opportunity to comment on it based on my good knowledge of this area and my long involment with the ecological aspects of the vegetation in this part of Central Otago from the time I conducted the Otago Catchment Board's high country survey throughout Central Otago in the late 1950s.

This is a complex proposal which has had considerable input and with much detail from the Opus staff for a relatively large run (9262 ha), but its general thrust is clearly in favour of freehold title with a total of 3000 ha being allocated to full Crown control in three parcels, two proposed conservation areas plus an historic reserve, with the remaining 6262 ha to be disposed of by freeholding with certain protective mechanisms and qualified designations.

As to the details, the proposed Conservation Area CA 1, comprises some 2446 ha, being the higher altitude part of the Nevis Block in two sections (A and B) which ranges in elevation from ~1100 m to the crest of the Old Woman Range at ~1740 m. These areas contain relatively intact and generally representative alpine plant communities, predominantly cushionfield with smaller areas of cushion-fellfield and snowbank. Small scattered remnant areas of slim snow tussock (*Chionochoa macra*) on the higher slopes grading into narrow-leaved snow tussock (*C. rigida*) below, add significant value to the ecology of the area, as does the presence of the threatened alpine cushion plant species *Raoulia parkii* above ~1300 m. A section along the creat of the Old Woman Range was recognised as part of a larger Recommended Area for Protection (RAP 1/5: Bannock Burn- Old Woman Range) in the 1986 PNA Report for the Old Man Ecological District. Landscape vales here are very high, consistent with much of the surrounding areas. This proposed conservation area contains part of the Carrick Range Water Race, and so adds an important historic dimension to the proposal. Significantly, the area is contiguous with the Old Woman Conservation Area and so will add to the value of this important Conservation Area.

Regarding the Qualified Designations, one is to provide a grazing concession in favour of the owner of the proposed freehold title, to be phased out over a period of five years, for no more than 3000 weathers or dry ewes for up to 3 months in anyone year. The second QD is a recreation concession in favour of Robert and Sandra Brown over the CA1 B block, to permit continuation of an existing concession, which expires on 30 September 2010, without a right of renewal (and no plan to renew it). A third QD is to provide for continuation of an existing easement for the Camick Irrigation Company Ltd over the CA1 area, as shown by the labelled line A-B on the Plan, to permit both the right to convey water and the right of access for race-maintenance purposes.

An area of ~445 ha is proposed for restoration to full Crown ownership and control as a Conservation Area (CA 2), being a relatively small lower part of the Potters Block extending from the Nevis River at 640 m along the northern boundary of the property to ~1260 m. I note with concern that this proposed Conservation Area is only part of (I estimate about one third) of the 900 ha Recommended Area for Protection (RAP 2/2: Potters Creek) in the Old Man PNA Report of 1986. Indeed, this RAP is entirely within the Potters Block of the property, which extends from the Nevis River to the crest of the Carrick Range at ~1300 m. I consider it unlikely that the upper slopes of this block are capable of sustaining pastoral farming, even with the constraints associated with the proposed covenants and strongly recommend that at least the entire area of the RAP, and consistent with the earlier proposal for a larger Conservation Area (CA 3), as in the earlier Conservation Resources Report (CRR) of 2006. Although somewhat degraded, ecologically, the entire Potters Block contains a valuable altitudinal sequence in the corridor from the Nevis River to the crest of the Carrick Range. It is therefore recommended that the land above ~1000 m to the crest of the range should be added to the proposed CA2 area to create a larger and much more valuable conservation area.

The proposed Historic Reserve of ~109 ha (labelled "R" on the plan), also to be restored to full Crown ownership and control, located along part of the northern boundary of the Carrick Block, will be in two sections so as to form an addition to the eastern and western sides of the existing Young Australian Historic Reserve.

There are two qualified designations proposed for this Historic Reserve, a Qualified Designation associated with this proposal is to grant a grazing concession in favour of the holder of the proposed freehold title, for the grazing of sheep only on the Waterwheel grazing block (the western block) and both sheep and cattle on the Forks grazing block (the eastern block), both for a period of 20 years. Photo-point monitoring is to be conducted periodically to ensure this proposed grazing does not cause additional ecological degradation while also serving the historic aspects by ensuring the historic relics remain visible. The second Qualified Designation is to provide for continuation of an existing easement in favour of the Carrick Irrigation Company Ltd, to convey water along the lines labelled G-H-I-K and I-K, plus an associated weir and the right of access for maintenance purposes.

The area of ~6262 ha proposed for freeholding is subject to certain protective mechanisms and qualified designations, as follows: The Protective Mechanism – proposed Conservation Covenant of two blocks, a Middle Block (which forms one grazing block) and a lower Nevis Face Block, I consider, is unsatisfactory. The Middle Block, which extends above ~1100m to ~1400 m on its SE corner, is most unlikely to be able to be sustainably managed for farming purposes and should be returned to full Crown management and control, being added to the proposed Conservation Area CA1, because of the obvious ecological values inherent in the tussock grassland and also high landscape values associated with the numerous rock tors. The presence of a suitable lower boundary fence is relevant to this recommendation. Some limited grazing by sheep for a period of 5 years, perhaps even up to 10 years on this block, could be considered to allow adjustment to farm management. Such a modification would help towards achieving a more appropriate allocation balance between Crown land and freehold land than in the existing proposal. The lower Nevis Face, which has been oversown and topdressed is much more likely to be capable of ecologically sustainable pastoral use under the covenant conditions (stock limitations, protection of natural, historic and landscape values) proposed, and is therefore accepted.

The two associated Conservation Covenants proposed for the Potters face of the Carrick Block (CC3 and CC4) have already been discussed in part in relation to the recommendation to extend the proposed Conservation Area CA2 on this face. The CC3 area should be included in the extended CA2 but it is important in its own right for its protection of mainly historic values of the gold mining relics in Potters Creek and the old Bridle Track, some ecological values associated with the altitudinal

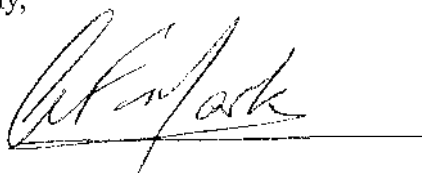
sequence of snow tussock grassland communities, plus the associated landscape values. The wander-at-will provisions are both appropriate and appreciated. Much of the relatively large (~1400 ha) Conservation Covenant CC4 should, as discussed above, be transferred to full Crown management and control as an extension to the proposed CA2. However, if this is not accepted then the provisions of this proposed covenant, of landscape protection and retention of most of the remaining ecological values associated with the existing vegetation, and its accompanying periodic monitoring, is accepted.

Designation of most of the Bannockburn Block for freeholding, with a Conservation Covenant covering the ~320 ha upper slope from the range crest, with a fenced upper boundary, down to the existing Carrick Water Race, and with a public vehicle access easement (shown as e-f on the plan) along the crest, is accepted with reluctance. I doubt the ability to sustainably manage these upper slopes above ~1100 m for pastoral purposes, but note that the covenant conditions for the CC2 area, involves sheep-only grazing and at a rate that should allow retention of some natural, including landscape values, while allowing the historic values to be revealed. This area would be more appropriately transferred to full Crown management and control but this would presumably require a new fence along the lower boundary. This is my preferred option given the high visibility and likely much increased future public use and enjoyment of this area.

The numerous easements not previously mentioned, to provide for a range of public vehicle, foot, mountain bike and horse access.

I trust that this response and recommendations will be given serious consideration and I thank you again for the opportunity to assess and comment on these proposals for tenure review.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alan F. Mark', written over a horizontal line.

Alan F. Mark. FRSNZ Professor Emeritus

Submission 15



15

27 April 2009

The Manager
Opus International Consultants Ltd
Private Bag 1913
DUNEDIN 9016



Attention: Mr David Payton

Dear Sir

CARRICK STATION TENURE REVIEW - NEVIS VALLEY BLOCK

My clients R W & S L Brown are the sub lessees' of Craigroy Station, which adjoins the Nevis Block of Carrick Station. They at present have a concession over part of the Nevis Block for Skiddoo adventures.

They have asked that I prepare a submission relating to the continued use of the area involved. This will be essential to maintain the economics of their farming operation subsequent to tenure review on the Craigroy property, which they currently farm.

A copy of this submission is enclosed.

Yours faithfully
Moore & Percy Ltd

M.F. Moore
Registered Valuer, Registered Primary Industry Consultant. ANZIV, SPINZ. MNZIPI

Ph: (03) 4402144
Mob: 0274 336 504

malcolm@moorepercy.co.nz

Freephone 0800 344 877

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QUEENSTOWN: PO Box 1634, Queenstown 9348 - Ph: +64 3 442 4414 - Fax: +6434424424

WANAKA: 7 Sycamore Place. Wanaka 9192 - Ph: +64 3 443 2735 - Fax: +64 3 443 2865



27 April 2009

RW & SL Brown
Craigroy Station
POBox 12
CROMWELL

Dear Mr & Mrs Brown

**PROPERTIES: CRAIGROY STATION AND NEVIS BLOCK OF CARRICK
STATION - NEVIS VALLEY**

I refer to your instructions to comment on the effects that the proposed tenure reviews on both these properties may have on the future of your farming and skidoo adventure operations.

1. LEGAL DESCRIPTION

Craigroy Station -

The land is described in Certificate of Title 386/130 Otago Land Registration District as being Run 339B, Nevis and Bannockburn Survey Districts, land area some 4,432.4586 hectares. Pastoral Lease No. 233, thirty three years from 1 July 1992, current rental \$1,500 per year exclusive of GST, 11 year rent reviews.

Registered Proprietor:

- Nevis Holdings Limited.

Carrick Station, Nevis Block -

The land is described in part Certificate of Title 338/81 Otago Land Registration District as being Sections 3,27,28,29,30,31, and 34, Block III, Nevis Survey District, run 339E, Nevis, Lawn and Lawnside Survey Districts, land area some 4,222 hectares. Registered Proprietors, Donald William Clark and Marion Isobelle Clark, tenure 33 year term from 1 July 1985, 11 yearly rental reviews, current rental \$8,000 net, exclusive of GST, per year, rental review due 30 June 2007.

Registered Proprietors:

- Donald William Clark & Marion Isobelle Clark.

Freephone 0800 344877

www.moorepercy.co.nz

ALEXANDRA: 16 Brandon Street. PO Box 247, Alexandra 9340 · Ph: +64 3 440 2144 - Fax: +64 3 448 9531

QUEENSTOWN: PO Box 1634. Queenstown 9348 · Ph: +64 3 442 4414 - Fax: +6434424424

WANAKA: 7 Sycamore Place. Wanaka 9192 · Ph: +64 3 443 2735 · Fax: +64 3 443 2865

2. SITUATION AND LOCALITY

Two adjoining high country run blocks situated with access from the Nevis-Cromwell Road, 26 kilometres south by road from Cromwell, via Bannockburn. Access road from Bannockburn, metal only, reaches an altitude of some 1,300 metres above sea level and is subject to snow falls during winter which can make access difficult. Power supply is available by diesel generator, no mail or school bus available to property. Semi remote locality located on the western slopes of the Carrick Range in an area known as the Nevis Valley, an extensive run type farming district.

3. CLIMATE, TOPOGRAPHY AND ALTITUDE

Rainfall averages from 750 to 850 mililmetres per year, Increasing with altitude, semi Central Otago climate with tending dry summers and cold severe winters, low to moderate snow risk on higher altitudes, low snow risk at lower altitudes. Access to the Nevis Valley can be cut off for short periods due to snow on the access road. The properties are relatively exposed to southerly winds.

Altitude on the Craigroy Block ranges from 660 – 624 metres above sea level, on the Carrick Block, 700 -1,740 metres above sea level.

Contour consists of:

| | Craigroy | Carrick Nevis Block |
|-----------------------------|-----------------|----------------------------|
| Easv Rollino | 350 ha | Nil |
| Moderately Rolling to steep | 4,082 ha | 4,222 ha |
| Totals: | 4,432 ha | 4,222 ha |

4. APPROXIMATE SOIL TYPES

| Approximate Soil Types: | Craigroy | Nevis |
|--|-----------------|-----------------|
| Matukituki Soils, medium quality sandy loam on gravels | 80 ha. | |
| Arrow steepland soils, medium quality silt loam on fine sandv loam on schist | 2,662 ha | 1,555 ha |
| Dunstan steepland and Carrick hill soils, fair quality silt loam on schist | 1,690 ha | 1,555 ha |
| Carrick hill soils and Dunstan steepland soils | | 670 ha |
| Carrick hill soils, fair quality silt loam on fine sandy loam on schist | | 442 ha. |
| Totals | 4,432 ha | 4,222 ha |

| Approximate Cover Consists | Craigroy | Nevis |
|--------------------------------|-----------------|------------------|
| Cultivated pasture | 80 ha | - |
| Good over sown and too dressed | 1,290 ha | 800 ha |
| Good native orazino | 1,350 ha | 975 ha |
| Fair native grazing | 1,690 ha | 1,000 ha |
| Poor native orazino | - | 1,447 ha |
| Buildings and waste | 22 ha. | - |
| Total | 4432 ha. | 4,222 ha. |

5. WEEDS AND PESTS

Some briar and matauri present, of little significance, rabbits under good control on the Craigroy Station. Good efforts have been made with spraying of briar on the Carrick Nevis Block, some hieracium present, rabbits and hares under reasonable control.

6. THE DEVELOPMENT - CRAIGROY

Buildings:

- (a) Dwelling, erected 1998, floor area 90 sq.metres. Construction, concrete foundations and piles, plycopine flooring, timber frame hardiplank clad, aluminium joinery, coloursteel roofing, and internal linings of Gibraltar board.

Containing kitchen dining living room, gas and electric ranges, diesel heater, three double bedrooms, office, bathroom, toilet and laundry facilities. Condition, exterior in tidy order, interior parts yet to be decorated.

Radio link telephone system, diesel generator with battery backup and inverter system for power supply.

- (b) Utility shed, erected 1998, floor area some 90 sq.metres. Construction, concrete foundations and flooring, steel frame, galvanised iron clad. Utilised for vehicle storage, workshop, generator and battery inverter system.

- (c) Old homestead, erected some 65 years ago additions subsequently, floor area some 135 sq.metres. Construction, concrete foundations and piles, concrete and timber flooring, walls mainly roughcast over sundried brick, timber joinery, part timber frame fibrolite clad, corrugated galvanised iron roofing.

Contains, kitchen dining room, three bedrooms, lounge, bathroom, external storeroom. **Condition, in fair order.**

- (d) Woodshed, erected in stages over the past 25 to 65 years, floor area some 350 sq.metres plus covered yards 170 sq.metres. Construction, timber and steel frame, corrugated galvanised iron clad, five stands, in fair to tidy order.

- (e) Sundry buildings include generator shed in tidy order, store shed and hut in poor order.

Fencing and Subdivision:

The property is subdivided into sixteen main blocks together with five paddocks and two holding paddocks by average to good quality fencing, substantial subdivision having been carried out over the past ten years, particularly splitting the lower and higher altitude country.

There are two sets of sheep yards on the property, cattle yards are shared with an adjoining property.

Water Supply:

- (a) Domestic, spring source, pumped to 25,000 litre storage tank, gravity supply to dwelling, adequate supply.
- (b) Stock, generally adequate stock water available from springs, creeks and the Nevis River.

Pastures and Consolidation:

Some 40 hectares has been cultivated and established in good pasture for hay production, some 1,290 hectares has been over sown, top dressed and maintained. The property is generally in good heart, both native and improved country all having good cover, some hieracium present.

7. DEVELOPMENT CARRICK NEVIS

These consist of a musterers hut and cattle yards together with subdivision fencing.

8. STOCKING AND PRODUCTION

Craigroy Station has been running some 4,450 stock units, lambing percentage 75 - 85%, calving 90 - 95%, all weights some 3.7 - 4.1 kilograms per head.

The Carrick Nevis block is run with other land and has been running some 10,000 stock units overall. The Carrick Nevis block has been utilized for running wethers and breeding cows, stock carrying capacity some 3,000 stock units.

9. GENERAL

Two semi remote fine wool and cattle run properties in the Nevis Valley near Cromwell. Both properties have been substantially developed over the past ten years with over sowing, topdressing, spraying and subdivision fencing. In addition parts of both properties have been utilised by the Nevis Snowmobile Adventure operation during winter months, this being helicopter access to self drive guided wilderness adventures by snowmobile, along part of the summit of the Old Woman Range. In addition, the Nevis block has had some "Fat tyres" four wheel drive trips and motor bike access.

Both properties have been undergoing tenure review with the high country areas on both blocks to be restored to crown ownership. The anticipated loss on carrying capacity for Craigroy Station is from the current 4,450 stock to some 3,500 stock units. The estimated reduction in stock carrying capacity on the Carrick Nevis block is from 3,000 stock units to some 2,400 stock units. The Craigroy property would be **considered an uneconomic farming unit. The present Nevis Snowmobile Adventures** has been operating for some time, the concession is to expire 30 September 2010. It is essential that this concession continues to enable the sub- lessee of Craigroy **Station to remain as an economic unit.**

It has been stated that the continuation of the existing recreation business of **motorised over travel and aircraft landings is inconsistent with ensuring the remote** experience qualities of the Old Woman/Garvie area described in the Otago **conservation management strategy. The qualities of a remote experience** are generally understood to include natural quiet, that is, all you should hear are the sounds of nature. This has clearly indicated that there will be no renewal of the concession 30 September 2010.

The lack of the concession will then further aggravate the fact that Craigroy Station **S**ubsequent to tenure review will be uneconomic. It is also difficult to reconcile the **fact that when this area is utilized for over snow travel there is no alternative access** apart from aircraft and therefore no ability for the public to be in this situation to enjoy **natural quiet. The only access being by aircraft and the present scenario the operation is for those who wish to enjoy the experience in this location of such an** activity.

It would therefore seem fair that this concession be renewed on the Department of Conservation terms for recreation use. This permit can only operate when full snow cover is in this locality.

At other times of the year this area is accessible on foot or by vehicle and the natural attributes then available for public enjoyment.

The present base for the skidoo adventures is on land apparently on the Carrick **Nevis lease and the areas utilised for adventures are shown on the appended maps.**

This type of operation is unique in Central Otago and is worthy of continued **recognition and access to a semi remote area of high country to provide a snow** experience far different to the more traditional skiing, cross country skiing and **snowboarding.**

Please contact me if I can be of further assistant in this matter.

Yours faithfully
Moore & Percy Ltd



M.F. Moore


Registered Valuer, Registered Primary Industry Consultant, ANZIV, SPINZ, MNZIPI

Ph: (03) 440 2144





Mob: 0274 336 504



malcolm@moorepercy.co.nz

**CARRICK TENURE REVIEW
PROPOSED DESIGNATIONS**

- CA1 A** Land to be restored to or retained in Crown control as Conservation Area CA1 A subject to a Qualified Designation being a Grazing Concession
- CA1 B** Land to be restored to or retained in Crown control as Conservation Area CA1 B subject to Qualified Designations being a Grazing Concession and Recreation Concession
- CA2** Land to be restored to or retained in full Crown ownership and control, as Conservation Area
- R** Land to be restored to or retained in Crown control as a Historic Reserve
- CL** Land to be restored to or retained in full Crown ownership and control as Crown Land for the purpose of public access way under the Land Act 1948
-  Land to be freeholded
- CC1** Conservation Covenant One
- CC2** Conservation Covenant Two
- CC3** Conservation Covenant Three
- CC4** Conservation Covenant Four

Lease Follows Physical River Boundary

- Easements**
-  Public foot, horse & non-motorised vehicle access and Minister of Conservation management purposes easement in gross a-b-c, b-d
 -  Public foot, horse, non-motorised & motorised vehicle access, and Minister of Conservation management purposes easement in gross e-f
 -  Public foot, horse & non-motorised vehicle access and Minister of Conservation management purposes easement in gross f-g, h-i-j, i-k, l-m
 -  New Fence A-B


-  Existing Right to convey water recorded in memorandum of transfer easement in gross for irrigation works recorded as 885721/2 (Otago Registry), marked **A-B, C-D, C-E-F, E-G, G-H-I-J, I-K, K-L**
- A** Existing Right of support for a weir recorded in memorandum of transfer easement in gross for irrigation works recorded as 885721/2 (Otago Registry), marked **A**
-  Existing Right to convey water and of access recorded in memorandum of transfer easement in gross for irrigation works recorded as 885721/1 (Otago Registry), marked **M-N, O-P, Q-R**

Lease Follows Physical River Boundary

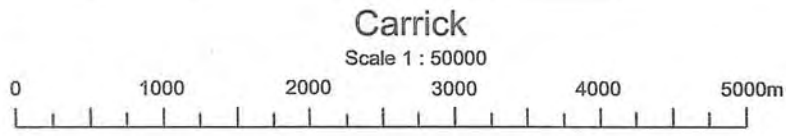
The boundaries shown on this plan are indicative and are for illustrative and discussion purposes only. No guarantee of accuracy can be given until the survey data supporting the boundary positions is researched thoroughly when the survey prescription is prepared.

The beds of all rivers and streams adjoining marginal strips shall remain owned by the Crown pursuant to s24(F) Conservation Act 1987

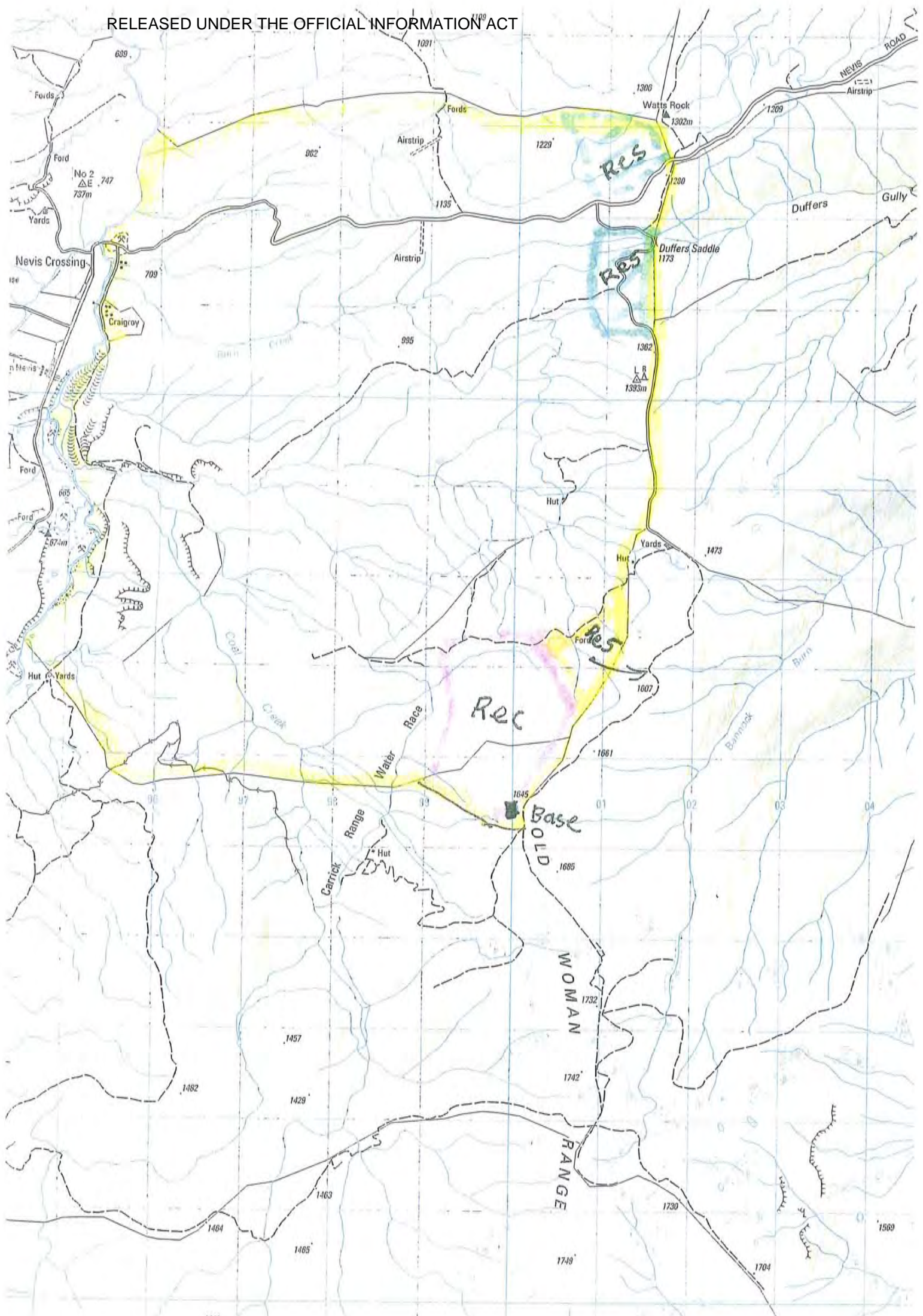
Land being disposed of as freehold will be subject to Part IVA of the Conservation Act 1987, specifically including land adjoining Potters Creek shown as blue solid lines. Land adjoining parts of the Nevis River which deviates from the from the legal road/lease boundary and land adjoining the Bannock Burn which deviates from the fixed marginal strips will be subject to Sec 24 of the Conservation Act. Part IVA applies to the entire length of rivers and streams within the boundaries, or adjoining the land to be disposed of.

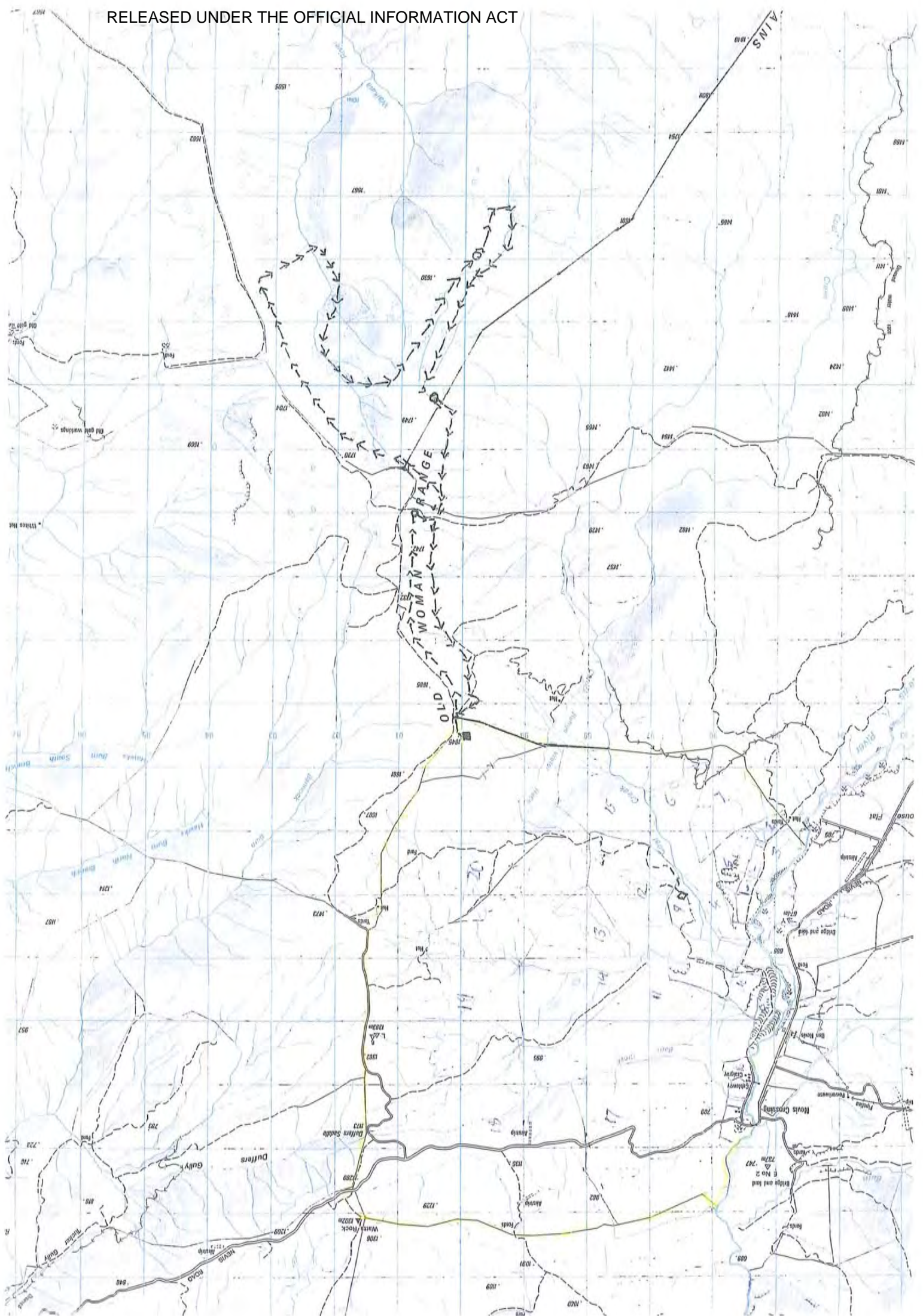
 Part IVA Conservation Act 1987 Marginal Strips created on disposition
- indicative established by Licenced Cadastral Surveyor

OPUS INTERNATIONAL CONSULTANTS
Certified a true copy of the original status check.



| | | | | | |
|----------------------------|-------------------------------------|---|---|---|---|
| Version | <input checked="" type="checkbox"/> | 2 | 3 | 4 | 5 |
| Otago Land District | Sheet 1 of 2 | | | | |
| NZMS 260 F.42 | Date 11/01/2005 | | | | |





SNOWMOBILE HELICOPTER QUEENSTOWN, NEW ZEALAND



NEVIS SNOWMOBILE ADVENTURE



BOOKINGS

Operations and Departure Times:

Late June through to October (depending on snow cover)
Ex-Queenstown 8:00am, 10:00am, 12:00pm, 2:00pm
We provide transport between Queenstown and the airport.
Trip Duration: Approximately 3 hrs

For Bookings and Fares please contact:

Nevis Snowmobile Adventure Sales, Tel Queenstown: 0-3-442 4250

Operations and Administration:

Nevis Snowmobile Adventure, P.O. Box 12, Cromwell, New Zealand

Tel: 0-3-445 0883 Fax: 0-3-445 1621

e-mail: info@snowmobilenz.com site: www.snowmobilenz.com

While we provide all special snowmobile clothing for your trip, please wear adequate winter clothing for your flight to and from our Base. Minimum passenger numbers apply for trips. If a trip is cancelled due to inclement weather we will reschedule you for the next suitable day or your booking agent will refund your deposit in full.



NEVIS SNOWMOBILE ADVENTURE

PH: 0-3-442 4250



On this
1700m plateau
you'll think you're
on Top of the World !

GREAT ADVENTURE

Welcome to A Great Adventure Just a short helicopter flight from Queenstown lies a remote and spellbinding world. An exciting vastness of snow and magnificent vistas. While snowmobiling along the Old Woman Range, spectacular, seldom seen views of the eastern side of The Remarkables - Nevis Valley, Garys Mountain Range and Polar Plateau region will unfold before you.

Join a **Nevis Snowmobile Adventure** and drive your own snowmobile into this unique, rarely visited part of New Zealand. On this 1700m plateau you'll think you're on Top of the World!

Let our expert guides lead you on a journey like no other into this intriguing alpine environment. **Nevis Snowmobile Adventures** will show you remarkable 360 degree vistas of the southern South Island and explore with you this pristine snowfield flanked by mountain ranges and distant valleys.

No special skills or fitness level is required to operate our snowmobiles. The flat to gently rolling terrain is ideal for novices. Squeeze the accelerator and you are mobile; squeeze the brake and you stop.

We offer the opportunity for an unparalleled experience, in comfort and safety from our modern fleet of snowmobiles!

Nevis Snowmobile Adventures depart from Queenstown Airport on a 12 minute exclusive helicopter flight over the Remarkables Mountains to land at our Base Camp on the Old Woman Range.

Here our professional guides will help familiarise you with snowmobile operation. Special thermal snowmobile suits, gloves, boots and helmets are provided to keep out the cold and then it's off on your great adventure.



SPECTACULAR FLIGHTS



You will enjoy spectacular helicopter flights to and from **Nevis Snowmobile Adventure**.

THE STATION

Your hosts, Robert and Sandy Brown have lived and farmed in the Nevis Valley for 29 years. Road access is by way of a 1,300m pass over the Garrick Range to Cromwell. The pass is closed by snow for up to two months during winter, and it was the need to remain mobile during these closures which introduced Robert and Sandy to the joys of snowmobiling.

Nevis Snowmobile Adventure is their way of sharing a part of the station's unique winter setting with the rest of the world.



Submission 16

Simon de Lautour

16

From: Dave Payton [Dave.Payton@opus.co.nz]
Sent: Tuesday, 5 May 2009 13:08
To: 'Simon de Lautour'
Subject: FW: Submission - Carrick Tenure Review
Importance: High
Attachments: Tenure review - PML Carrick submission 01 0509.DOC; Carrick map MED290409.pdf

From: Peter Atkinson [mailto:peter@heritagegold.co.nz]
Sent: Tuesday, 5 May 2009 12:24 p.m.
To: dave.payton@opus.co.nz
Subject: Submission - Carrick Tenure Review
Importance: High

Dave
Following our previous conversation I have posted you a hard copy of the submission by Prophecy Mining Limited and myself on the above tenure review proposal. An electronic copy is attached.

My apology for the delay, which resulted from our consultant being engaged in extended field work prior to the submission date. I hope it will be accepted by L1NZ.

I would be happy to supply any further information you may require.

Regards
Peter Atkinson

Director
Prophecy Mining Ltd
PO Box 2239 Wakatipu 9349
mob 021 630 463
wk 03 442 2042

PROPHECY MINING LTD
INCORPORATED IN NEW ZEALAND

REGISTERED OFFICE: 541 Parnell Road, Parnell
Auckland, New Zealand
Telephone: (+64 9) 303 1893
Fax: (+649) 303 1612
Email: peter@heritagegold.co.nz



3 May 2009.

Dave

Attached is hard copy of submission
on Carrick Tenure Review.

Sorry for the delay.

Will also send an email version.

Regards,

Peter Atkinson

(021) 630

**Submission on Carrick Tenure Review
Preliminary Proposal**

for

**Pastoral Lease Po 357
Central Otago**

by

Prophecy Mining Limited and Peter Atkinson

1 May 2009

**CARRICK PASTORAL LEASE
PRELIMINARY PROPOSAL FOR TENURE REVIEW**

**SUBMISSION BY PROPHECY MINING LIMITED
and PETER ATKINSON to
COMMISSIONER OF CROWN LANDS**

BACKGROUND

1. The Crown Pastoral Land Act 1998 provides a framework for the review of high country land in the South Island.
2. The Commissioner of Crown Lands has put a preliminary proposal to Donald and Marion Clark as lessees of this pastoral lease) and has invited public submissions on this preliminary proposal for tenure review.
3. The Carrick lease comprises 9)262 ha of land on the Bannockburn-Nevis road about 12 km south of Cromwell in Central Otago.
4. It is proposed that 3)000 ha be restored to full Crown ownership or control {as conservation areas and historic reserve} subject to qualified designations) and 6)262 ha to be disposed of as freehold land to Donald and Marion Clark (subject to protective mechanisms and qualified designations).
5. The Crown owns all the gold and silver in the land the subject of this tenure review.

PROPHECY MINING LIMITED AND PETER ATKINSON

6. Prophecy Mining (incorporated in NZ) is a private mineral company which has been actively exploring for precious metals in the South Island since 1986. Prophecy holds exploration licence 40 536 and adjacent exploration licence application 50 019 over the old Carricktown mining centre and its extensions. Peter Atkinson is managing director and a major shareholder of Prophecy Mining Limited. He is a geologist and permanent resident of New Zealand with a background in mineral exploration} mainly for precious metals} here and in other countries.
7. Mr Atkinson is also a director and significant shareholder of Heritage Gold NZ Limited {incorporated in NZ) a stock exchange listed (Australia and New Zealand) mineral company that operates in the North Island of New Zealand and New South Wales} Australia. He is Vice President (and former President) of the New Zealand Minerals Industry Association. Mr Atkinson has over 35 years of broad experience in the mining industry in Australasia} mainly on the boards of listed companies. He has been involved

in joint ventures with international mining groups, the listing of mining companies on the New Zealand and Australian stock exchanges, and the raising of risk capital in New Zealand and overseas.

LAND TENURE REVIEW

8. Various bodies, including the Ministry of Economic Development and the New Zealand Minerals Industry Association, have previously registered their concern to both the Minister for Land Information and L1NZ officials that the land tenure review process gives little or no consideration to the land's mineral value and potential for mineral development and that it does not recognise existing mineral permit and licence holders' interest in the land. Through the tenure review process, many pastoral leases that are highly prospective for mineral development are passing into the Conservation estate or into private ownership, where it will generally become more difficult or even impossible for individuals and companies to gain access to this land for the purpose of exploration and mining. This represents a significant loss to New Zealand and the local and regional community of economic development opportunity.
9. The objectives of tenure review are set out in section 24 of the Crown Pastoral Land Act and include *"enabling reviewable land capable of economic use to be freed from the management constraints (direct and indirect) resulting from its tenure under reviewable instrument"*.
10. The economic benefits from mineral development can be substantial and should not be overlooked. If the land has high mineral potential and/or significant mineral content, then consideration should be given to the mineral value when determining future ownership and use of such land.
11. The purpose of this submission is to bring to your attention the known and potential mineral wealth of the land subject to the Carrick review and to request that this be taken into consideration when making a final decision on the review.

REGIONAL GEOLOGY

12. The area comprises schist of the Haast Schist group, which formed during the juxtaposition of Rakaia and Caples terrane rocks along a complex fault zone during the Jurassic to Cretaceous. The schistose parts of the Caples and Rakaia terranes are known collectively as the Haast Schist, and are divided into Otago, Alpine, Haast and Marlborough schists on the basis of geography. Caples and Rakaia terrane rocks become increasingly metamorphosed and deformed towards the centre of the schist belt.

LOCAL GEOLOGY

13. The Carrick Pastoral lease covers both Caples and Torlesse terranes, predominantly comprised of psammitic to semi-psammitic schist. Known gold mineralised lodes occur within a 10 km by 1 km north-northeast trending structural corridor between

Potters Creek and Lower Carrick and are associated with shear zones consisting of crushed schist with relatively minor quartz veining.

KNOWN MINERALISATION AND CURRENT PERMITS

14. The Carrick Goldfield was discovered in 1868 and lode mining commenced in 1870. The peak years of gold production were from 1871 to 1877} although intermittent prospecting and mining continued over 50 years with the last recorded production in 1921.
15. Recent exploration using modern geochemical sampling techniques and drilling was undertaken throughout the 1980s and 1990s by several exploration companies including Amoco Minerals New Zealand (1980-81) Rio Tinto (1989-90) AMAX/Goldmines of New Zealand (1991-94) and Summit Gold (1995-98).
16. At the present time a majority of the pastoral lease is subject to granted permits or applications. A map showing the relationship between these permits and the Carrick lease is appended to the submission.
17. Glass Earth New Zealand Limited holds prospecting permit 39 322 which covers a large area surrounding Carricktown (with the exception of those areas covered by other minerals permits). Activities under this prospecting permit} which covers some 12,790 km² of the Otago region} are targeting a wide range of metallic and non metallic minerals. Glass Earth has made an application for an extension of duration for the permit.
18. Glass Earth has completed a sophisticated and detailed aerial geophysical survey using a variety of techniques suitable for delineating significant mineral systems} and totalling approximately 25,000 line kilometres of flying. This has been followed by a major programme of data retrieval modelling and interpretation to identify anomalies.
19. The work being undertaken by Glass Earth is a first for the Otago region. It has the potential to target specific gold mineralised areas and interpretation of the data should add substantially to the:
 - geological knowledge of the area;
 - mineral potential of the area;
 - structural understanding of the area;
 - agricultural/forestry and horticultural knowledge of the area; and
 - shallow aquifer/water resource potential of the area (specifically affecting its dairying and crop growing potential).
20. Prophecy Mining currently holds Exploration Permit 40 536 over part of the northern section of the Carrick pastoral lease, covering the known Carricktown gold mineralised zone extending about 10km north-northeast from Potters Creek through Carricktown to Lower Carrick. The permit was granted in 2002 and Prophecy has been actively exploring the area using geological mapping} ground geophysical surveys, geochemical

sampling and drilling techniques. The company has spent over \$500,000 to date and outlined significant gold mineralisation. Prophecy has also lodged an application for an exploration permit (EPA 50 019) which lies over part of the Carrick pastoral lease and is contiguous with EP 40536.

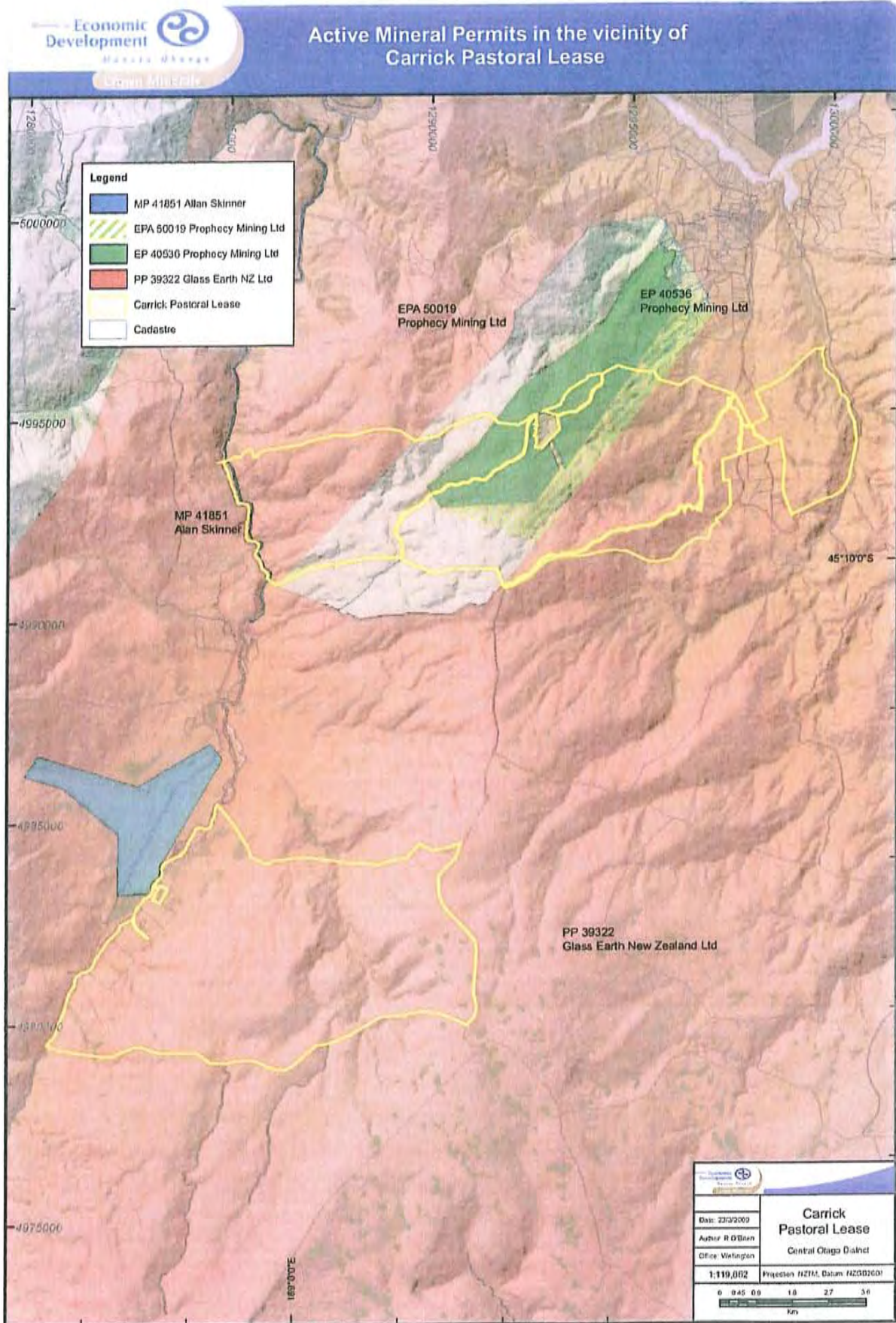
21. Historical records of hard rock and alluvial gold workings, and the present prospecting and exploration activity within the Carrick lease, highlight the area's potential and its recognition as being highly prospective for gold.

COMMENT

22. By way of analogy it is worthwhile considering the history of the Macraes mine in eastern Otago, where Oceana Gold is mining hard rock gold deposits in faulted geological structures similar to those identified at Carricktown. The original historic mines at Macraes produced a relatively small quantity of gold (less than 200,000oz) but following intensive exploration Oceana has, since the mine opened in 1990, produced over 2.5 million oz of gold with a gross value (gold US\$890/oz) today of NZ\$3.9 billion. In addition, Oceana has outlined further reserves and resources totalling 4.5 million oz worth another NZ\$7.0 billion.
23. Prospecting is a relatively high risk business and the very nature of mineral prospecting and exploration means that a company starts with a large area of land and with time it reduces the area after eliminating areas of no interest. Where early reconnaissance work under a prospecting permit justifies further exploration expenditure, a company will apply for an exploration permit. Progressively the size of the area will be reduced to only a fraction of the original area. Modern day prospecting and exploration techniques present little threat to the environment and yet the ultimate outcome of exploration can be the development of a mine with numerous economic spin-offs for the local economy.
24. Minerals can only be mined where they are found to occur. For this reason preserving access to the Crown's mineral estate is critical for their discovery and development. Prior to freeholding high country leasehold land or transferring it to the Department of Conservation to administer or imposing conservation covenants the Crown should consider granting itself access arrangements under the Crown Minerals Act to preserve access to Crown-owned minerals following the tenure review process.
25. Although the transfer of areas of the Carrick pastoral lease to both the Department of Conservation ("DOC") and private ownership does not absolutely preclude access to the land for the purpose of prospecting, exploration and mining, nevertheless the Minister of Conservation's consideration of an application for access largely relates to conservation objectives and conservation covenants present a similar barrier. Experience since 1987 (Conservation Act promulgated) shows that it is more difficult for an exploration or mining company to secure a workable access agreement on conservation land, or on land that has conservation covenants in place like those proposed for the Carrick pastoral lease.

CONCLUSION

26. The current and proposed exploration activity by Prophecy around Carricktown highlights the new interest being shown in assessing the mineral potential of the Carrick pastoral lease area and by Glass Earth in the surrounding region} testifying to its economic mineral potential.
27. The Carrick pastoral lease area should be recognised as being prospective for minerals. To further assess the mineral potential of the area it is critical that exploration and mining companies get reasonable ongoing access to this land.
28. Prophecy Mining and Peter Atkinson request that the Commissioner of Crown Lands takes notice of the mineral potential of Carrick pastoral lease. Consideration should be given to provisions to ensure that explorers and prospectors have a right to access to Crown and freehold land (formerly part of the pastoral lease) on reasonable terms for the purpose of carrying out prospecting and exploration activities and also any development activities under subsequent permits granted in accordance with section 32 of the Crown Minerals Act.



Submission 17

Simon de Lautour

17

From: Dave Payton [Dave.Payton@opus.co.nz]
Sent: Wednesday, 6 May 2009 12:16
To: 'Simon de Lautour'
Subject: FW: Carrick.
Attachments: Copy of TENURE REVIEW PASTORAL Edited. 19th A ..doc

From: Dunstan Mining Ltd [mailto:dunstanmining@xtra.co.nz]
Sent: Wednesday, 6 May 2009 11:03 a.m.
To: dave.payton@opus.co.nz
Subject: Carrick.

Good morning Dave . Re my phone call today re my submission on Carrick , I did not have your mail address and asked for it thru the Opus web site and did not get a reply , today is Wednesday and I am out of time could u please accept this submission because I have a very valid point here about the gold , that LINZ will be well aware of from past submissions . It would be appreciated if you would keep me in the loop here of the outcome . I would like to be heard at the hearing on this matter . Cheers Bob Kilgour .

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The message was checked by ESET Smart Security.

<http://www.eset.com>

TENURE REVIEW PASTORAL LEASE 339E.

To David Payton. Opus International. Pvt Bag 1913 Dunedin 1906 .

This is a submission by Bob Kilgour 53A Shannon Street Alexandra. PO Box 76 Alexandra. 0272726111. 034487880. Dunstanmining@xtra.co.nz . 29th April 09.

I am opposed to the present Tenure Review for the subdivision of Crown Lease 339E and the retaining part or all of the Historic Carrick Gold Field as Crown Land administered by The Department of Conservation. I have set out below my reasons for this opposition, and my solution to resolving it.

I am also very surprised that in the 85 page LINZ Review Statement there is not one mention of the mineral resources that are contained within this Pastoral Crown Land, it is by far the most valuable part of it, nor is there any mention of the Crown Granted Mineral Permits that exist on this Pastoral Lease, I ask why not, in my past experience there appears to have been a Government decision not to .

An opportunity exists to make a difference to the outcome of the Tenure Review of the Carrick Pastoral Lease at Bannockburn and the hard rock gold potential of the "Carrick Goldfield " which covers a significant part of this lease .LINZ and DOC and the lessee are presently involved in a tenure review which closes on the 29th April. Importantly and as usual the review does not recognize the Crown's interest in one of the country's largest historic gold deposits, and it is suggested in the review that this gold deposit be classified as Crown Land, Historic Reserve administered by DOC.

This is the time for the Government to make a difference ,with a fresh start. And give the various departments and staff of LINZ and Department of Conservation, and the Historic Places Trust, a strong message that under the difficult circumstances the country finds its self in, and the ideals of the new National Government, it is in the best interest of the country and for the creation of jobs , to promote, develop, and to access our mineral estate especially the gold, that are locked up as historic reserves , a policy of a past Government, that has sterilized some of Otago's major gold deposits.

Over the past 10 years or so since Land Tenure Reviews have been carried out on Pastoral Lease land in the Central Otago Region no thought has been given to the access to the mineral estate .Even the Central Otago District Council has ignored the gold potential of this region and classified most of the high country that has our gold deposits into Outstanding Landscape and now Extreme Landscape, Right .

Of the dozens of Reviews, that I have made submissions to relating to the protection from the Conservation Departments, Conservation Management Strategy for Otago no notice has been taken of my plea to exclude the Mineral Estate from the control of DOC. Especially over the last 9 years of Government it would appear the policy has been anti mining, and it suited some to see these old mine sites being included in the ground retained by the Crown and classified as Historic Reserves administered by DOC,

because philosophies green image ,a high country national park from one end of the country to the other, and the tourist attractions was the way to go .

These historic mine sites are first and foremost the countries gold reserves, they were discovered by our early miners and continually mined up until a time it became uneconomical to make a living from gold mining, they have not abandoned them for ever they just left in the meantime and will be back once they are economic to make a living from again, that time is now'.

But in the intervening years the Department of Conservation by stealth has stolen these sites, encouraged by Government turned them into Historic Reserves and along with the Historic Places Trust another Government Department has made it extremely difficult to access them, with Conservators ,having the final say if a access agreement will be granted or not, and a wall of bureaucratic paper greets you to wade thru , at the end of the day the power is with the Conservation Department, the Minister of Mines has little or no say over the Crowns gold, its this sort of humbug that makes it difficult for mining, its time for a change and some accountability and a fresh start . As mentioned above I have been a lone voice objecting to DOC having the administration of this crown land and our historic gold reserves, their policies are protective of these historic sites which is not conducive to opening these old mine sites to create wealth and jobs.

DOC and LINZ will of coarse tell you that there is no problem and that I am making it all up ,I can assure you my comments are supported by every one in the gold mining industry, its time to listen to the people in the industry that know , and stop sabotaging the gold mining industry in this country.

Its simple to fix just one amendment to the Department of Conservation Act, saying that " crown minerals" that are contained on and in the land administrated by the Department of Conservation shall be excluded from the conservation act and be open for mining regardless of the tenure of the land. And that the Department of Conservation and Historic Places Trust shall be able to make a submission at the prospecting and or mining application stage ,along with all others ,to the territorial authority . And that DOC will have no special powers relating to the exploration and or mining and or decision making directly or indirectly over Crown Minerals ,this then places the decisions out side DOC and Historic Places Trust and leaves a independent authority to make the final decision under the Local District Council and the RMA.

Because of the importance of Crown Minerals to the financial wellbeing of New Zealand its extremely important that the National Government sends a very clear message out that it wants the minerals of N Z to be developed and not hindered.

Robert Bob Kilgour. POBox 76 Alexandra 0272726111 034487880 .
Dunstanmining@xtra.co.nz Signed by Bob Kilgour.