

## **Crown Pastoral Land Tenure Review**

**Lease name : LONGSLIP**

**Lease number : PO 020**

### **Due Diligence Report (including Status Report) - Part 2**

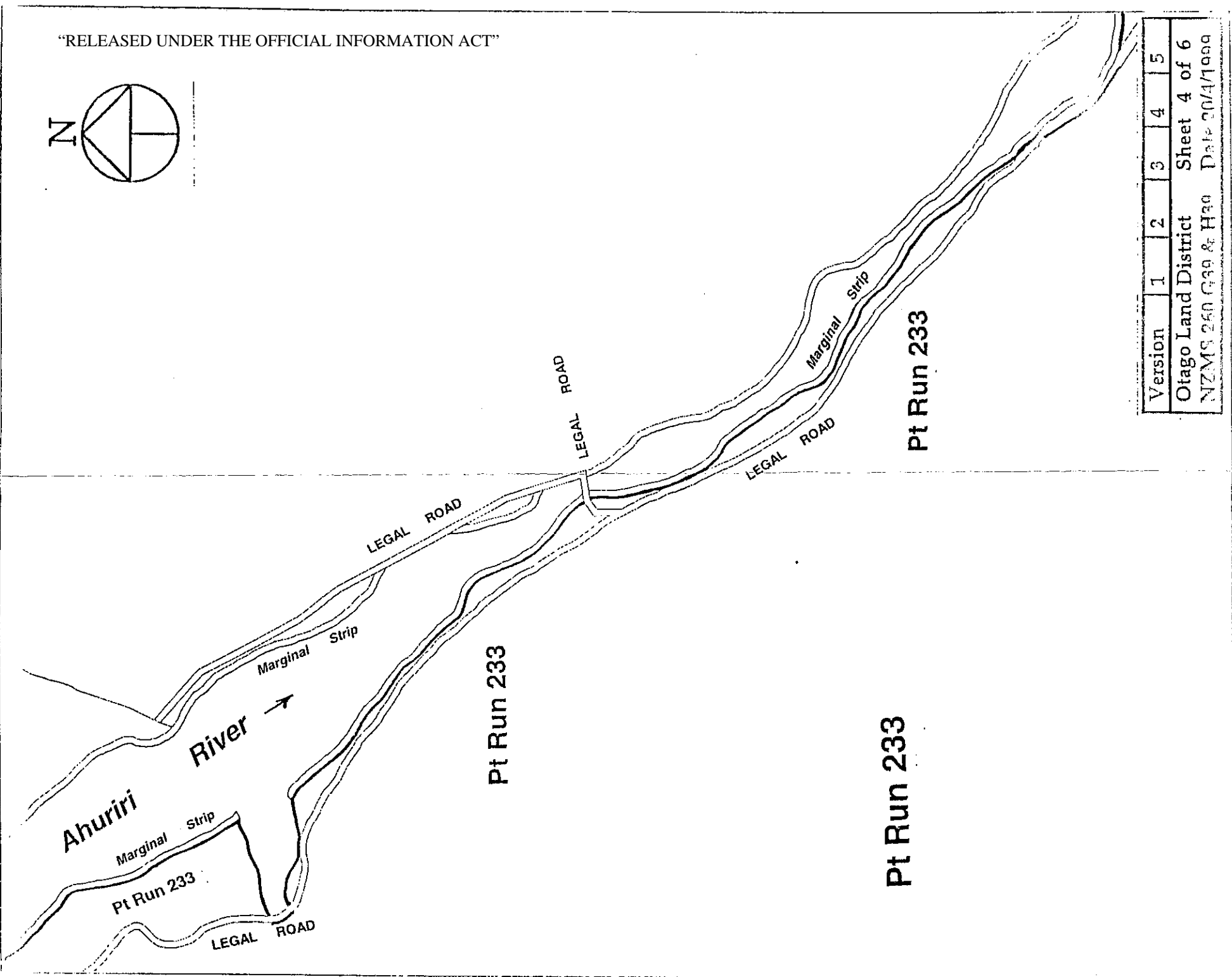
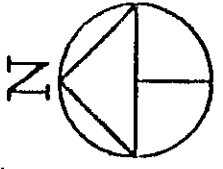
This report and attachments results from a pre-Tenure Review assessment of the pastoral lease for the purpose of confirming land available for Tenure Review and any issues, rights or obligations attaching to it. The information is gathered from files and other sources available to the LINZ contractor.

Part of the information relates to research on the status of the land, resulting in a Status Report that is signed off by a LINZ approving officer. The remainder of the information is not analysed for relevancy or possible action until required, and LINZ does not guarantee its accuracy or completeness as presented.

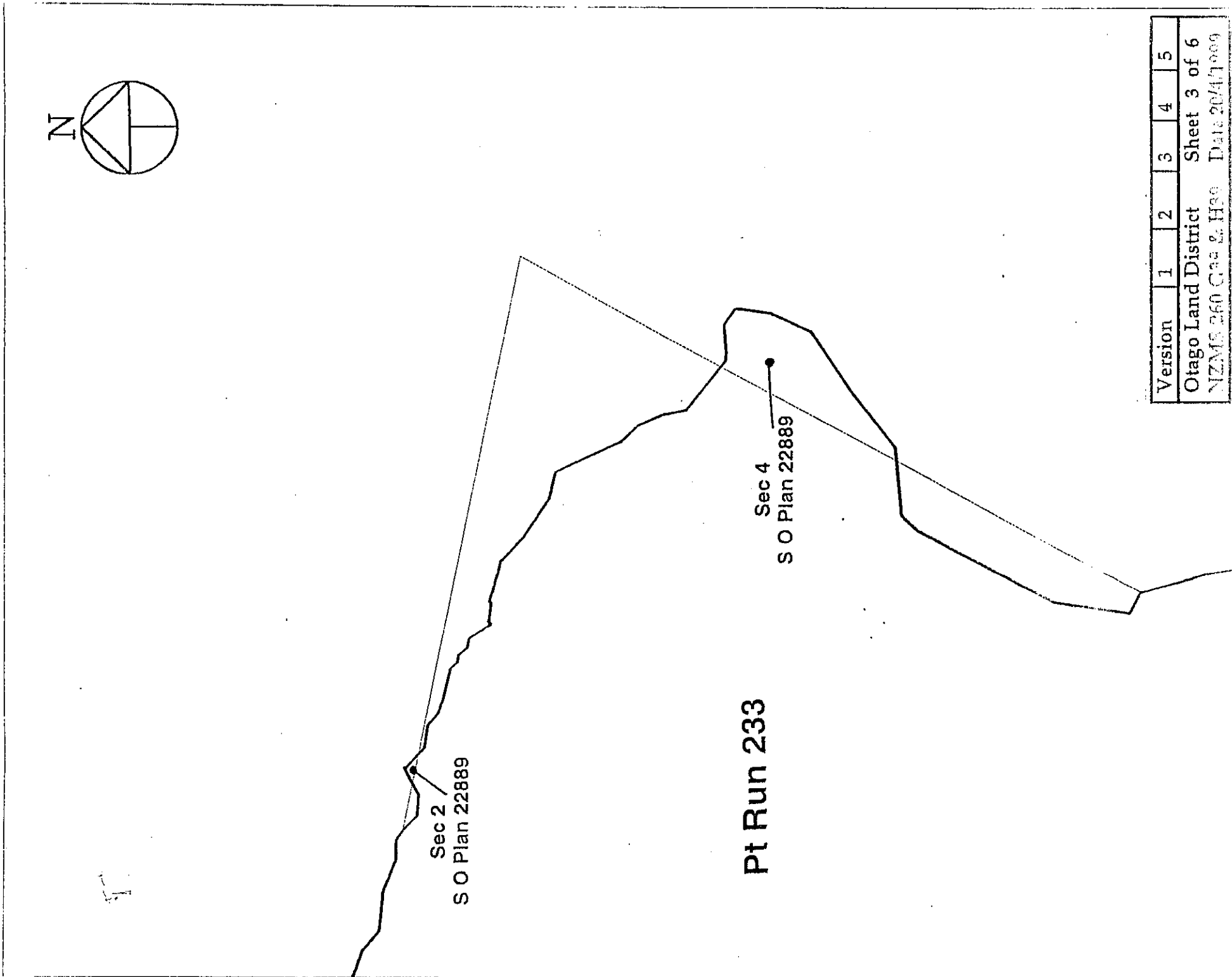
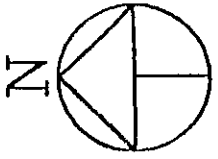
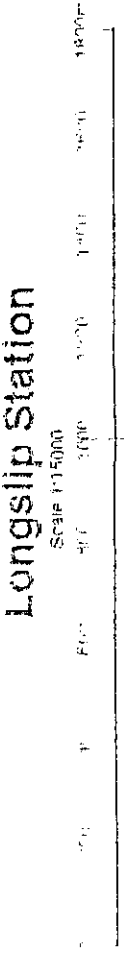
The report attached is released under the Official Information Act 1982.

**July**

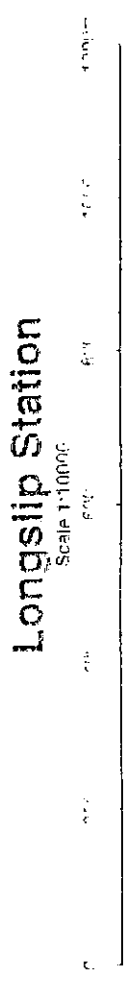
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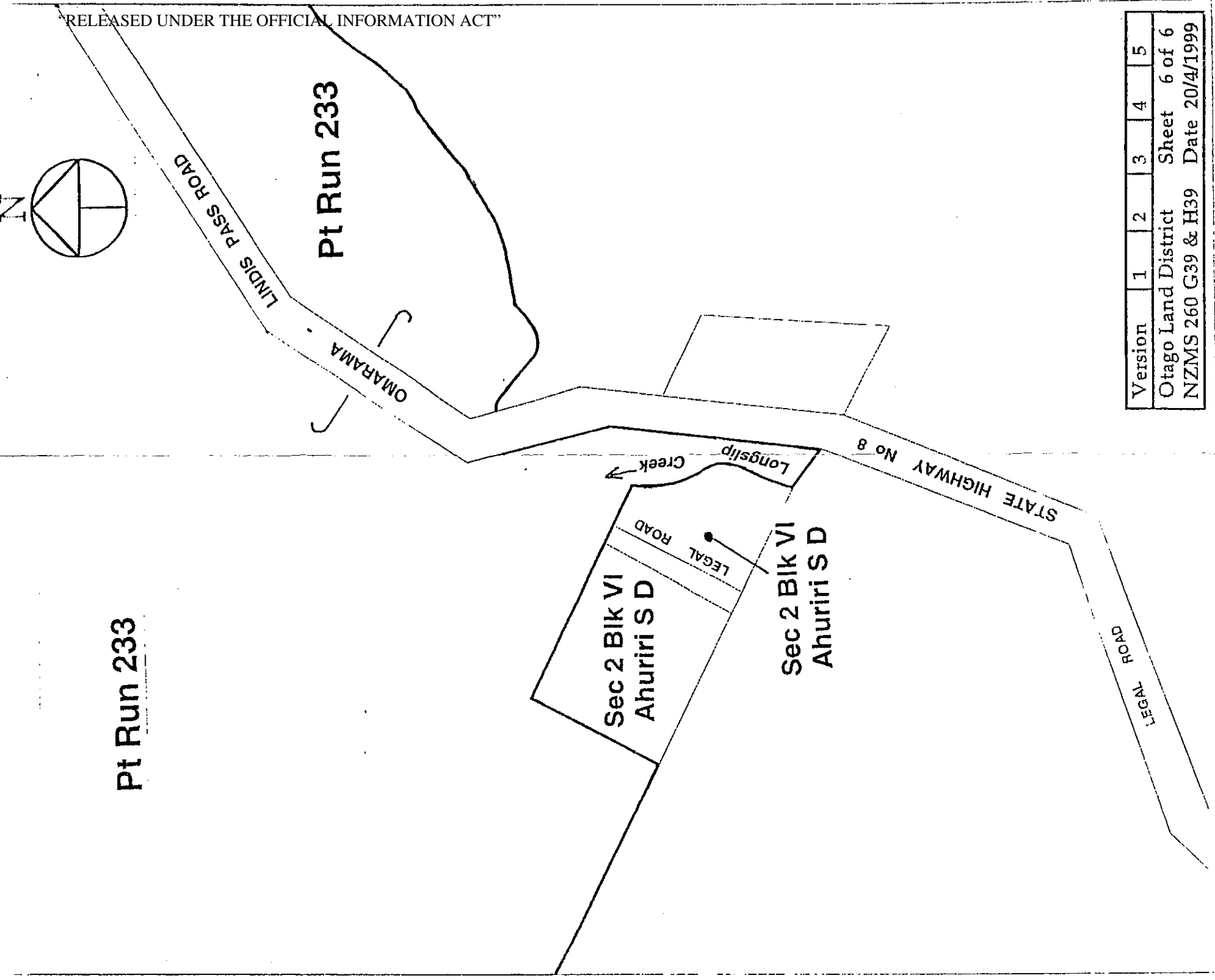
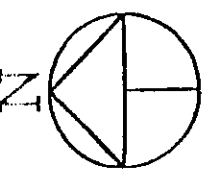


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Otago Land District					
Sheet 4 of 6					
NZMS 260 Gas & H <sub>2</sub> O Date 20/4/1999					



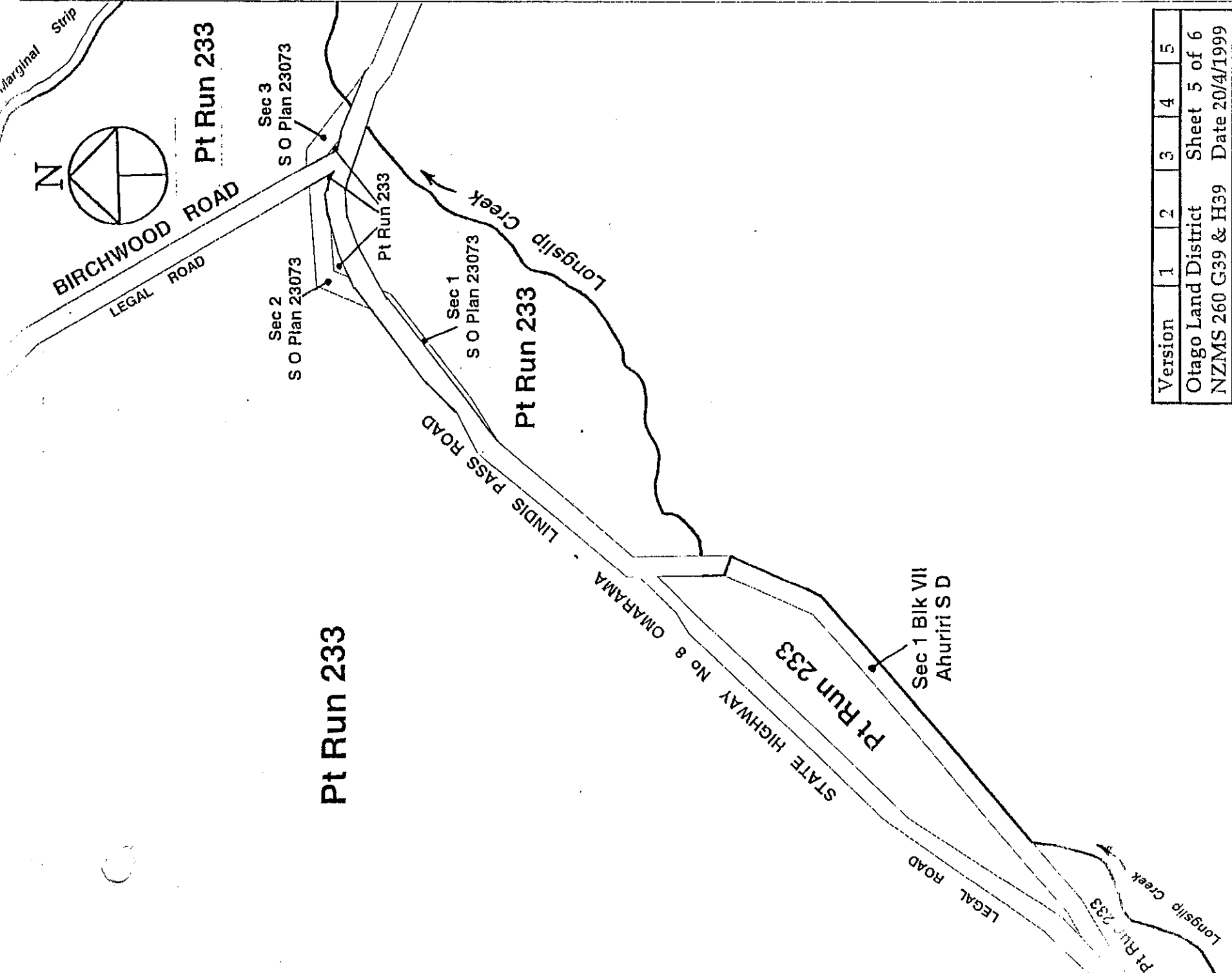
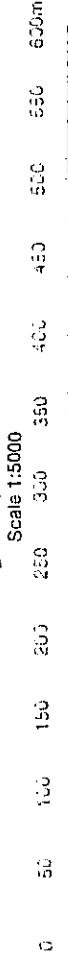
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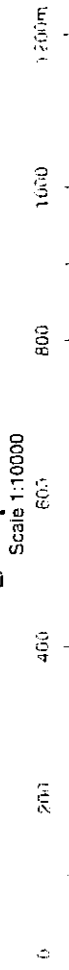
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Otago Land District					Sheet 6 of 6
NZMS 260 G39 & H39					Date 20/4/1999

Longslip Station



Version	1	2	3	4	5
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Longslip Station



424140

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"

ATTACHMENT (4)

CERTIFICATE OF ALTERATION

HER MAJESTY THE QUEEN } Lessor.  
Licensor.

GORDON JAMES PATERSON } Lessee.  
Licensee.

PARTICULARS entered in the Register-book,

Volume 338, folio 37

10 JUN 1974

the ..... day of ..... 19 .....

at 11:40 o'clock.

*J. Michael*  
Deputy  
Assistant Land Registrar of the  
District of *Otago*

(1)

LAND & TITLE	
Nature:	C / F
Form:	CC
10 JUN 1974	
Time:	11:40
Fees:	5
Abstract No.:	104

71 20201-1076/106

# MEMORANDUM OF VARIATION OF LEASE/LICENCE

IN THE MATTER of the ~~Land Transfer Act 1952~~ and the Land Act 1948,

and

IN THE MATTER of Lease/~~License~~ No. P.20

registered in Volume 338 , folio 37

Otago

Land Registry, from Her

Majesty the Queen to GORDON JAMES PATTERSON of Omarama, Farmer

The covenants conditions and restrictions contained or implied in the above-mentioned Lease/~~License~~ registered in Volume 338 , Folio 37 , Dunedin Land Registry, are hereby varied as follows:

1. That should the lessee/~~licensee~~, with the consent of the Land Settlement Board, transfer, sublet or otherwise dispose of his interest in the land affected by the said lease/~~license~~ or any part thereof to a company incorporated under the Companies Act 1955, then the following provisions shall apply:

(a) The provisions of section 89 of the Land Act 1948, shall apply to all transfers and other dispositions of shares in such company as if such shares were interests in the said land and no share or shares in such company shall be transferred or otherwise disposed of by any shareholder without the consent of the Land Settlement Board.

(b) The provisions of the Land Act 1948, with regard to residence shall continue to be applicable to the said lease/~~license~~ notwithstanding the transfer or other disposition to such company provided however that such provisions shall be deemed to be complied with by such company only if and when there resides on the said land a person who manages the land on behalf of such company and who has been approved in writing for that purpose by the Land Settlement Board.

(c) A breach by the company or by any shareholder of all or any of the provisions of subclauses (a) and (b) hereof shall be deemed to be a breach of the covenants conditions and restrictions contained in the said lease/~~license~~ entitling the lessor/~~licensee~~ to exercise all or any of the powers conferred upon her by the said lease/~~license~~ in such circumstances.

2. Save as hereby expressly varied all the covenants conditions and restrictions contained or implied in the said Memorandum of Lease/~~License~~ shall remain in full force.

IN WITNESS WHEREOF the parties have hereunto subscribed their name this 26<sup>th</sup> day of March 1984.

Signed by the Assistant Commissioner of Crown Lands for the Land District of acting for and on behalf of Her Majesty the Queen in the presence of:

Assistant Commissioner of Crown Lands,

Witness: D. J. [Signature]

Occupation: Civil Lands - Survey Department

Address: Dunedin

Signed by the said as lessee/~~licensee~~ in the presence of:

G. J. Patterson

Lessee/~~Licensee~~.

Witness: [Signature]

Occupation: Solicitor

Address: Omarama

Correct for the purposes of the Land Transfer Act.

Assistant Commissioner of Crown Lands.

1990/156



THE NATIONAL WATER CONSERVATION (AHURIRI RIVER)  
ORDER 1990

PAUL REEVES, Governor-General

ORDER IN COUNCIL

At Wellington this 2nd day of July 1990

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to section 20D of the Water and Soil Conservation Act 1967, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following order.

ORDER

1. Title and commencement—(1) This order may be cited as the National Water Conservation (Ahuriri River) Order 1990.

(2) This order shall come into force on the 28th day after the date of its notification in the *Gazette*.

2. Interpretation—In this order, unless the context otherwise requires,—

“Act” means the Water and Soil Conservation Act 1967:

“Gorge flow” means the daily mean flow of the Ahuriri River as estimated by the Department of Scientific and Industrial Research from measurements at the South Diadem recorder site maintained by that Department at the Ahuriri River (map reference NZMS 1 S108 458+06):

Price Code: 5—B1

*vide*

"Lake" includes pond, tarn, and lagoon; but does not include swamp, marsh, bog, or other wetland;

"Protected waters" means—

(a) The Ahuriri River, excluding the east branch, from its source at map reference NZMS 1 599 402883 to its entry into Lake Benmore; and

(b) The Omarama Stream downstream of the bridge at map reference NZMS 1 5116 579810; and

(c) All rivers, streams, and lakes which are situated—

(i) Between the Ahuriri River and a line drawn 400 metres from its true left bank commencing at map reference NZMS 1 599 366745 and continuing to Lake Benmore; and

(ii) Between the Ahuriri River and a line drawn 400 metres from the true right bank commencing at map reference NZMS 1 599 864745; then along the formed Birchwood Road to its junction with State Highway 8; then along State Highway 8 to map reference NZMS 1 5116 558361; then along a line drawn 400 metres from the true right bank and continuing to Lake Benmore.

3. Outstanding characteristics and features—it is hereby declared that the Ahuriri River and its tributaries include and provide for outstanding wildlife habitat, outstanding fisheries, and outstanding angling features.

4. Retention of natural waters in a natural state—Because of the outstanding features specified in clause 3 of this order, the quantity and level of natural water in all lakes, ponds, tarns, lagoons, and streams (other than the Omarama Stream) forming part of the protected waters shall be retained in their natural state.

5. Partial retention of natural waters—(1) At all times when the gorge flow exceeds 25 cubic metres per second, the minimum flow in the Ahuriri River shall be 3 cubic metres per second less than the gorge flow.

(2) At all times when the gorge flow exceeds 15 cubic metres per second but does not exceed 25 cubic metres per second, the minimum flow in the Ahuriri River shall be 2 cubic metres per second less than the gorge flow.

(3) At all times during each period commencing on the 1st day of May and ending with the 31st day of January next following—

(a) When the gorge flow does not exceed 12 cubic metres per second, the minimum flow in the Ahuriri River shall be the gorge flow;

(b) When the gorge flow exceeds 12 cubic metres per second but does not exceed 15 cubic metres per second—

(i) The minimum flow in that part of the Ahuriri River between map references NZMS 1 5104 455406 (South Diadem) and NZMS 1 5109 684415 (State Highway 3) shall be 0.6 cubic metres per second less than the gorge flow; and

(ii) The minimum flow in that part of the Ahuriri River between map reference NZMS 1 5109 684415 (State Highway 3) and Lake Benmore shall be 1.2 cubic metres per second less than the gorge flow.

(4) At all times during each period commencing on the 1st day of February and ending with the 30th day of April next following—

(a) When the gorge flow does not exceed 10 cubic metres per second, the minimum flow in the Ahuriri River shall be the gorge flow;

(b) When the gorge flow exceeds 10 cubic metres per second but does not exceed 15 cubic metres per second—

(i) The minimum flow in that part of the Ahuriri River between map references NZMS 1 S108 458406 (South Diadem) and NZMS 1 S109 684415 (State Highway 8) shall be 0.6 cubic metres per second less than the gorge flow; and

(ii) The minimum flow in that part of the Ahuriri River between map reference NZMS 1 S109 684415 (State Highway 8) and Lake Benmore shall be 1.2 cubic metres per second less than the gorge flow.

(5) Because of the outstanding characteristics and features specified in clause 3 of this order and for their protection, the minimum flow (as defined in subclauses (1) to (4) of this clause) shall be retained in the Ahuriri River; and, while the flow does not exceed that minimum flow, the flow in the Ahuriri River shall not be reduced by abstraction or diversion.

(6) Notwithstanding subclauses (1) to (5) of this clause, it shall be lawful at all times for the flow of the Ahuriri River to be reduced by not more than a further 0.5 cubic metres per second for the purposes of augmenting the waters of the Omarama Stream or any of its tributaries for management purposes, so that fisheries and wildlife values can be maintained.

(7) Nothing in this clause shall be construed as preventing the reduction of flow in the Quail Burn or its tributaries.

6. Rates of flow of Omarama Stream—(1) Because of the outstanding features specified in clause 3 of this order, the rates of flow of the Omarama Stream shall be retained in accordance with subclauses (2) and (3) of this clause.

(2) In respect of the section of the Omarama Stream between map references NZMS 1 S116 578324 and NZMS 1 S116 644361 (the mid reach), the minimum flow to be retained shall be—

(a) During each period commencing on the 1st day of November and ending with the 30th day of April next following, 250 litres per second; and

(b) During each period commencing on the 1st day of May and ending with the 31st day of October next following, 750 litres per second.

(3) In respect of the section of the Omarama Stream between map references NZMS 1 S116 644361 and NZMS 1 S109 676405 (the lower reach), the minimum flow to be retained shall be—

(a) During each period commencing on the 1st day of November and ending with the 30th day of April next following, 500 litres per second; and

(b) During each period commencing on the 1st day of May and ending with the 31st day of October next following, 1200 litres per second.

(4) For the purposes of this clause—



4 National Water Conservation (Ahuriri River) Order 1990 1990/156

- (a) The stream flows in respect of the mid reach of the Omarama Stream shall be measured at Twin Peaks (approximate map reference NZMS 1 S116 585329); and
- (b) The stream flows in respect of the lower reach of the Omarama Stream shall be measured at Omarama Station Bridge (approximate map reference NZMS 1 S117 655385).

7. Right to dam not to be granted—(1) A right to dam any river or stream forming part of the protected waters shall not be granted under section 21 of the Act if the effect of such a grant would be that the provisions of this order could not be observed without those provisions being changed or varied.

(2) Any right granted under section 21 of the Act to dam any tributary of the Ahuriri River not forming part of the protected waters shall be granted subject to such conditions as will ensure that the taking or diversion of water to fill the dam will not prejudice the maintenance of the rates of flow specified in clauses 5 and 6 of this order.

8. General provisions relating to water rights and general authorisations—(1) Subject to subclause (3) of this clause, a water right shall not be granted under section 21 of the Act and a general authorisation shall not be made under section 22 of the Act in respect of—

- (a) Any lake forming part of the protected waters, if the combined effect of the grant or authorisation and of existing rights and authorisations would be that the provisions of this order could not be observed without those provisions being changed or varied; or
  - (b) Any river or stream forming part of the protected waters, if the effect of the grant or authorisation would be to prejudice the maintenance of the rates of flow specified in clauses 5 and 6 of this order.
- (2) A water right shall not be so granted and a general authorisation shall not be so made for any discharge into the protected waters if the effect of the discharge on the protected waters would be to breach the following provisions and standards:
- (a) Any discharge is to be substantially free from suspended solids, grease, and oil;
  - (b) After allowing for reasonable mixing of the discharge with the receiving water—
    - (i) The waters shall not be tainted so as to make them unpalatable, nor shall they contain toxic substances to the extent that they are unsafe for consumption by humans or farm animals, nor shall they emit objectionable odours;
    - (ii) There shall not be any destruction of natural aquatic life by reason of a concentration of toxic substances;
    - (iii) The natural colour and clarity of the waters shall not be changed to a conspicuous extent.
- (3) A water right may be so granted and a general authorisation may be so made in respect of any part of the protected waters for all or any of the following purposes:
- (a) The maintenance or protection of roads, bridges, pylons, and other necessary public utilities;

(b) Soil conservation and related matters undertaken pursuant to the Soil Conservation and Rivers Control Act 1941, including—

(i) The undertaking of work necessary to prevent or control soil erosion and flooding affecting properties adjacent to the Ahuriri River and the Omarama Stream, including work in the Ahuriri River bed and the Omarama Stream bed such as (but not by way of limitation) the diversion of water and the damming of water to construct river-training works, groynes, and other flood-protection works:

(ii) The maintenance of existing flood-protection and erosion-control works both in and adjacent to the Ahuriri River bed and the Omarama Stream bed:

(iii) The planting of trees and vegetation in the Ahuriri River bed and the Omarama Stream bed for flood-protection works and erosion-control works:

(iv) The works permitted in subparagraphs (i), (ii), and (iii) of this paragraph as emergency works:

(c) Research into, and enhancement of, fisheries and wildlife habitats:

(d) The discharge of settled and screened raw sewage into the Omarama Stream as an emergency overflow in the event of a power failure to the sewage-pumping station in accordance with and on the same terms and conditions as the water right granted to the Waitaki County Council for that purpose and in force on the date of the commencement of this order.

9. Scope of this order—Nothing in this order shall be construed as limiting the effect of the second proviso to section 21 (1) of the Act relating to the use of water for domestic needs, for the needs of animals, and for or in connection with fire-fighting purposes.

MARIE SHROFF,  
Clerk of the Executive Council.

EXPLANATORY NOTE

*This note is not part of the order, but is intended to indicate its general effect.*

This order declares that the Ahuriri River and its tributaries include and provide for outstanding wildlife habitat, outstanding fisheries, and outstanding angling features.

The order also includes various provisions to preserve and protect those characteristics and features.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 5 July 1990.

This order is administered in the Ministry for the Environment.

PROPERTY NAME:

Longslip  
P.109

IN THE MATTER OF:

The Soil Conservation  
and Rivers Control Act  
1941

AND IN THE MATTER OF:

A Land Improvement  
Agreement.

BETWEEN:

Longslip Station Limited

AND:

The Waitaki Catchment  
Commission

This AGREEMENT is made the 11th day of August 1982 between the WAITAKI CATCHMENT COMMISSION (hereinafter called "the Commission" being the catchment authority for the area duly constituted under the Soil Conservation and Rivers Control Act 1941 of the one part AND

Longslip Station Limited

(hereinafter called "the Owner/Occupier" - delete whichever does not apply) of the other part.

WHEREAS the Owner/Occupier is registered as proprietor of the estate or interest described in the first schedule hereto (hereinafter called "the first schedule") subject however to such encumbrances, liens and interests as are notified by memoranda underwritten or set out in the first schedule in the land described in the first schedule AND WHEREAS pursuant to sub sections (2A) and (3) of Section 30 of the Soil Conservation and Rivers Control Act 1941 the Commission is authorised to make payment as grantor to the owner or occupier for the purposes specified in this agreement.

NOW THIS AGREEMENT WITNESSETH that it is hereby agreed and declared by and between the parties hereto as follows:

1. IN consideration of the payment of a grant at the rates set out in the second schedule hereto paid or credited to him by the Commission the owner or occupier within or throughout (as the case maybe) the periods specified in the second schedule hereto (hereinafter called "the second schedule") will carry out to the satisfaction of the Commission the works and requirements set out in the second schedule.
2. UPON completion of the said works or upon compliance with the said requirements to the satisfaction of the Commission within the period specified in Part I of the second schedule the Commission shall pay or credit to the owner/occupier a grant at the rates set forth in Part IV of the second schedule.
3. THE owner/occupier throughout the currency of this agreement shall permit the Commission by its officers, servants and agents at all reasonable times to enter upon the said land for the purpose of inspecting the same and to ascertain whether the owner or occupier has complied with his obligations hereunder.
4. IF the owner/occupier fails to carry out to the satisfaction of the Commission the works and requirements set out in the second schedule or shall otherwise default in complying with his obligations under this agreement the Commission by notice in writing delivered to or posted by registered post to the owner/occupier specifying the default may either at the sole option of the Commission require him to repay to the Commission all grants paid or credited to him hereunder, in accordance with the provisions set out in sub section (2A) and (3) of section 30 of the Soil Conservation and Rivers Control Act 1941 or within one calendar month after receipt of such notice to remedy such defaults in such manners as the Commission may herein require; and if following receipt of such notice the owner/occupier fails within one calendar month thereafter to comply with the requirements thereof it shall be

lawful for the Commission by its servants, agents or contractors to enter upon the land and carry out all works necessary to secure compliance with the requirements of such notice and recover from the owner or occupier the cost of so doing by action at law or otherwise.

5. ALL the provisions of Section 30A of the Soil Conservation and Rivers Control Act 1941 shall apply to this agreement and in particular the owner/occupier acknowledges that he is aware that the agreement shall run at law with the land against the title to which it is registered so as to confer and impose on present and future owners or occupiers of the said land an obligation to observe and perform the agreement during their occupancy of the said land.

6. THIS agreement shall enure for a period of thirty-three (33) years from the date of execution hereof or for such shorter period as may be hereinafter agreed between the parties.

.....

FIRST SCHEDULE

PROPERTY NAME "LONGSLIP"

PROPERTY OWNER/S LONGSLIP STATION LIMITED

LEGAL DESCRIPTION

C/T 338/37: Section 1 Block VII, Ahuriri Survey District, Part Run 233, Blocks VI and VII, Ahuriri Survey District and Longslip Survey District.

Total Area: 15 148.1717 ha.

*J.H.K.*

*[Signature]*

*[Signature]*

SECOND SCHEDULE

PART I      RATES OF GRANT

The works as set out in Part IV of this schedule and described on the plan attached will be carried through to completion over a period of

..... Three ..... (words)

3  
..... (numerals)

years and the requirements under this agreement will be complied with, subject to such amendments as may be mutually agreed upon in writing by the owner or occupier and the catchment authority.

*J.H.A.*      *R.A.*      *S.S.*

<u>WORKS AND REQUIREMENTS</u>	<u>PERIOD DURING WHICH WORKS AND REQUIREMENTS APPLY</u>	<u>CONDITIONS</u>
Stocking	For thirty-three years	No stock to be grazed in areas fenced out for conservation planting and/or retirement except for such emergency grazing as may be approved from time to time by the Department of Lands and Survey and the Waitaki Catchment Commission.
Fencing	For thirty-three years	To be maintained in stockproof condition.
Stability Tree Planting and Windbreaks	For thirty-three years	To apply such silvicultural practices as required by Part II (a) and to ensure that the trees are kept in good condition. Mature trees may be utilised with the approval of the Commission, but shall be replaced as required by the Commission with such costs to be a first charge against the revenue received by the owner from such sales of wood.
Crossings	For thirty-three years or until relocated with the consent of the Commission.	To be maintained so as not to obstruct normal and flood flows or to allow stock access to areas retired from grazing. This agreement does not include bridges or bridge abutments which are at all times the responsibility of the owner.
Structures		To be maintained as deemed necessary by the Commission.
Firebreak Access Tracks		"
Oversowing and Topdressing		"
Other		"

*J.F.A.*

*[Signature]*

*[Signature]*

PART II (a)

STABILITY TREE PLANTING AND WINDBREAK  
STANDARD REQUIREMENTS

- (i) provide for blanking during establishment.
- (ii) not "top" or allow to be "topped" any trees without the written consent of the Commission, however, lateral trimming of branches may be undertaken from time to time.
- (iii) not cut down, or allow to be cut down any trees forming part of these works without the prior consent of the Commission.
- (iv) maintain all fences of a windbreak to a standard that will ensure no stock enter the windbreak.
- (v) remain the owner of the trees as well as any benefits accruing from the replacement of trees.
- (vi) replace trees as required or on maturity.

PART III

MAINTENANCE

Maintenance is defined as the normal activities required to maintain works as set out in Part IV of this agreement.

The owner shall keep and maintain in good condition to the specification of the Waitaki Catchment Commission the works and areas affected by this agreement for the period of the agreement.

Should maintenance works attract grant rates then grant monies will be payable for maintenance works at rates which are applicable at the time of the works being carried out.

Where the agreement provides for retirement fencing by way of full grant for the cost of the fencing or where existing fencing is designated as retirement fencing in Part IV hereto then such fencing shall be eligible for subsidy for the normal maintenance requirements of such fencing and the Commission shall be responsible for the regular inspection of such retirement fencing and such inspections are to be carried out in the presence of the owner/owners and the Commission.

*J.F.G.*      *[Signature]*      *[Signature]*



PART IV

SOIL AND WATER CONSERVATION PLAN NO 109

Mr R G Patterson "Longslip" Oamaru

1 INTRODUCTION

Work in advance of a conservation plan for Longslip received approval in 1979. A three year programme of works is now proposed as an initial step towards soil and water management for the property. This plan involves conservation works to assist stock control and regeneration of vegetative cover on the depleted sunny faces adjacent to the Ahuriri. Further conservation plans will be required to accompany development work as it proceeds throughout the property.

2 COMPLETED WORKS

Year	Job No	Total Cost	Grant	Net Grant
1979/80	1 pt, 16 pt, 17	21 745	11 715	8 880
1980/81	1 pt	10 563	5 281	3 904
1981/82	16 pt	8 648	5 765	4 637
		<hr/>	<hr/>	<hr/>
		\$40 956	\$22 761	\$17 421
		<hr/>	<hr/>	<hr/>

3 EVALUATION OF WORKS TO DATE

The firebreak track Job 16 has been completed giving improved access, and the conservation fences, Jobs 1 and 17 have been erected. Excellent responses have resulted from direct drilling and OSTD behind these fences and further subdivision is required to enable control of the increased production.

4 STOCK

Total sheep 11 177 including 5 404 ewes, 1 325 ewe hoggets, 1 316 wether hoggets, 3 047 wethers and 85 rams.

Total cattle 121 including 50 cows and 46 r 1 year stock.

Lambing 96% Calving 90% Wool 31 953 kg 4.46 kg/hd average.

Since the plan began in 1979 sheep numbers have increased by approximately 4 000 including 2 600 ewes. Cattle numbers have remained similar but calving has increased by over 60%, lambing has improved by over 20% and wool production is up by 6 700 kg.

5 MANAGEMENT

The present development programme aims at changing from a set stocked system to an intensive rotational one with sufficient grazing and spelling at

*J.F.B.* *ML* *R.G.P.*

critical times to give maximum regeneration and production from pasture. Production increases are being boosted by OSTD and direct drilling. Stocking increases are following the increases in pasture production. An annual rise of 2 000 su is expected over the next three years.

5 SOIL AND WATER CONSERVATION PROBLEMS

Tables of Land Inventory and Land Use Capability units mapped on Longslip are attached as Appendix 1.

Erosion of the higher altitude western area shows little sign of being influenced by recent cultural methods. In contrast the steep sunny faces, particularly those adjacent to the Ahuriri, were relatively show-free areas of importance for winter survival of stock. The resulting heavy grazing pressures have directly affected the stability of these soils. Other instability through the centre part of the run is associated with faulting.

- 5.1 Gully, sheet, debris avalanche and scree erosion of the schist derived area of steeplands adjacent to the Ahuriri River. This problem is largely confined to Basin Rock and Middle Ewe blocks. Substantial fans have been built in recent times.
- 5.2 Sheet and scree erosion of sunny faces in the Wether block. In addition on the western side of the Wether block fault - induced instability compounds these effects and there are a number of gullies feeding the Avon Burn which relate to storm events.
- 5.3 Sheet and scree erosion of the higher country on Devils and Whites blocks.
- 5.4 Wind erosion of the moraine outwash surfaces of the Triangle block.
- 5.5 Requirement for stream control in the Longslip Creek, Avon Burn and to a limited extent in the Ahuriri River above the gorge where a sparse population of randomly located crack willows presents a future problem.

6 SOIL AND WATER MANAGEMENT PROPOSALS

Past management practices on Longslip have had the greatest impact on the steep sunny faces adjacent to the Ahuriri. This area will also show the greatest responses to conservation works and the highest returns for development inputs. This first programme is therefore designed to provide assistance with conservation works to accompany the intensive programme of development underway on this area of the property. Erosion control fencing is required to separate the various areas and aspects to allow grazing control. Most suitable areas have been OSTD or direct drilled to improve production. Intensive use is required of these improved areas to allow appropriate treatment of adjacent areas of tender country throughout the property. On completion of these works, appropriate stock limitations will be applied to blocks requiring special treatment for water and soil management. No permanent destocking of the high altitude class VIII land is proposed as little onsite improvement would be expected. Stocking of the higher altitude areas is expected to decrease as more intensive use is made of the developed lower country.

6.1 EROSION CONTROL FENCING

Job 2 is a 2.5 km mid altitude erosion control fence in the ewe block subdividing Class VI land, being improved through OSTD, from dominantly Class VII land above. This allows the intensive stocking required

*J.F.G.* *MA* *i.g.P*

on the lower area, to utilize the growth flush in spring and early summer, while spelling the higher area until later in the season. Spelling helps regeneration and allows feed to build up before stock are shifted on during summer. The lower area is then spelled, allowing it to recover and respond to the autumn growth flush.

Job 3 is a 1.0 km erosion control fence subdividing dominantly Class VI from Class VII land on a sunny facing in the ewe block to allow appropriate grazing management of both areas.

Job 4 is a 0.7 km erosion control fence subdividing an OSTD block of Class VI and VII land. The southern end of this block is higher and darker and without subdivision difficulty is experienced utilizing feed while the northern end becomes overgrazed.

Job 5 is a 2.3 km erosion control fence along the terrace at the base of the hill adjacent to the Avon Burn. As temperatures increase in the spring, stock move off the flat onto the hills leaving pasture on the flat to become rank and die. This in turn depresses the autumn flush of growth required to help feed stock through the winter. A fence is therefore required between the flat and hill to assure maximum production and utilization of pasture on this area, and therefore relieve grazing pressure on adjacent depleted sunny faces.

Job 6 is a 0.8 km erosion control fence designed to subdivide safe lower Class VI land from Class VI and VII above. This allows autumn grazing of the higher area while the lower area is spelled for winter and spring use.

Job 7 is a 1.2 km erosion control fence to subdivide predominantly sunny from dark country to allow effective grazing management of this Class VI area.

Job 8 is a 3.5 km erosion control fence to subdivide 150 ha of steep sunny facing Class VI Arrow soils to allow differential grazing from the area above. This allows the higher country to be grazed in the autumn while the safe lower country is saved for the winter and spring.

Job 9 is a 1.6 km mid altitude erosion control fence subdividing the lower warmer country from the higher country in this block for differential grazing management.

Job 10 is a 3.6 km erosion control fence down a gully, below the mid altitude fence, Job 9, to subdivide a dark face from a severely depleted sunny face for differential grazing management.

Job 11 is a 3 km erosion control fence along a ridge between dominantly sunny and shady aspects. The sunny facing contains severely eroded areas of soils requiring careful management.

Job 12 is a 2.0 km erosion control fence subdividing the higher snow tussock area from the lower silver tussock area within this block. The lower area has been OSTD this spring and will require differential grazing from the area above. The higher area also contains a very severely eroding gully which will require special treatment to regenerate.

J.F.G. [Signature] R.S.P.

Job 13 is a 4.0 km erosion control fence to subdivide the terraces from the base of the hogget block hills. These terraces have been direct drilled and fences are required to allow effective utilization of the increased pasture production without stock drifting up onto the adjacent sunny faces.

Job 14 is a 1.3 km erosion control fence designed to subdivide improved land from adjacent depleted faces within the Hogget block. This will allow effective stocking of this improved area for control of pasture production while spelling the adjacent tender country.

Job 15 is a 1.5 km erosion control fence in the hogget block designed to subdivide a sunny facing containing two severely eroded gullies. This will allow the two gullies to be treated separately for fastest regeneration in each case.

Job 18 is a 3.5 km erosion control fence further subdividing direct drilled terraces from the base of the hogget block hills. This fence is also required to allow effective utilization of the increased pasture production on the direct drilled area without stock drifting up onto the adjacent depleted sunny faces.

Job 19 is a 1.0 km erosion control fence subdividing areas of differing aspect at the eastern end of the hogget block. This allows the slight to moderately depleted darker area to be utilized without risk to the severely depleted area adjacent.

Job 20 is a 7 km erosion control fence continuing along the ridge from the end of the conservation fence Job 1 on the top ewe block to Pavilion Peak then down to the Avon Burn. This fence subdivides 500 ha of sunny facing Class VI and VII land from adjacent darker country. This will allow grazing to be controlled on this sunny facing.

Job 21 is a 2.5 km erosion control fence subdividing 120 ha from the wether block. This area of Class VI and VII land will be OSTD to improve pasture production and used to assist wintering of wethers. This will aid regeneration of this slight to severely eroded area and relieve grazing pressure on tender sunny country normally used to winter wethers.

Job 23 is a 3.5 km erosion control fence subdividing a 600 ha snow tussock block from the wether range. This block will be OSTD with Maku Lotus, spelled to allow establishment then used to graze wethers or otherwise ewes during dry summers if feed supply becomes short.

Job 24 is a 4.0 km erosion control fence to subdivide 380 ha of Class VII country from the wether range. This will assist management of the wethers feed resource and allow spelling of adjacent depleted faces at critical periods of the year.

Job 25 is a 3.3 km erosion control fence along the ridge from Pavilion Peak to the wether range fence. This fence further subdivides sunny from dark country for differential management.

Job 26 is a 5.0 km erosion control fence subdividing Class VI, VII and VIII country of differing aspect to allow differential grazing management.

Job 27 is a 2.5 km erosion control fence subdividing a 350 ha block of dominantly dark facing country from adjacent sunny faces that have been overgrazed in the past. This previously unutilized area will be used to graze wethers during summer, further reducing grazing pressure on sensitive areas.

*J.F.B.*  
*R.G.P.*

5.2 STRATEGIC FIREBREAK ACCESS TRACKING

Job 22 is a 11 km firebreak access track from the Avon Burn Hut into the head of the Timaru River. There is presently no access into this area. The track will also be important for stock management in the Timaru River.

7 ESTIMATED COSTS

7.1 UNIT COSTS

Erosion control fencing \$2,500/km  
 Strategic firebreak access tracking \$1,000/km

7.2 ESTIMATED BARE COSTS (Including 5% Contingencies)

Job No		Unit Costs	Bare Costs	Net Rate	Net Grant	Local Share	
Year 1, 1981/82							
2	Erosion Control Fence	2.5 km	\$2625/km	6563	31%	2035	4528
3	" " "	1.0 km	\$2625/km	2625	31%	814	1811
4	" " "	0.7 km	\$2625/km	1838	31%	570	1268
5	" " "	2.3 km	\$2625/km	6038	31%	1872	4166
6	" " "	0.8 km	\$2625/km	2100	31%	651	1449
7	" " "	1.2 km	\$2625/km	3150	31%	976	2174
8	" " "	3.5 km	\$2625/km	9188	31%	2848	6340
9	" " "	1.6 km	\$2625/km	4200	31%	1302	2898
10	" " "	3.6 km	\$2625/km	9450	31%	2930	6520
11	" " "	3.0 km	\$2625/km	7875	31%	2441	5434
12	" " "	2.0 km	\$2625/km	5250	31%	1628	3622
13	" " "	4.0 km	\$2625/km	10500	31%	3255	7245
14	" " "	1.3 km	\$2625/km	3413	31%	1058	2355
15	" " "	1.5 km	\$2625/km	3938	31%	1221	2717
18	" " "	3.5 km	\$2625/km	9188	31%	2848	6340
19	" " "	1.0 km	\$2625/km	2625	31%	814	1811
20	" " "	7.0 km	\$2625/km	18375	31%	5696	12679
21	" " "	2.5 km	\$2625/km	6563	31%	2035	4528
22	Firebreak track	11.0 km	\$1050/km	11550	31%	3580	7970
			\$124429			\$38574	\$85855
Year 2, 1982/83							
23	Erosion Control Fence	3.5 km	\$2625/km	9188	31%	2848	6340
24	" " "	4.0 km	\$2625/km	10500	31%	3255	7245
25	" " "	3.3 km	\$2625/km	8663	31%	2686	5977
26	" " "	5.0 km	\$2625/km	13125	31%	4069	9056
			\$41476			\$12858	\$28618
Year 3, 1983/84							
27	Erosion Control Fence	2.5 km	\$2625/km	\$6563	31%	\$2035	\$4528
			\$172468			\$53467	\$119001

*J.F.G.* *R.H.* *R.T.P.*

7.3 ESTIMATED TOTAL COSTS (Including 5% contingencies and 15% Fees)

Job No			Total Cost	Rate	Total Grant	Local Share
Year 1, 1981/82						
2	Erosion Control Fence	2.5 km	7547	40%	3019	4528
3	" "	" 1.0 km	3019	40%	1208	1811
4	" "	" 0.7 km	2114	40%	846	1268
5	" "	" 2.3 km	6944	40%	2778	4166
6	" "	" 0.8 km	2415	40%	966	1449
7	" "	" 1.2 km	3623	40%	1449	2174
8	" "	" 3.5 km	10566	40%	4226	6340
9	" "	" 1.6 km	4830	40%	1932	2898
10	" "	" 3.6 km	10868	40%	4348	6520
11	" "	" 3.0 km	9056	40%	3622	5434
12	" "	" 2.0 km	6038	40%	2416	3622
13	" "	" 4.0 km	12075	40%	4830	7245
14	" "	" 1.3 km	3925	40%	1570	2355
15	" "	" 1.5 km	4529	40%	1812	2717
18	" "	" 3.5 km	10566	40%	4226	6340
19	" "	" 1.0 km	3019	40%	1208	1811
20	" "	" 7.0 km	21131	40%	8452	12679
21	" "	" 2.5 km	7547	40%	3019	4528
22	Firebreak Track	11.0 km	13283	40%	5313	7970
			<u>\$143095</u>		<u>\$57240</u>	<u>\$85855</u>
Year 2, 1982/83						
23	Erosion Control Fence	3.5 km	10566	40%	4226	6340
24	" "	" 4.0 km	12075	40%	4830	7245
25	" "	" 3.3 km	9962	40%	3985	5977
26	" "	" 5.0 km	15097	40%	6038	9056
			<u>\$47697</u>		<u>\$19079</u>	<u>\$28618</u>
Year 3, 1983/84						
27	Erosion Control Fence	2.5 km	\$7547	40%	\$3019	\$4528
			<u>\$198339</u>		<u>\$79338</u>	<u>\$119001</u>

8 BENEFITS

8.1 PHYSICAL BENEFITS

For the expenditure of \$198,339 including the runholders contribution of \$119,001 the following benefits are anticipated:

- a More intensive use of the areas of better soils at the northwestern end of the property while relieving pressure on adjacent severely depleted areas.
- b Improvement of cover throughout the property as a result of strategic subdivision to enable effective grazing control.

*J.F. Co.*  
*R.S.P.*

ATTACHMENT (7) 01.1

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"

4 February, 1999

Mr Patterson  
Longslip Station  
Private Bag  
OMARAMA

KNIGHT FRANK  
ALEXANDRA  
10 MAR 1999  
RECEIVED



6NLS01 01 / 016 YD  
& 6HLS01 02

Dear Sir

**MINING PERMIT APPLICATIONS 41/590 & 41/591**

I attach for your information a copy of the plans and the Chief Surveyor's Reports and the first schedules for the above applications.

At the request of the Chief Surveyor I have forwarded the originals of these reports and the required plan copies to LINZ national office for their action.

Please feel free to contact myself should you require any further assistance on this matter.

Invoices to cover the cost for this work will follow in due course.

Yours faithfully

John Kirk  
Property Consultant

Encl.

*Access agreed.  
Lysoght to discuss with Rodney.*

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"

Your Reference : 41-591

Our Reference : 6NLS.01.02-015YD

13 January 1999

The Secretary of Commerce  
 C/- Crown Minerals Group  
 Ministry of Commerce  
 P O Box 1473  
 WELLINGTON

**CHIEF SURVEYOR'S REPORT**

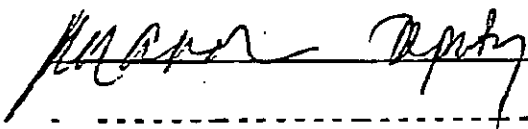
**MINING APPLICATION 41-591**

Applicant : Longslip Station Limited – R G Patterson

- 1 Mineral(s) applied for : Gravel & Sand
- 2 Mineral ownership in permit area : Crown
- 3 Total Area : 3.4120 hectares
- 4 First Schedule : Attached
- 5 Land District : Otago
- 6 Local Authority : Waitaki District
- 7 Overlaps : None
- 8 Plans : In my opinion the attached plan and description are suitable for the purposes of Section 81 (2) of the Crown Minerals Act 1991.  
*See item 11 below for attachments*
- 9 Any survey requirements : No. In my opinion the attached plan satisfies the survey requirements of the Crown Minerals Act 1991.

10 Remarks :

11 Attachments :	Plans *	First Schedules *	Other

 Chief Surveyor  
 41 2 / 1999

12 Plotting situation :

for Chief Executive  
 / / 1999



"RELEASED UNDER THE OFFICIAL INFORMATION ACT"

**FIRST SCHEDULE****Mining Permit 41-591****AREA :** 3.4120 hectares**LAND DISTRICT :** Otago**LOCAL AUTHORITY :** Waitaki District**LEGAL DESCRIPTION OF PERMIT AREA :** All that area of land being Part Run 233, Longslip Survey District as defined on the plan attached hereto.**INSTRUMENT OF TITLE REFERENCES**

<u>Legal Description</u>	<u>Instrument of Title</u>	<u>Ownership of Non-Statute minerals under report</u>
Part Run 233, Longslip Survey District ( Part included )	CL 388/37	Crown

**BOUNDARY DESCRIPTION OF PERMIT AREA :**

N/A. A graphic plan.

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"

Approvals

CERTIFIED PURSUANT TO SECTION 29 OF THE METERS ACT, 1991 AS BEING SATISFACTORY AND THE REQUIREMENTS OF THE LAND ACQUISITION ACT.

*[Handwritten signatures and dates]*  
18/2/99

MINING PERMIT APPLICATION (MPP) COMPRESSES PT BHA 239 TO CORNER B

THIS PLAN IS CONCURRENT WITH SO 24891

Total Area 11.00 ha  
Comprised in a 33000 000

I, GEORGE ROBERT CLARK, Registered Surveyor and holder of an annual practicing certificate for the year 1998, do hereby certify that the plan shown on this plan is a true and correct copy of the plan as shown on the original plan and that the same has been surveyed and corrected and that the same is in accordance with the Survey Regulations 1974 for any regulations made in a later Act.

Dated at Otago this 9th day of February 1999.

Signature: *[Handwritten Signature]*

Reference date 20/1/99

Scale 1:250

County: *[Handwritten]*

Approved for Mining Permit Purposes Only

16/1/99

Deposited this day of 1999

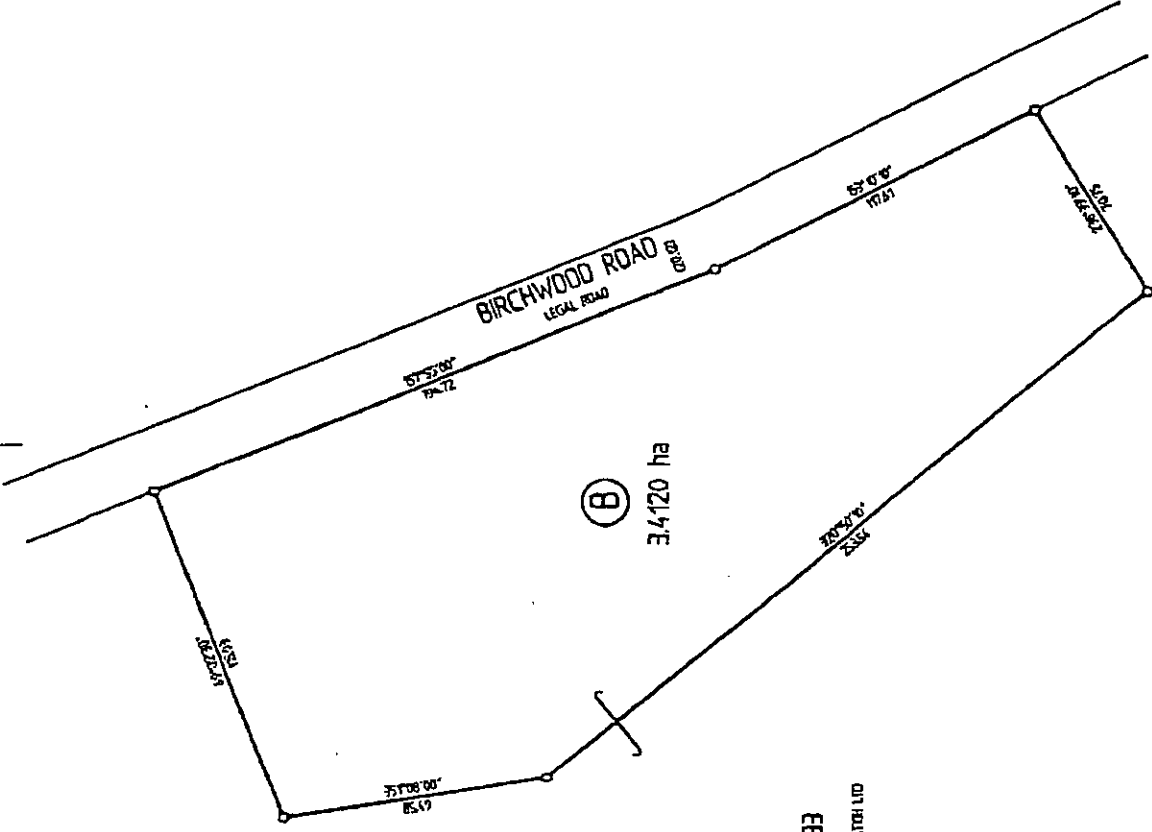
*[Handwritten Signature]*  
Chief Surveyor

District Land Registrar

SO 24892

Received 0 12 08

Approved in 1992



PT RUN 233  
CL 330/77  
CESSOR - LONGSLIP TIAHOI LTD

TERRITORIAL AUTHORITY WAITAKI DISTRICT  
Surveyed by G R CLARK 07/98  
Scale 1: 1250 Date: DECEMBER 1998

MINING PERMIT 41591

AND DISTRICT OTAGO  
Survey Bk & Dst LONGSLIP  
ZMS 261 Sheet 079 Record Map No.

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"  
Your Reference : 41-590

Our Reference : 6NLS 01.01 016YD

13 January 1999

The Secretary of Commerce  
C/- Crown Minerals Group  
Ministry of Commerce  
P O Box 1473  
WELLINGTON

**CHIEF SURVEYOR'S REPORT**

**MINING APPLICATION 41-590**

Applicant : Longslip Station Limited – R G Patterson

- 1 Mineral(s) applied for : Greywacke
- 2 Mineral ownership in permit area : Crown
- 3 Total Area : 21.0670 hectares
- 4 First Schedule : Attached
- 5 Land District : Otago
- 6 Local Authority : Waitaki District
- 7 Overlaps : None
- 8 Plans : In my opinion the attached plan and description are suitable for the purposes of Section 81 (2) of the Crown Minerals Act 1991.  
*See Item 11 below for attachments*
- 9 Any survey requirements : No. In my opinion the attached plan satisfies the survey requirements of the Crown Minerals Act 1991.

10 Remarks :

11 Attachments :	Plans *	First Schedules *	Other
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*[Signature]* Deputy Chief Surveyor  
 14 2 / 1998

12 Plotting situation :

for Chief Executive  
/ /98

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"

**FIRST SCHEDULE****Mining Permit 41-590****AREA :** 21.0670 hectares**LAND DISTRICT :** Otago**LOCAL AUTHORITY :** Waitaki District**LEGAL DESCRIPTION OF PERMIT AREA :**

All that area of land being Part Run 233, Longslip Survey District as defined on the plan attached hereto.

**INSTRUMENT OF TITLE REFERENCES**

<u>Legal Description</u>	<u>Instrument of Title</u>	<u>Ownership of Non-Statute minerals under report</u>
Part Run 233 Longslip Survey District ( Part included )	CL 388/37	Crown

**BOUNDARY DESCRIPTIONS OF PERMIT AREA :**

N/A. A graphic plan.

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Approvals

CONFIRMED IN ACCORDANCE TO SECTION 10 OF THE SURVEY ACT 1974 AS BEING SATISFACTORY FOR THE PURPOSES OF IDENTIFYING THE LAND IN APPLICATION 41590

*[Signature]*  
DATE 16/12/99

THIS PLAN IS CONCURRENT WITH SO 248992

Total Area 210670 ha

Comprised in a 10/27/99

GENERAL REGISTER CLERK  
I have examined the plan and find that it is a true and correct copy of the original plan as submitted to me and that the same is in accordance with the provisions of the Survey Act 1974 and the Survey Regulations 1974 and I have no objection to the plan being registered.

Dated at Otago, this 16th day of December 1999

Signature *[Signature]*

Full Name M. H. Harbours

Registration No. 99/2472

Comments *[Signature]*

Approved for Mining Permit Purposes Only

16.12.99

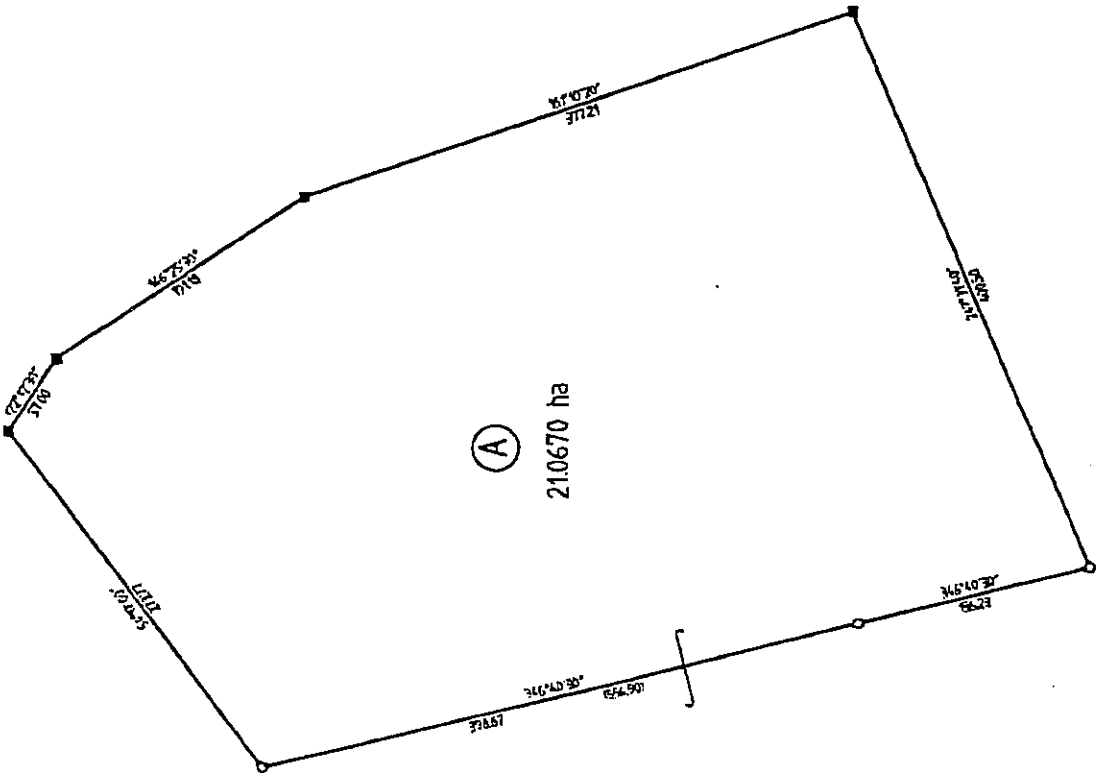
M. H. Harbours

District Surveyor

Deposited this 16th day of December 1999

District Land Registrar

SN 248992



PT RUN 233  
G. R. CLARK  
WEST - LONGSLIP STATION 100

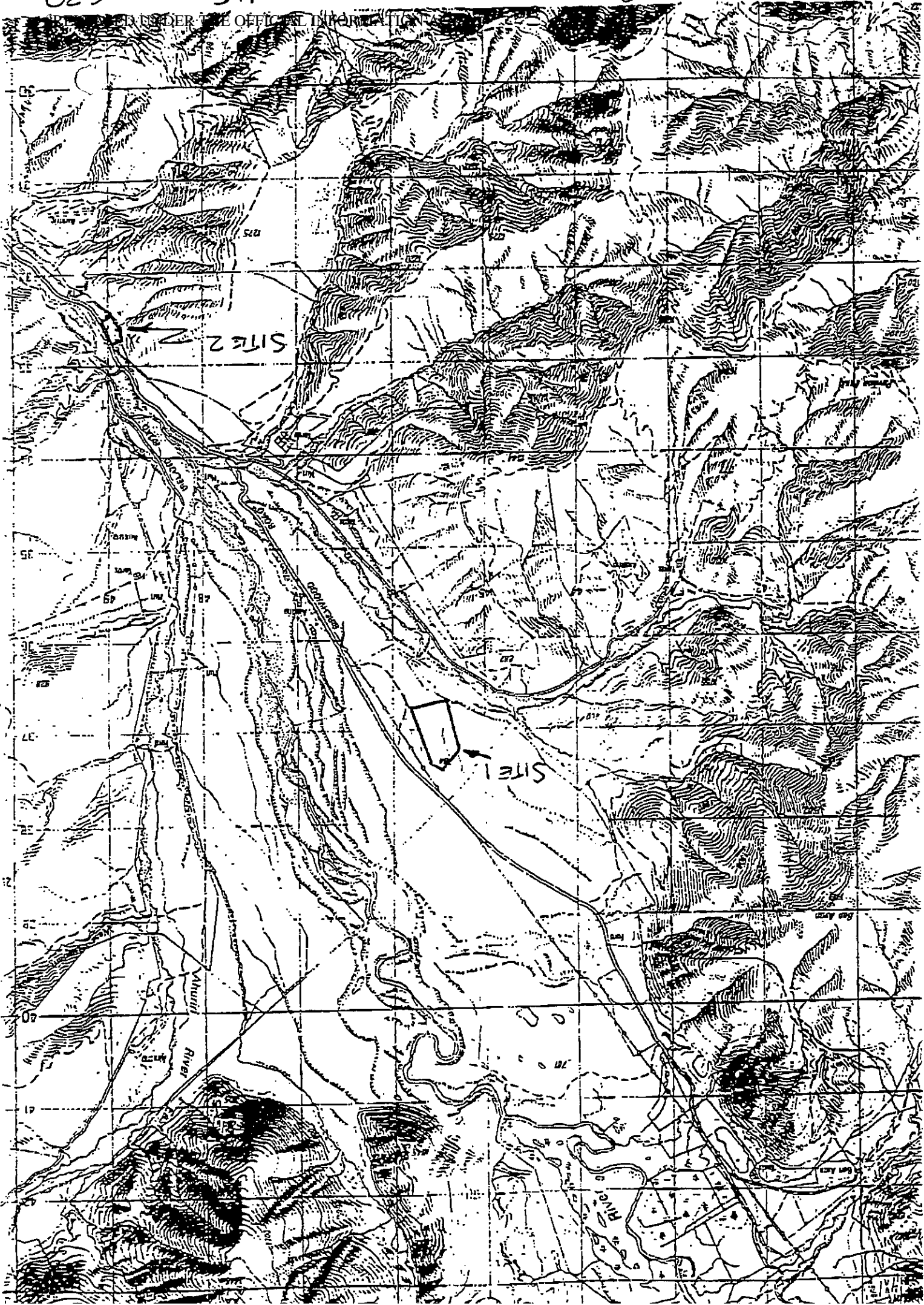
TERRITORIAL AUTHORITY WAITAKI DISTRICT  
Surveyed by G R CLARK 09/98  
Scale 1:7500 Date DECEMBER 1998

MINING PERMIT 41590

CANTON DISTRICT OTAGO  
Survey Blk & Dist LONGSLIP  
District Surveyor

629 0805:1

0-2-1-0



"RELEASED UNDER THE OFFICIAL INFORMATION ACT"

**NOTICE OF ARRANGEMENT FOR ACCESS TO LAND** (*Other Than for Petroleum*)  
*Section 83, Crown Minerals Act 1991*

The Registrar General  
 Otago Land Registration District

Permit Number 41 590

	<i>Permit Holder</i>
Name of permit holder:	Longslip Station Limited
Address for service:	Private Bag, Omarama
Telephone and Fax:	Phone (03) 438 9419 Fax: (03) 438 9452
Street address of permit holder:	Birchwood Road, Ahuriri Valley
Permit holder's telephone and fax:	As listed above
Registered Office of permit holder:	c/ Hubbard Churcher & Co, Chartered Accountants Foresters Bdg, 39 George St, Timaru

*Land*

Cadastral description and certificate of title reference of land to which access arrangement relates: Part Run 233 Longslip and Ahuriri Survey Districts, Part Run 235A Longslip Survey District, Part Section 1 Block VII Ahuriri Survey District, Sections 1, 2 & 3 SO 23073 and Sections 2 & 4 SO 22899 – register book 338/37

Name of landowner:	Longslip Station Limited (lessee) Her Majesty the Queen (lessor)
Address for service:	Lessee: Private Bag Omarama (Ph/Fax as above) Lessor: Knight Frank, P O Box 27, Alexandra Phone (03) 448 6935 Fax (03) 448 9099

Street Address of landowner:	As above.
Name of occupier (etc)	Not applicable

Particulars of access arrangement: By agreement dated 13<sup>th</sup> April 1999 between the Minister of Lands and Longslip Station Limited for an access arrangement pursuant s.61 Crown Minerals Act 1991.

I, the undersigned, being the holder of permit number 41 591 or the duly authorised agent of the permit holder, hereby certify that the above particulars are correct.

Signed at Dunedin this 26<sup>th</sup> day of April 1999.

R G Paterson *pp Longslip Station Ltd.*

Signature of permit holder

**THIS AGREEMENT** for an **ACCESS ARRANGEMENT** pursuant to Section 61 of the Crown Minerals Act 1991 is made this *13<sup>th</sup>* day of *April* 19*99* between the Minister of Lands (hereinafter referred to as "the Minister" and **LONGSLIP STATION LIMITED** having its Registered Office in Timaru (hereinafter referred to as "the Permit Holder").

**WHEREAS:**

- (a) the land described in the First Schedule is held by the Crown pursuant to the provisions of the Land Act 1948 and the Minister administers the land pursuant to the provisions of that Act.
- (b) the Permit Holder pursuant to section 59 of the Crown Minerals Act 1991 has requested from the Minister an access arrangement in respect of the land described in the First Schedule to conduct a mining operation.
- (c) the Permit Holder has applied for a Mining Permit (Application Number 41-590) from the Minister of Energy pursuant to section 25 of the Crown Minerals Act 1991 to mine in and on the land.

**IT IS AGREED** by and between the parties that the Permit Holder may enter the land subject to the terms and conditions set out below.

**INTERPRETATION:**

(1) "Access arrangement" means this agreement for an access arrangement.

"Act" means the Crown Minerals Act 1991.

"Mining operations" has the same meaning as described in Section 2 of the Crown Minerals Act 1991.

"Minister" includes any officer of Land Information New Zealand to whom the Minister has delegated any or all of the Minister's powers under the Crown Minerals Act 1991 or the Land Act 1948.

"Permit Holder" includes the Permit Holder, his/her/its servants, agents, contractors.

"Land" means the land described in the First Schedule.

**TERM:**

(2) The term of this access arrangement shall be for a period of forty years from the date of issue of the Mining Permit.

*RSP CLK*



**ASSIGNMENT:**

- (3) The Permit Holder shall have no right to assign, transfer or sublet any rights herein granted or any part thereof without the written consent of the Minister, which consent will not be arbitrarily or unreasonably withheld.

**COMPENSATION:**

- (4) The Permit Holder shall forthwith pay the Minister by way of compensation the sum of \$500 plus GST.

**PRECONDITIONS BEFORE ENTRY TO LAND:**

- (5) The payment of compensation as per clause 4.
- (6) Where physical access to the land is required other than over legal road or marginal strip the prior consent of the lessee and landowner shall be acquired.
- (7) Where physical access to the land is required over marginal strip pursuant to section 58 Land Act 1948 or section 24 Conservation Act 1990 the prior consent of the Regional Conservator shall be acquired.
- (8) The Permit Holder will have been granted a Mining Permit under the Crown Minerals Act 1991.

**INDEMNITIES:**

- (9) The Permit Holder shall indemnify and keep indemnified the Crown and the Minister against all claims by any person in respect of any injury, loss or damage (including fire damage) caused or suffered as a result of or arising out of any act or omission of the Permit Holder, or otherwise caused as a result of the Permit Holder's operations on the land.
- (10) The Crown and the Minister shall not be liable for and do not accept any responsibility for damage or interference to the operations, equipment, buildings or structures on the land due to any cause whatsoever including (without restriction) any acts or omissions by the Crown and the Minister, his/her servants, agents, or contractors), natural disaster, vandalism, sabotage, fire, exposure to the elements or any other cause whatsoever.
- (11) (a) The Permit Holder shall take all reasonable steps to protect the safety of persons present on the land during operations and between work periods and shall, if required by the Minister, erect protective fencing or erect signposts warning the public of any dangers that may be encountered as a result of the operations.
- (b) The Permit Holder shall take all reasonable steps to mitigate any dangers to the public and shall clearly mark any that remain.

RGF CLK

**INSURANCE:**

- (12) The Permit Holder shall, prior to commencing operations, effect and maintain during the term of this access arrangement public liability insurance for an amount of \$100,000. This insurance shall cover any costs arising out of any necessary actions to put out or contain any fire caused by the operations whether negligently or otherwise and which may extend beyond the land to the adjoining land whether held by the Minister or otherwise. The Minister may from time to time require the cover of the public liability insurance be increased to such an amount as the Minister reasonably thinks fit after consultation with the Permit Holder.

**FIRE PRECAUTIONS:**

- (13) The Permit Holder shall:
- (a) take all reasonable precautions to ensure no fire hazard arises from the operations;
  - (b) not light any fire except by permit issued either by the lessee or licensee of the land or if there is no lessee or licensee by the Minister;
  - (c) not store or permit to be stored fuel or other combustible materials on the land without the written permission of the lessee or licensee of the land or if there is no lessee or licensee of the Minister.

**PROTECTION OF THE ENVIRONMENT:**

- (14) The Permit Holder shall ensure that in respect of all operations and all activities of every person entering the land under this access arrangement:
- (a) environmental disturbance is minimised and land affected by operations is kept stable and free from erosion;
  - (b) there is no ground disturbance other than authorised under this access arrangement;
  - (c) No debris, rubbish or other dangerous or unsightly matter is deposited in or on the area and there is to be no pollution of any water body, except as permitted in terms of a discharge permit granted under the Resource Management Act;
  - (d) There is no damage or modification to any historic place in the area (as defined in the Historic Places Act 1980) without the prior consent in writing of the Historic Places Trust. (Any such consent must be presented to the Minister upon request);
  - (e) Any artifact (as defined by the Antiquities Act 1975) found in the area shall be left in situ and the Minister and Secretary of Internal Affairs notified as soon as reasonably practical.

*R G P 57K*

- (f) All work shall be carried out at all times strictly in accordance with the consents given by the local authorities under the Resource Management Act 1991, and in accordance with any conditions imposed by the lessee/licensee of the land.

**SUPPLY OF INFORMATION:**

- (15) The Permit Holder shall lodge with the Minister any variations to the minerals permit.

**MONITORING:**

- (16) The Permit Holder shall allow the Minister to visit and inspect the land at any time or to consider approval for work programmes and to monitor compliance with the conditions of this access arrangement.

**BANKRUPTCY OR INSOLVENCY:**

- (17) If the Permit Holder shall become bankrupt or insolvent or have a receiving order made against him/her/it or compound with his/her/its creditors or being a corporation or company commence to be wound up or carry on its business under a receiver for the benefit of creditors or any of them the Minister shall be at liberty either:
- (a) if no assignee, receiver, liquidator has been appointed to terminate this access arrangement forthwith to give notice in writing to the Permit Holder;
  - (b) to give such assignee, receiver, liquidator or other person the option of carrying out the access arrangement subject to the provision of a guarantee for the due and faithful performance of the access arrangement up to an amount to be agreed.
- (18) (a) The Permit Holder shall not use the land for any purposes other than those specified in this access arrangement.
- (c) Unless otherwise authorised by this access arrangement, or with the agreement of the Minister, the Permit Holder shall not erect, install or operate anything on the site other than that described in the Second Schedule to this access arrangement.

**BREACH OF CONDITIONS:**

- (19) If the Permit Holder shall be wound up or cease to function or in the case of non-observance of any of the conditions contained herein or any work programme, the Minister may terminate this access arrangement by notice in writing. Such notice shall not release the Permit Holder from liability in respect of any breach of this access arrangement.
- (20) (a) Upon termination of expiry of this access arrangement the Minister shall not be liable to pay any compensation whatsoever for any buildings, structures or improvements effected by the Permit Holder.
- (b) The Permit Holder may remove and if requested by the Minister shall remove all such buildings structures and improvements.

RSP etc

- (c) The Permit Holder shall repair and make good at the Permit Holder's own expense all damage which may have been done by such removal and shall leave the land in a clean and tidy condition for restoration as set out herein.
- (d) If the Permit Holder fails to remove any buildings within a reasonable time of the request of the Minister the Minister may undertake the same and recover the costs from the Permit Holder.

**MISCELLANEOUS:**

- (21) Any notice required to be addressed by either party shall be sent by ordinary post or by facsimile during normal business hours and shall be deemed to have been received by the other party on such date and at such time upon which the ordinary post or facsimile would have been delivered.
- (22) The Minister's address is: Land Information New Zealand, P O Box 5014, WELLINGTON
- (23) The Permit Holder's address is: Longslip Station Limited, Private Bag, OMARAMA
- (24) All differences and disputes between the parties concerning this access arrangement, its interpretation, effect or implementation or any act or thing done in pursuance thereof (except as otherwise expressly provided) shall be referred to arbitration in New Zealand by a single arbitrator who shall be mutually agreed upon in accordance with the Arbitration Act 1996.
- (25) The headings set out in this access arrangement have been inserted for convenience and shall not in any way limit or govern the construction of this access arrangement.

R S Y  
CIX

**FIRST SCHEDULE**

**DESCRIPTION OF LAND**

*Legal Description:*

Part Run 233 Longslip and Ahuriri Survey District, Part Run 235A Longslip Survey District, Part Section 1 Block VII Ahuriri Survey District, Sections 1, 2 & 3 SO 23073 and Sections 2 & 4 SO 22899.

RGY CK

Signed  
by:

*R.W. Lysaght*

Signature of Authorised Officer

ROBERT WILLIAM LYSAGHT

Name of Authorised Officer

For and on behalf of Her Majesty the Queen and  
acting pursuant to delegated authority

in the  
presence of:  
Signature of witness

*M.R. McKenzie*

*e. [unclear]*

Name of witness

*1112 - Dundas*

Address of witness

*Queen's Royal College*

Occupation of witness

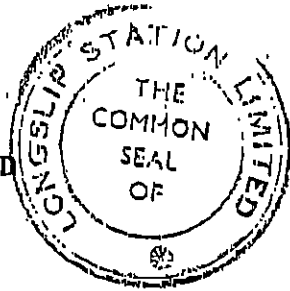
Common Seal affixed

in the  
presence of:  
Signature of Director

*R.G. Pallasen*

Common Seal

LONGSLIP STATION LIMITED  
Name of Company



Signature of Director

*Hubbard Churches & Co.*

Signature of Secretary



C

**FILE COPY**

1.50 27.APR.99 966425.1

PARTICULARS ENTERED IN REGISTER  
L  
Jas 27/9

3





933086/3 Variation - 15.7.1997 of 11-480m

J. McInerney  
ALR

THE CROWN MINERALS ACT 1991

16-7-99

MINING PERMIT No. 41 338

9D/539

Minister of Energy

TO

PETER BARRY GORDON

Area: 5.3 hectares

MEMORIALS

SECRET

COPY

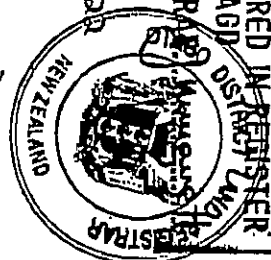
FILE COPY 9D/539

9 11 11.MAR.96 903211

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



338/37 386/1a2

Indexed

PARTICULARS ENTERED IN REGISTER  
LAND REGISTRY DTAGD  
ASST. LAND REGISTRAR

Books to be Available for Inspection

8 All books, accounts and other records of the permit holder in relation to the permit for the purposes of this condition shall be open at all reasonable times for inspection by the Secretary or any person legally authorised for that purpose.

Reports

9 The permit holder shall provide such periodic reports and returns on production as are required in the Crown Minerals Act 1991 and its regulations. In particular the permit holder shall, within thirty days following the 30th of June and 31st of December in each year, provide the Secretary with true and accurate returns of the quantity of gold recovered and the value of gold sold in respect of this permit during the preceding six months. If there has been no production during the reporting period then the permit holder shall provide written notification giving reasons for the lack of production.

Notification that Operations are Due to Commence

8 The permit holder shall notify the Secretary and the Inspector of Mines when operations are due to commence.

COPY

- 16-7-99
- c The royalty return is to be forwarded to the Secretary within 31 days of the end of the period to which it applies.
  - d The royalty return is to be accompanied by the royalty payable in respect of gold taken in the period to which the royalty return applies.
  - e Clauses 5(a) to 5(e) shall not come into force until one year after the day the relevant minerals programme (referred to in clause 4) comes into effect.

Royalties - One Year After Minerals Programme in Effect

- 6a The permit holder shall forward a royalty return and shall pay to the Crown in respect of all gold taken under this permit a royalty calculated in accordance with the provisions of the relevant minerals programme.
- b The royalty return and any royalties payable shall be forwarded to the Secretary within 90 days of the completion of the relevant reporting period.
- c The reporting period for this permit shall be the financial reporting year of the permit holder.
- d Clauses 6 (a) to 6 (d) shall come into force one year after the day on which the relevant minerals programme (referred to in clause 4) comes into effect.

Amendments to the Permit

- 7a The Minister may, at any time or times during the currency of the permit, on such conditions as he or she thinks fit, amend the conditions of the permit by giving the permit holder written notice pursuant to this clause that the permit conditions are to be amended.
- b The notice referred to in clause 7 (a) shall specify the amendments that are to be made to the permit, and shall specify the date on which such amendments are to take effect.
- c The power to amend this permit in the manner provided in clause 7 (a) shall be exercised only for the purpose of ensuring that the royalty provisions of this permit are in accordance with and give effect to the royalty regime outlined in the relevant minerals programme.
- d Amendments made to the permit pursuant to clause 7 (a) shall take effect at least 20 working days after the service of the notice on the permit holder.

16-7-99  
SECOND SCHEDULE  
CONDITIONS OF MINING PERMIT 41 338

Work Programme

1 The permit holder shall be permitted to mine in a systematic and efficient manner using the mining methods prescribed:

- a use of up to 150 mm nozzle diameter suction dredge with motor power not exceeding 10 kW in the active river gravels within the permit area;
- b rehabilitation as appropriate.

Provided that nothing in this clause shall exempt the permit holder from any obligation to comply with the requirements of any other Act or Regulation that may affect or apply to such operations.

Annual Work Statement to be Submitted to the Secretary

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

Marking out

3 If required by the Secretary 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.

Relevant Minerals Programme

4 The minerals programme in respect of the minerals to which this permit is granted which is first issued after the commencement date of this permit, shall apply to this permit ('the relevant minerals programme').

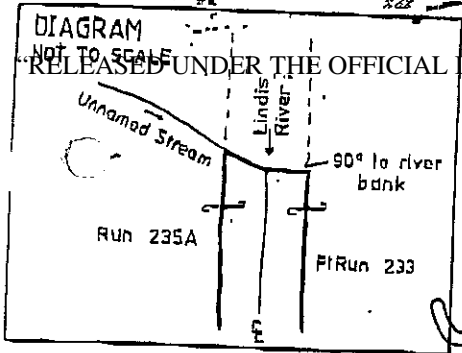
Royalties - Present Regime

- 5a The permit holder shall pay to the crown a royalty of \$0.00 per ounce on all gold taken under this permit.
- b The permit holder shall forward a royalty return, in the form provided by the Secretary, for the six months ending 30 June and 31 December in every year.

DIAGRAM NOT TO SCALE  
RELEASED UNDER THE OFFICIAL INFORMATION ACT

# L O N G S L I P

16-7-99



PT RUN 233



Orambel Hill

**CERTIFIED CORRECT**

*[Signature]*

Acting Chief Surveyor  
1/11/94

**MINING PERMIT APPLICATION**  
41-338  
P H GORIXON

OVER: Bed of Lindis River, Great Creek and Smiths Creek  
AREA: 3.3 ha approximately      SCALE: 1:50,000  
LAND DISTRICT: Otago      NZMS 261: 639 40640  
TERRITORIAL AUTHORITY: Central Otago District

**CROWN COPYRIGHT RESERVED:** Approval for internal reproduction by P H Gorixon in terms of license number OT 1994/47.

RUN 780  
671.7782

PT RUN 732

RUN 235A  
8306.1728

RUN 235D  
1290.9472 \*

LINDIS S.D.

**1** Unamed creek intersection  
at NZMG 342189

**2**

GS  
Camp Hill

Intersection of Bed of  
Lindis River and Boundary  
of 40-242.

**3**

1 198.71  
2 204.32

Double Peak

L. Res from Sale!  
ROAD

Corner on Blk Line  
1050m north of Blk IX

Corner on Blk line  
2000 m east of Blk IX

PT RUN 679  
651.6903  
MORVEN HILLS

9

6

7

16:7:99  
FIRST SCHEDULE 41 338

AREA: 5.3 hectares

CT REFERENCES: 818/37  
386/122

LEGAL DESCRIPTION OF PERMIT AREA:

OTAGO LAND DISTRICT - CENTRAL OTAGO DISTRICT

Part Run 233 Longslip Survey District, Part Run 235A Longslip Survey District, Block II Lindis Survey District Part Bed of Lindis River in Longslip Survey District and Block II Lindis Survey District, Part Bed of Breast Creek, Blocks I and II Lindis Survey District and Crown Land Block II Lindis Survey District as is more particularly shown on the plan attached.

COPY





# Crown Minerals

LAND INFORMATION NEW ZEALAND  
15 JUL 1997  
DUNEDIN

16.7.99

SEARCHED

7 July 1997

District Land Registrar  
Private Bag  
DUNEDIN

Dear Sir/Madam

## AMENDMENT TO THE CONDITIONS OF MINING PERMIT 41 338

20/537

For your information the above certificate and amended conditions are enclosed.

Please attach the certificate and amended conditions to your copy of the permit.

Yours sincerely

Brian Wesney  
for Unit Manager - Permitting

COPY

Encl

33 Boweb Street • PO Box 1473  
Wellington • New Zealand  
Telephone 64-4-472 0030 • Facsimile 64-4-499 0968

A GROUP WITHIN THE MINISTRY OF COMMERCE



FRONTIER | NEW ZEALAND

16-7-99

DUNEDIN  
LAND REGISTRY OFFICE

MINING PERMIT 41 338  
CERTIFICATE OF CHANGE OF CONDITIONS

SEARCHED

IN THE MATTER of the Crown  
Minerals Act 1991

AND  
IN THE MATTER of mining permit  
41 338 dated 26 February 1996 in the  
name of Peter Barry Gordon

PURSUANT to section 36(1) of the Crown Minerals Act 1991 and under a delegation from  
the Minister of Energy of 7 October 1991, the conditions specified in the Second Schedule to  
the above mentioned permit are hereby replaced with those attached to this Certificate.

DATED at Wellington this 15<sup>th</sup> day of July 1997

COPY

*P.S. Carpenter*

SIGNED by PAUL STEPHEN CARPENTER, Secretary of Commerce

SECOND SCHEDULE  
CONDITIONS OF MINING PERMIT 41 338

16-7-99

**WORK PROGRAMME**

1. The permit holder shall be permitted to mine in a systematic and efficient manner using the mining methods prescribed:
  - (a) use of up to 180 mm nozzle diameter suction dredge with motor power not exceeding 10 kW in the active river gravels within the permit area;
  - (b) rehabilitation as appropriate.

Provided that nothing in this clause shall exempt the permit holder from any obligation to comply with the requirements of any other Act or Regulation that may affect or apply to such operations.

**ANNUAL WORK STATEMENT TO BE SUBMITTED TO THE SECRETARY**

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

**MARKING OUT**

3. If required by the Secretary 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.

**RELEVANT MINERALS PROGRAMME**

4. The minerals programme in respect of the minerals to which this permit is granted which is first issued after the commencement date of this permit, shall apply to this permit (the relevant minerals programme).

**ROYALTIES PAYABLE FROM 1 OCTOBER 1997**

(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).)

- 5(a) Subject to condition 5(b), from 1 October 1997 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 gold (whether in its natural state or combined or converted in any manner to form a mineral concentrate) taken from the land comprised in the permit that is:

June 1997

- 16-7-99
- (i) Sold; or
  - (ii) Gifted or exchanged or bartered or removed from the permit area without sale; or
  - (iii) Unsold on the surrender, expiry or revocation of the permit, that is, inventory or unsold stocks of any gold or gold concentrate.
- (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 5(b), condition 5(d) and condition 5(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 5(b) and condition 5(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 \$100,000 or more, 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 5(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

June 1997

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 or the permit or the production unit exceeded \$1,000,000 (or averaged more than \$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 gold taken under this permit is the permit boundary.

**Reporting Period**

- (i) The annual reporting period for this permit is 1 April to 31 March in the following year.

**Royalty Return**

- (j) The permit holder is required to provide to the Secretary a royalty return for every reporting period within the duration of the permit regardless of whether or not royalty is payable in accordance with conditions 5(a) or 5(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

June 1997

UNDER THE OFFICIAL INFORMATION ACT

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.

16-7-99

**Royalty Payments**

- (n) Subject to condition 5(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 Secretary 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 Secretary 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 Secretary within 30 calendar days of the end of the reporting period.
- (p) The permit holder must pay to the Secretary 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 Secretary within 30 days of receipt of a request by the Secretary for such information or explanation (refer paragraph 15.57 of the Minerals Programme for Minerals other than coal and petroleum (1 October 1996)).

**Books to be Available for Inspection**

- (s) 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 purposes of verifying the royalty return by the Secretary or any person legally authorised in writing for that purpose.

June 1997

**Amendment of Royalty Conditions**

16-7-99

- (t) Where the Minister considers that the amount of net sales revenues specified in condition 5(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 5(e), 5(l) and 5(m) to increase that amount by giving the permit holder one month's notice in writing.

**NOTIFICATION THAT OPERATIONS ARE DUE TO COMMENCE**

- 6. The permit holder shall notify the Secretary and the Inspector of Mines when operations are due to commence.

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June 1997

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*Uirichon*

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PARTICULARS ENTERED IN THE  
LAND REGISTRY OF NEW ZEALAND  
ASST. LAND REGISTRAR

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