

Crown Pastoral Land Tenure Review

Lease name : MATANGI

Lease number : PO 371

Due Diligence Report (including Status Report) - Part 6

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.

June 09

- 11.3 If the breach cannot be remedied the Council shall give notice of the breach to the Farmer.
- 11.4 If the Farmer fails to remedy the breach within the time specified in the notice or if the breach is incapable of remedy the Farmer shall, upon demand, pay to the Council the amount of the grant actually paid by the Council under the plan to the date of demand by the Council under this agreement or such lesser sum as the Council decides should be repaid to the Council.
- 11.5 The amount recoverable by the Council under the preceding subclause shall be a reasonable sum having regard to the nature and effect of the breach.
- 11.6 If the Farmer is dissatisfied with
1. Council's finding that the Farmer is in breach of the agreement
 2. the time fixed by the Council to remedy any breach
 3. the sum payable by the Farmer under clause 11.4

the Farmer may, within 14 days of receiving notice of the breach, or as the case may be, the notice of demand he may by written notice to the Council refer the matter to arbitration for determination.

12. Arbitration

- 12.1 Any dispute between the Council and the Farmer under this agreement shall be referred to arbitration.
- 12.2 The dispute shall be determined by a single arbitrator appointed by the parties, or failing agreement the nominee of the Minister of the Environment or the Minister's delegate.
- 12.3 Any reference to arbitration shall be deemed to be a submission to arbitration in terms of the Arbitration Act 1908.
- 12.4 The Arbitration Act 1908 shall apply to any arbitration under this agreement.
- 12.5 The award of the Arbitrator shall be final and binding on the parties.

13. Service

- 13.1 Notices may be served on the Council by being delivered to the Council's principal office.
- 13.2 Notices may be served on the Farmer either
1. personally; or
 2. by post; a notice sent by post shall be deemed to be served on the Farmer on the 7th day after posting unless the contrary is proved. It is sufficient that the notice be addressed to the Farmer's last known address or to the address of the land.

14. Enforcement

- 14.1 This agreement is a land improvement agreement under Sections 30(3) and 30A of the Soil Conservation and Rivers Control Act 1941.
- 14.2 All the provisions of those Sections shall apply to this agreement.
- 14.3 Any sum payable to the Council under clause 11.4 may be recovered by the Council under Section 30A of the Soil Conservation and Rivers Control Act 1941.
- 14.4 This agreement shall bind the Farmer and the Farmer's successors in title.
- 14.5 The Council shall register this agreement against the title to the land.

15. Personal Liability of the Farmer

- 15.1 The Farmer shall be personally liable under this agreement to the extent provided by this agreement and Section 30A of the Soil Conservation and Rivers Control Act 1941.
- 15.2 If the Farmer is two or more persons then the liability shall be joint and several.
- 15.3 If the Farmer is a company the Farmer's obligations shall be guaranteed by the Directors of the company. The liability of the guarantors shall be joint and several.

16. Variations

- 16.1 This agreement (including the plan) may be varied by the parties.
- 16.2 Any variation shall be in writing.
- 16.3 No variation shall have effect until approved by MAF.
- 16.4 Any variation may be registered against the title to the land.

17. Agreement Conditional upon Government Funding

- 17.1 This agreement is conditional upon the Crown paying to the Council annually during the period 1 April 1990 to 30 June 1995 the money necessary to enable the Council to pay the grants set out in the plan up to the level of the property cap.
- 17.2 This condition is a condition subsequent.

17.3 If the Crown fails to provide the Council with funds then the Council shall give notice to the Farmer. This notice shall relieve the Farmer and the Council from further performance of this agreement except that:

- 1. works commenced shall be completed to the extent that the Council has received funds for those work from the Crown
- 2. works (excluding removal or planting of vegetation) completed shall be maintained by the Farmer until 30 June 2010
- 3. any trees already planted shall not be removed without the Council's written consent before 30 June 2010
- 4. the Farmer shall continue land management practices and land uses already adopted in accordance with the plan until 30 June 2000 provided that they are not part of an integrated farming programme under the plan in which other parts of that programme have not been completed or put in place.
- 5. the Farmer shall maintain any areas stripped of or planted with vegetation until 30 June 2000
- 6. the provisions of clauses 5, 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 18 and 19 of this agreement shall continue to apply.

18. MAF's Rights

- 18.1 The rights, powers and immunities conferred on MAF by clauses 7, 8, 13 and 16 of this agreement are "benefits" and MAF is "a beneficiary" for the purposes of the Contracts (Privity) Act 1982.
- 18.2 MAF may enforce those provisions as if it were a party to this agreement in accordance with the terms of this agreement and the provisions of the Contracts (Privity) Act 1982.

19. Interpretation

- 19.1 "Council" includes its officers, employees, agents and independent contractors.
- 19.2 "Farmer" includes any person acquiring the Farmer's interest in the land; and includes any guarantor.
- 19.3 "Grant" means the money payable by the Council under the plan.
- 19.4 "Guarantor" means the person or persons who sign the guarantee annexed and if more than one, both or either of those persons.
- 19.5 "Land management" includes:

- 1. adhering to specific livestock levels
- 2. using particular feed production techniques
- 3. using particular livestock types and breeds
- 4. implementing specific grazing programmes
- 5. supplying livestock with specified feed
- 6. retiring land from use by livestock

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- 7. spelling land from use by livestock
- 8. undertaking land uses specified in the plan.

19.6 "MAF" is the Ministry of Agriculture and Fisheries and includes its officers, employees, agents and independent contractors.

19.7 "The "Property cap" is the maximum dollar amount of the grants payable by the Council under MAF approval of the plan; the property cap is set out in the plan.

19.8 "Rabbit control and eradication measures" include

- 1. aerial and ground poisoning or shooting
- 2. fumigation
- 3. trapping
- 4. any authorised biological methods
- 5. any other control or eradication measures approved by the Council and MAF

and includes both primary and secondary control or eradication operations.

19.9 The "Rabbit and Land Management Programme" is the programme created by agreement between the Council and Crown dated 19 December 1990.

19.10 "Works" include

- 1. access tracking
- 2. fencing and erection of structures
- 3. removal of vegetation
- 4. planting of vegetation
- 5. repair and replacement of existing works
- 6. upgrading existing works

19.11 References to the singular include the plural and vice versa.

19.12 References to any statutes include any Acts amending or replacing any statutes.

NOTE:
This agreement and the plan in the Second Schedule are based on Rabbit and Land Management Plan No. 14 a copy of which may be inspected at the Otago Regional Council office, 70 Stafford Street, Dunedin.

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20. Limitation of Liability

20.01 The said WILLIAM DONALD STEWART ARMITAGE and WILLIAM THOMAS COONEY having entered into this Agreement as Trustees of the A.C.B. Sanders Family Trust under and by virtue of a certain Deed of Trust dated 14 December 1978 the liability of them the said WILLIAM DONALD STEWART ARMITAGE and WILLIAM THOMAS COONEY and of any subsequent trustees thereof shall be limited to such assets of the said Trust as are held by them respectively or under their respective control in the case of administration of the said Trust.

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* Schedule 1

Legal Description

CT 386/95	Sections 6, 10 and 11 Block VI Cairnhill District and Part Run 569 Cairnhill, Teviot and Long Valley Survey Districts.	Area 11,356.4512 hectares	<i>MS.</i>
CT 205/174	Section 10 Block IV Cairnhill District.	Area 102.2337 hectares	<i>MS.</i>
CT 386/95	Part Section 3 Block IV ^{IV} and Section 10 and 11 Block VI Cairnhill Survey District and part run 569 Cairnhill, Teviot and Long Valley Survey District	Area 11,356.4512 hectares	<i>MS.</i>

Subject to Mortgage 561229/1 and 818090/8
Electricity Agreement 533699

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Schedule 2

Part I Programme Works Summary

Programme Aims:

1. Reduce the rabbit population on high prone areas.
2. Prevent the spread of rabbits from the above areas.
3. Prevent cross infestation between neighbouring properties.
4. Extend the interval between decreasing poisonings by the introduction of alternative rabbit control measures, thus decreasing the potential for neophobic populations to develop.
5. Integrate physical and management factors on the land to achieve 1-4 above.
6. Preservation of the land resource to maintain the lands potential for future use.

These aims if achieved, will go towards meeting the objective of long-term sustainability of the resources of the areas threatened by rabbits.

Programme:

The programme must be kept flexible due to:

- often unpredictable nature of rabbit, its population increase and spread coupled with climatic conditions, ie. dry seasons increase is faster.
- possibility of poison and/or secondary control failure due to a number of factors.
- scientific improvements, new technology, and improvements in field knowledge.

1. Programme Summary

1.1 Rabbit Netting

- (a) Isolates the property from adjacent high prone areas on adjoining properties by upgrading netting boundary fences. (Jobs 5, 21 - 5.6 km)
- (b) Compartmentalises the lower dry "extreme" lands into four 600 ha compartments to allow effective secondary control to be carried out and prevent cross infestation. (Jobs 20, 21, 22, 23 - 8.4 km)
- (c) Completes the fencing of the lower "high prone" lands into four 150 - 300 ha compartments to allow effective secondary control to be carried out and prevent cross-infestation. (Jobs 12 D-E 1 km)
- (d) Netting existing fence - JN 33 1.0 km.

1.2 Habitat Modificiation

To allow effective secondary control operations to be carried out on the large "Carters" and "Three Kings" blocks a two year programme of Aerial and Ground Spraying will be carried out to open up the dense briar infested areas. (Jobs 32, 41 - 300 ha).

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1.3 Destocking of Lower Depleted Blocks

The 453ha "Manorburn" and 624ha "Graveyard" blocks adjacent to Alexandra will be destocked from grazing for a minimum of five years. A sheltered aspect face at the "Graveyard Block" will be fenced off and planted in forestry to provide a double netted fenced barrier between the balance and the higher blocks. The Graveyard area will be made available to public recreational shooting.

Currently illegal recreational hunting pressure is very high on these areas and with encouragement should maintain an acceptable level of control with the owners keeping a watching brief on numbers and carrying out any works required especially along the upper boundaries.

Reduction of intensive control on these areas poses little threat to resource protection which is mainly rocky thyme covered land with scattered wildling trees. Only limited patches of soils exist in sheltered basins under a reasonably stable protective covering of scabweed, stoncrop and briar bushes. Threat of spread of rabbits from these areas is low, being bordered by the Manuherikia River, Manorburn Creek, and inhospitable rocky thyme lands.

Eventually it is hoped to expand forestry plantings across these areas. Re-entry for grazing at a future date will only occur in consultation with the Otago Regional Council based on results of vegetation monitoring. Emergency use of the area during exceptional climatic events (i.e. bad snowstorm conditions at shearing) is recognised and will be considered on a case by case basis.

1.4 Forestry Planting

In conjunction with Section 5.3 of the full programme text a sheltered slightly darker face of 150 ha in the Graveyard Block will be fenced out for forestry. This plan will initially plant out 60 ha of the area in Pinus nigra (Jobs 24, 31, 40). Other species may be utilised on the most favourable sites as appropriate.

1.5 Primary Control Operations

Aerial carrot includes JN 1, 8, 9 and 19. Ground oats includes JN 7 (167 ha).

1.6 Secondary Control Operations

Includes jobs 2, 3, 4, 13, 14, 15, 25, 26, 27, 34, 35, 36, 42, 43 and 44. An intensive secondary control programme will be implemented involving an annual input of 50 mandays nightshooting (4 passes over accessible areas) 15 hours Helicopter work (1 pass over all blocks) and 70 mandays daywork (1 pass over all areas). This level of work has been assessed as a suitable level to avoid the widespread repeated poisoning of the past. Extension to a 6-year cycle for the pastoral area is seen as feasible.

Recreational hunting should control numbers on the 1,077 ha "Graveyard" block with the owners working the boundaries when required to contain the area. Should numbers build to unacceptable levels the owners will be ultimately responsible for control of the area.

1.7 Access Tracking

As part of the programme, the owner will install appropriate access along fencelines and access tracking for secondary control work at his own expense. This work has not been included in the programme estimates.

2. General

2.1 All works and rabbit control and eradication measures shall be carried out in accordance with the specifications annexed to this plan or specifications supplied by the Council.

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- 2.2 All works and rabbit control and eradication measures shall be carried out in accordance with the annual works programme in Part I and Part IV of this plan.
- 2.3 All works and rabbit control and eradication measures actually carried out shall attract grants up to the rates set out in Part IV of this plan but subject to clause 4.3 of the Agreement. The Property cap is \$301,538.
- 2.4 All costs set out in Part IV are purely illustrative. The prices are estimates in 1990 dollar terms only and do not include GST. Grants will be based on costs actually incurred.
- 2.5 The location of works is shown on the attached map.
- 2.6 The area or areas in which rabbit control and eradication measures are to be carried out are shown on the attached map.
- 2.7 The programme or specifications may be varied by the Council.

3. Consents

- 3.1 No part of the programme shall be implemented without the Farmer first obtaining any necessary consent, licence, permit or other legal authority ("consent").
- 3.2 It may be necessary for the Farmer to obtain a consent from the Council. The Farmer shall consult with the Council to find out whether any consent is required.
- 3.3 Neither the agreement nor this plan are a waiver by Council of the need to obtain any necessary consent nor a representation that such consent is unnecessary nor that any necessary consent will be granted.
- 3.4 The programme shall be carried out in accordance with all consents.

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Part II Livestock Management:

- 1.1 Complete destocking from sheep for a minimum of five years.

Manorburn Block)
Graveyard Block) From 1992

Re-entry for grazing shall only occur following consultation with Regional Council based on results of vegetation monitoring.

- 1.2 Spelled November - March each year
Gilbrater - maximum annual grazing level not to exceed 0.15 su/ha/year

- 1.3 Spelled November - March each year
Three Kings Block

- 1.4 Spelled until trees established
Forestry Block
Re-entry for any grazing shall only occur following consultation with Regional Council.

Note: Any variation of the above to cater for seasonal variations, future control operations, drought management, emergency needs, shall be through mutual agreement with Regional Council staff.

- 2. The Farmer shall follow the grazing management programme set out in the grazing management chart.
- 3. The blocks and paddocks referred to in the grazing management chart are identified on the attached map.

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Part III Various Specifications

Specification 1 - Operational Commencement Criteria

Primary and Secondary Control

1. Specifications for all primary and secondary control operations shall be determined in consultation with the Council's Pest Services Manager or delegate and the Farmer.
2. Bait acceptance: No operation shall be commenced for poisoning without satisfactory bait acceptance in accordance with criteria provided by MAF.

Annual Works Monitoring

Annual works inspections and night count monitoring shall be carried out on all properties. The costs shall attract grants up to 70% of the cost of the inspection and nightcount monitoring subject to clause 4.3 of the agreement and property cap.

Specification 2 - Fencing

Subdivision netting

To be equivalent to the following minimum:

- One driven upright (waratah or flat standard) every 4m.
- 100mm treated wooden posts where required by terrain.
- Four 12¹/₂ gauge or No. 8 wires, bottom wire as close to the ground as practical conditions permit, top wire to be firmly secured to uprights.
- Rabbit netting (minimum standard 40" (1,016mm) x 1⁵/₈" diamond x 17 or 18 gauge wire) to be securely fastened at 0.5m intervals and at either side of uprights, and fastened to bottom three wires. An apron of netting, with a minimum of 8" (200mm) on ground to be either ploughed in or securely rocked and pegged, toward the uphill or rabbit pressure side of the fence.
- Securing of difficult points (culverts, washouts, gullies, cattlestops etc.) to be handled on an individual basis.

Netting Existing Fences

- Fences must have, or be upgraded to, a driven upright every 5m with sufficient posts, strainers, stays and tiedowns to constitute a sound structure.
- 40" (1,016mm) x 1⁵/₈" diamond x 17 or 18 gauge wire rabbit netting to be securely fastened by clips or wire at 0.5m spacings and on either side of each upright to 3 wires, one of which is the bottom wire of the fence. An apron of netting with a minimum of 8" (200mm) to be either ploughed in or securely rocked and pegged toward the uphill or rabbit pressure of the fence.
- All gates to be silled and rabbit secured.
- Securing of difficult points (culverts, washouts, gullies, cattlestops etc.) to be handled on an individual basis.

Upgrading Existing Netting

- Existing netting fences must be brought up to a standard similar to new netting fences, with uprights at a minimum of 5m. Netting should be a minimum of 30" (750mm) above ground, with an apron of 8" (200mm).
- Uprights for extra support to be driven where required.
- Rusted and broken wires to be renewed.
- Either full or 1/2 netting attached to replace unsatisfactory sections of netting. Netting may need to be secured on opposite side of fence to existing netting.
- The ground apron of netting to be ploughed, rocked or pegged as required.
- All gates to be silled and rabbit secured.

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- Securing of difficult points (culverts, washouts, gullies, cattlestops) to be handled on an individual basis.

Netting Electric Fences

- Existing fences post, insulimber droppers and 4 wires.
- Fence will require upgrading through; 1 additional wire, waratahs driven and attached to insulimber.

Specification 3

Access Tracking

Track Design shall take into account the existing landform. The track shall be sited and constructed to cause minimal disturbance to the landscape, and the natural contour and vegetation cover shall be used to conceal it from obvious viewing points.

THE TYPE OF TRACK INSTALLED SHOULD BE APPROPRIATE FOR THE USE INTENDED. FREQUENTLY USED, ALL WEATHER, MAJOR TRACKS NEED TO FOLLOW THE SPECIFICATIONS LISTED BELOW.

1. Grade
 - 1.1 The grade of the track shall be kept as low as possible, generally not greater than 1:6 and with a maximum grade of 1:5. Grades shall be reasonably even to avoid excessive gear-changing, though minor rising and falling sections help reduce water runoff velocities.
 - 1.2 Where appropriate, the surface of the track shall have a crossfall grade of approximately 1:25 towards the bank or water table.
 - 1.3 Corners shall generally be flat, or gently climbing; corners and bends round ridges are good places to account for irregularities in grade, avoiding rock outcrops etc.
2. Width
The minimum track width shall be 2.5-3 metres, with the total formation width including fills and water tables being a minimum of 1 metre wider.
3. Batters
Where possible, the uphill batters shall be sloped back or struck off to a stable gradient to minimise slumping and to allow grassing down. Batter slopes shall generally not exceed 35° except in hard rock.
4. Water Tables
A proper water table shall be constructed along with sidecut portions of the track. The water table must be capable of carrying the subsurface drainage as well as runoff during storms, without adversely affecting the track.
5. Stream Crossings
The crossings of all streams shall be constructed to a hard bottom, rock filled or culverted. Allow adequate capacity for flood flows and possible diverting of stream down track.
6. Culverts and Cutoffs (other than crossings)
The water table must be adequately served by culverts and cutoffs to remove runoff and subsurface drainage water. On a steep grade of 1:5, culverts or cutoffs shall occur at least every 20m, while on a grade of 1:10 they could be up to 60m apart.

The culverts must be of sufficient size to handle at least the expected volume of water and must be designed and placed to avoid blockages. The culverts need to be long enough so that they project beyond the base of the side-casting or fill slope. A splash pad to absorb the impact of the water will usually be required. If at all possible, avoid having culverts or cutoffs emptying directly onto any noticeably damp area or into existing watercourses.

7. **Revegetation**

Once construction is completed, disturbed areas shall be oversown and top-dressed immediately with suitable material, where this is an appropriate follow-up step. Germination of seed is better on fresh cuts and fills. Seed and fertiliser mixture to be as directed by local Land Management Officer.

8. **Track Surface**

8.1 In some places the oversown plants may not be sufficient to prevent scouring and erosion of the track surface and some metalling may be required. A rate of 1 m3/10m of track is usually sufficient to provide traction.

8.2 The track surface shall be free of corrugations and debris so that it is readily negotiable.

Specification 4

Criteria For Judging Equipment And Labour As Suitable For Manpower Follow Up For Pest Control

Vehicles proposed for use must be of suitable nature (Four wheel drive or motorbike) and in reasonable repair. Excluding motorbikes, all vehicles must be enclosed or have specialised Nightshooting frames.

For nightshooting a satisfactory light in excess of 30 watts is needed.

Firearms must be appropriate to the work and meet current safety standards.

Labour proposed for use should have background experience in the type of work involved. Relatively inexperienced or doubtful candidates should be directed to attend firearms courses before acceptance is given.

IN JUDGING EQUIPMENT AND LABOUR THE PARAMOUNT CONSIDERATION MUST BE THE SAFETY ASPECT OF THE PROPOSED OPERATIONS.

All staff shall have a firearms licence and a permit to carry a loaded firearm in a vehicle. Suitable first aid kits shall be available during operations.

Specification 7 & 7B

Primary & Secondary Control Operations: Costs & Claims

Reimbursement by the Council of farm based operations and costs will be at standard rates reviewed and fixed annually by the Council.

Specification 12

Habitat Modification

1. **Helicopter Applications: Briar and Matagouri**

Area to be sprayed and conditions to be followed as approved by the Council Officer.

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- 2. **Helicopter Applications: Spray Gorse and Broom**
Specification: aerial application helicopter chemical Tordon at 11 litres/ha application at \$80.00ha/hour.
- 3. **Ground Application: Spray Gorse and Broom**
Specification: ground application gun and hose chemical Tordon at 1 litres/400 litres water coverage of approximately 0.5ha/hour.
- 4. **Grader: Clearing Gorse and Broom**
Specification: use of grader to scrap of gorse and broom windrow into heaps and level surface. No work to be undertaken on river banks or within 20m of river channel. The follow up is considered maintenance work and will be at the farmers cost. This will involve rotary slashing of level ground regrowth and spraying windrow regrowth.
- 5. **Rootraking:**
To be carried out with a minimum of soil disturbance, vegetation to be windrowed or heaped in piles as directed by Regional Council staff.
- 6. **Maintenance:**
Follow-up of all operations above shall be allowed for. Suggested that the third season following initial work a repeat spray of up to 25% of the original area be allowed for.

Specification 14:

Fertiliser Application

Application proposed when associated with block spelling and grazing conditions.

Recommended application of 50% Sulphur Super to boost native annual vegetation to build up seed source on land less than 400mm rainfall.

Rate 75-125 kg/ha.

NOTE: - Lower rate for driest land (difficult to get even application) higher rate especially suitable where native clovers are present.

Any variation to the above to be discussed and approved by the Council Land Management Officer.

Specification 16

Browse shrub/Saltbush Establishment

The site is to be contour ripped at 4 or five metre spacings well in advance of planting. Planting sites to be spot or band sprayed with Roundup and Pulse in March/April to prevent grass evaporating moisture over the winter. This will ensure good soil moisture levels have built up by planting time (August).

Bushes to be planted at 4 x 3 metre spacings or 4 x 2.5 metres (830/ha); 5 x 3 metres (670/ha) or 5 x 2.5 (800/ha).

A suitable residual herbicide is to be applied after planting.

Plants such as Chicory, Wheatgrass, Lotus corniculatus, Cocksfoot, Dorycnium, and Sulla could be direct drilled between the rows of Salt bush.

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Part IV Annual Works Programme

All prices quoted are net estimates based on 1990 dollar values exclusive of G.S.T.

Job No.	Total Cost \$	Grant Rate %	Grant Cost \$	Farmer's Cost \$	
First Year Ending 30/6/91					
1.	356 ha Aerial Carrot (Dead horse/Three-kings/Ram) @ \$38/ha	13,528	70	9,470	4,058
7.	167 ha Ground Oats (Claim) @ \$22/ha	3,674	70	2,572	1,102
2.	4 hrs Helicopter @ \$550/hour (Deadhorse/Threekings/Ram Paddock)	2,200	70	1,540	660
3.	20 mandays Nightshooting @ \$240/day (Deadhorse/Threekings/Ram Paddock)	4,800	70	3,360	1,440
4.	20 mandays Daywork @ \$240/day (Deadhorse/Threekings/Ram)	4,800	70	3,360	1,440
5.	Netting Existing Boundary Fence A-B 4.6 km				
	1/2 Materials @ \$2,315/km	5,324	100	5,324	0
	1/2 Labour @ \$800/km	1,840	0	0	1,840
6.	Annual Works Inspection @ \$0.50/ha on 3,236 ha	1,618	70	1,133	485
10.	Nightcount Monitoring @ \$0.50/ha on 3,236 ha	1,618	70	1,133	485
	Subtotal	39,042		27,892	11,510
11.	Planning and Supervision @ 12% Total Cost of Grant Works (\$37,562)	4,507	100	4,507	0
	Total First Year	\$43,909		\$32,399	\$11,510

Second Year Ending 30/6/92

8.	1,177 ha Aerial Carrot (Graveyard/Manorburn) @ \$22/ha	25,894	70	18,126	7,768
9.	1,230 ha Aerial Carrot (Pindone Experiment) (Carters)			NIL COST	

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28.	Annual Works Inspection @ \$0.50/ha	1,618	70	1,133	485
29.	Nightcount Monitoring @ \$0.50/ha	1,618	70	1,133	485
	Subtotal	133,675		93,781	39,894
30.	Planning and Supervision @ 12% total cost of grant works	14,692	100	14,692	0
Total Third Year		<u>\$148,367</u>		<u>\$108,473</u>	<u>\$39,894</u>

Fourth Year Ending 30/6/94

31.	Planting 60 ha trees Forestry Block @ \$500/ha	30,000	70	21,000	9,000
32.	Habitat modification Briar spraying on Carters/Threekings Aerial and ground 150 ha @ \$220/ha	33,000	70	23,100	9,900
33.	Netting Existing Fence J-K 1 km Materials @ \$2,315/km Labour @ \$800/km	2,315 800	100 0	2,315 0	0 800
34.	15 hours Helicopter @ \$550/hour (all blocks except Manorburn/Graveyard)	8,250	70	5,775	2,475
35.	60 mandays Nightwork @ \$240/day (all blocks except Manorburn/Graveyard)	14,400	70	10,080	4,320
36.	70 mandays Daywork @ \$240/day (all blocks except Manorburn/Graveyard)	16,800	70	11,760	5,040
37.	Annual Works Inspection @ \$0.50/ha	1,618	70	1,133	485
38.	Nightcount Monitoring @ \$0.50/ha	1,618	70	1,133	485
	Subtotal	108,801		76,296	32,505
39.	Planning and Supervision @ 12% Total Cost of Grant Works	12,960	100	12,960	0
Total Fourth Year		<u>\$121,761</u>		<u>\$89,256</u>	<u>\$32,505</u>

Fifth Year Ending 30/6/95

40.	Blanking trees 60 ha @ \$200/ha	12,000	70	8,400	3,600
41.	Habitat Modifications Briar spraying (Carters/Threekings 150 ha @ \$220/ha)	33,000	70	23,100	9,900

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42.	15 hours Helicopter @ \$550/hour (all blocks except Manorburn/Carters)	8,250	70	5,775	2,475
43.	60 mandays Nightwork @ \$240/day (all blocks except Manorburn/ Graveyard)	14,400	70	10,080	4,320
44.	70 mandays Daywork @ \$240/day (all blocks except Manorburn/Graveyard)	16,800	70	11,760	5,040
45.	Annual Works Inspection @ \$0.50/ha	1,618	70	1,133	485
46.	Nightcount Monitoring @ \$0.50/ha	1,618	70	1,133	485
	Subtotal	87,686		61,381	26,305
47.	Planning and Supervision @ 12% Total Cost of Grant Works	10,522	100	10,522	0
Total Fifth Year		\$98,208		\$71,903	\$26,305

Summary of Five Year Programme

Year	Total Cost	Grant	Farmers Cost
1	43,909	32,399	11,510
2	57,944	42,286	15,658
3	148,367	108,473	39,894
4	121,761	89,256	32,505
5	98,208	71,903	26,305
	<u>\$470,189</u>	<u>\$344,317</u>	<u>\$125,872</u>
Planning and Supervision		\$48,675	
Government Grant		\$295,642	

Breakdown of Five Year Programme

Primary Control	19%
Secondary Control	32%
Fencing	9%
Forestry	11%
Briar Spraying	15%
Works Inspection/Night Counts	4%
Planning and Supervision	10%
Total	<u><u>100%</u></u>

[Handwritten signatures and initials]

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Summary Total Grant Works 1990-95

	Estimated Cost \$	Grant Rate %	Grant \$
Aerial Carrot - 2,763 ha	82,472	70	57,730
Ground Oats - 167 ha	3,674	70	2,572
Helicopter - 57 hours	31,350	70	21,945
Nightshooting - 220 mandays	52,800	70	36,960
Daywork - 260 mandays	62,400	70	43,680
Forestry - 60 ha	51,780	70	36,246
Briar Spraying - 300 ha	66,000	70	46,200
Boundary Netting - 5.6 km (Materials)	7,534	100	7,534
New Netting Fence - 3.6 km (Materials)	15,912	100	15,912
Upgrade Netting Fence - 1 km (Materials)	4,420	100	4,420
Netting Existing Fence - 4.8 km (Materials)	11,112	100	11,112
Annual Works Inspection and Nightcounting	16,180	70	11,326
Subtotal	405,634		295,637
Planning and Supervision	48,675	100	48,675
Total	<u><u>\$454,309</u></u>		<u><u>\$344,312</u></u>

NB* FUNDING

MAF have approved grant funding for this property based on the area of high or extreme land.

The property funding cap at approval is \$301,538 which will be subject to annual appropriation from government.

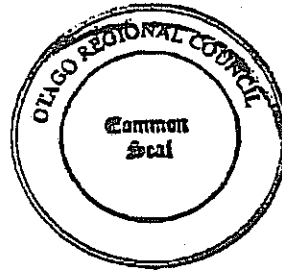
aaj op.la

SPECIFIC FORMAL APPROVAL IS GIVEN FOR GRANT OF \$64,184 TOWARDS RLM PLAN WORKS TO 30 JUNE 1992, WHICH HAS BEEN COMPLETED UNDER INTERIM OR PROVISIONAL PLANS, AND ADVANCE APPROVALS.

Handwritten signatures and initials:
 J/S
 A/S
 B/S
 M/L
 H/L

Handwritten initials: S W

THE COMMON SEAL of
THE OTAGO REGIONAL COUNCIL
was attached in the presence of:



[Signature]

)
)
)
Chairman

[Signature]

)
)
)
Director

SIGNED by

in the presence of:
ALEXANDER CHARLES BIRNIE SANDERS
BARBARA E STELLA SANDERS
ALEXANDER JOHN SANDERS
WILLIAM DONALD STEWART ARMITAGE
GORDON EDMOND RAMAGE

Alexanders
A. Sanders
[Signature]

in the presence of:

B. Sanders
law clerk to William Stewart
solicitor

Witness: Dunedin

Occupation: _____

Address: _____

*Signed by Barbara E Stella
Sanders in the presence of*

B. Sanders

A. Armitage
Accounts Clerk
Alexander

*Signed by William Thomas
Cooney in the presence of:*

W. Cooney

A. Armitage
Accounts Clerk
Alexander

CERTIFICATE AND APPLICATION FOR REGISTRATION

I, RUSSELL WAYNE SCOTT of Dunedin, Director of Corporate Services of the Otago Regional Council certify:

1. this agreement is a duplicate of the land improvement agreement made under Section 30(3) and 30A Soil Conservation and Rivers Control Act 1941 between the Otago Regional Council and ALEXANDER CHARLES BIRNIE SANDERS, BARBARA E' STELLA SANDERS AND ALEXANDER JOHN SANDERS OF LITTLE VALLEY, WILLIAM DONALD STEWART ARMITAGE OF DUNEDIN AND ~~GORDON EDMOND RAMAGE~~ OF ALEXANDRA called the Farmer

Handwritten signatures and initials: A.C.S., B.E.S., A.J.S., W.D.S., G.E.R., M.T., L.J.C.

2. this agreement may be registered against the land described in the First Schedule of this agreement

Handwritten initials: M.T., L.J.C.

and I apply for registration of the agreement against the title to the land described in the First Schedule.



R W Scott
Director of Corporate Services
Otago Regional Council

To; The District Land Registrar
Otago Land Registration District.

Handwritten notes and signatures: A.C.S., B.E.S., W.D.S., G.E.R., M.T., L.J.C.

Handwritten mark: 4

Dated 1992

BETWEEN THE OTAGO REGIONAL COUNCIL a body corporate under the Local Government Act 1974 (called "the Council")

AND
of ALEXANDER CHARLES BIRNIE SANDERS, BARBARA E' STELLA SANDERS AND ALEXANDER JOHN SANDERS OF LITTLE VALLEY, WILLIAM DONALD STEWART ARMITAGE OF DUNEDIN AND GORDON EDMOND RAMAGE OF ALEXANDRA (called "the Farmer")

LAND IMPROVEMENT AGREEMENT

Handwritten notes and signatures:
A/S
A/S
BLO
MTC
A

A.C. Sanders "Matangi Station"

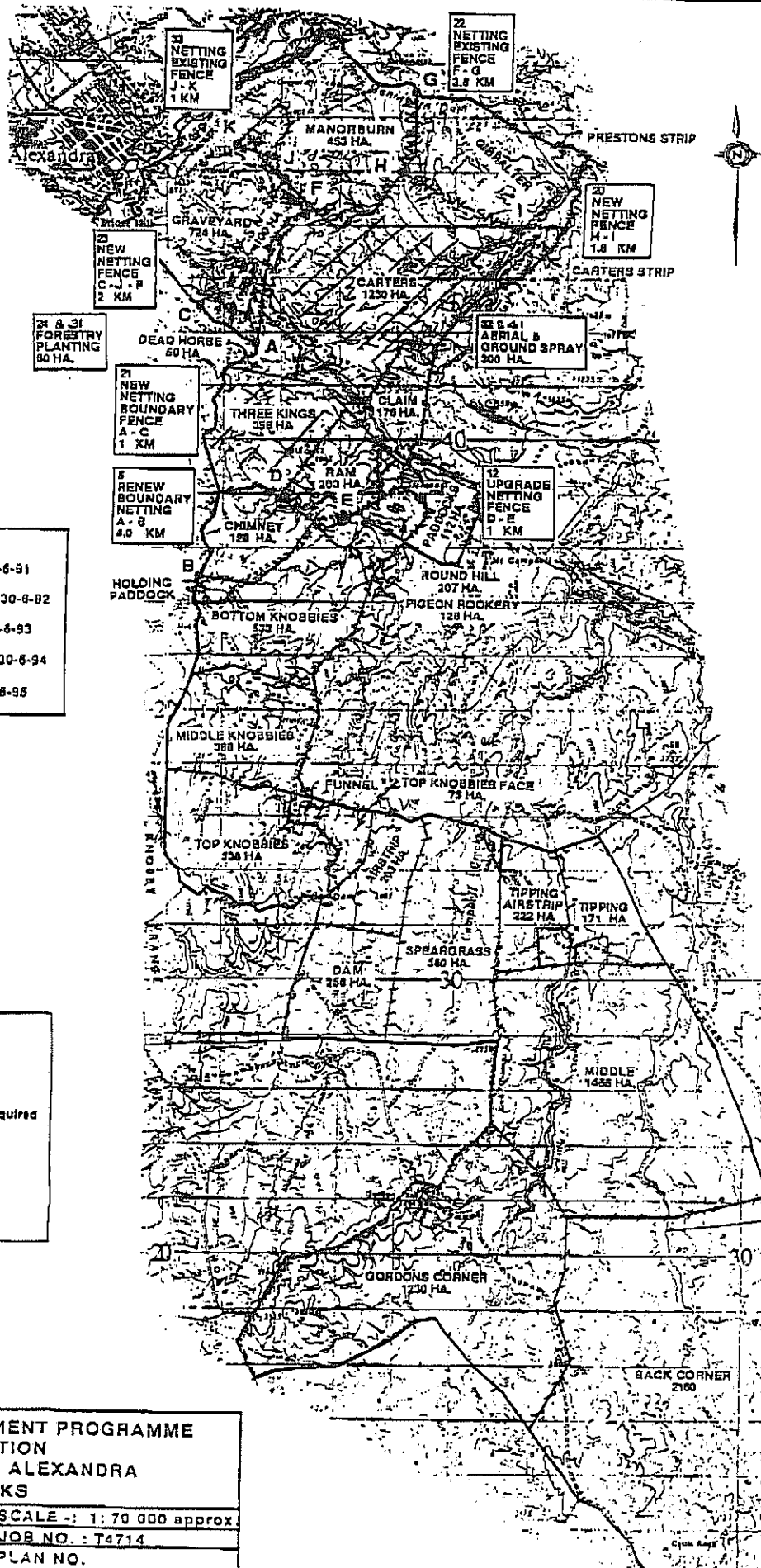
R&LM PLAN NO 14

PROPOSED GRAZING MANAGEMENT

SU/HA	PADDOCK NAME	HA	↓MAY	JUNE	JULY	↓AUG	SEPT	↓OCT	↓NOV	↓DEC	JAN	FEB	MAR	↓APR
	All Blocks Outside													
	R&LN Remain													
	Unchanged													
	See Present													
	Grazing Chart													
2.20	Ran Paddock	203	1200 Stud Ewes		1200 Stud Ewes Oats and Hay				650 Rams	1200 Stud Ewes				
0.45	Three Kings	356	1000 Stud Ewes		600 Stud Ewes Oats and Hay					Spelled each year				
0.53	Claim	167	1000 Stud Ewes		1200 MS Hoggets									
	Dead Horse	50		Holding Paddock Only										
0.15	Carters	884				1200 MS Hoggets			300 Ewes					
0.14	Gibraltar	334			1200 H					Spelled each year				
0	Forestry	100	Destocked until tree establishment (Est 5 years)											
0	Graveyard	624	Destocked from sheep (minimum 5 years)											
0	Manorburn	453	Destocked from sheep (minimum 5 years)											
	Prestons Strip	20	Not grazed											
	Carters Strip	33	Not grazed											

From: LAND INFORMATION RELEASED UNDER THE OFFICIAL INFORMATION ACT #110 P.025/028
 +64 3 474 5108
 15/07/2002 14:12

Handwritten signatures and notes:
 A.P.P.
 810
 1030



KEY

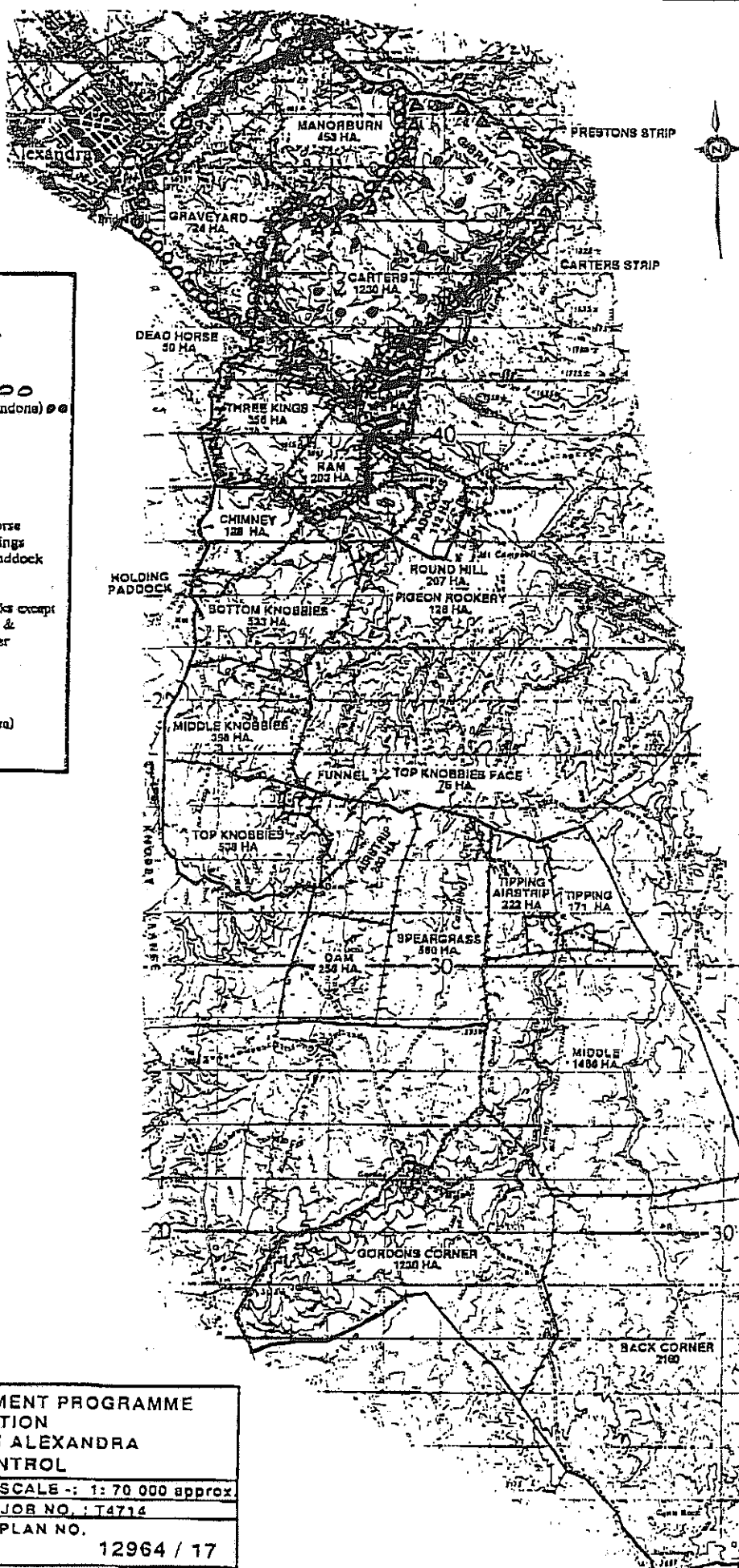
[Shaded box]	FIRST YEAR PROGRAMME ENDING 30-6-91
[Shaded box]	SECOND YEAR PROGRAMME ENDING 30-6-92
[Shaded box]	THIRD YEAR PROGRAMME ENDING 30-6-93
[Shaded box]	FOURTH YEAR PROGRAMME ENDING 30-6-94
[Shaded box]	FIFTH YEAR PROGRAMME ENDING 30-6-95

LEGEND

[Solid line]	Boundary fence
[Dashed line]	Existing fences
[Dotted line]	Existing netted fences
[Line with 'u']	Upgrade - existing netted fence upgrading required
[Line with 'n']	Netting - existing fence to be netted
[Line with 's-b']	New - proposed subdivision
[Line with 'sn']	New netting - proposed netting fence
[Line with 'b']	Boundary netting
[Line with 't']	Existing track
[Line with 'p']	Forestry planting
[Line with 's']	Brir spraying

Handwritten signatures and initials:
 J.P.S.
 M.D.
 8/10
 M.S.H.

RABBIT AND LAND MANAGEMENT PROGRAMME MATANGI STATION A. C. SANDERS R.D. 5 ALEXANDRA ANNUAL WORKS	
DRAWN: <i>P.R. Diver</i> TRACED: <i>G.A. Bellantone</i>	SCALE -: 1: 70 000 approx JOB NO. : T4714 PLAN NO.



PRIMARY CONTROL
 Year Ending 30/06/91
 Job 1 - 356ha - Aerial Carrot **XXXXXX**
 Job 7 - 167ha - Ground Oat **//////**

Year Ending 30/06/92
 Job 8 - 1177ha - Aerial Carrot **OOOOOOO**
 Job 9 - 1230ha - Aerial Carrot (Experimental Pindora) **OO**

Year Ending 30/06/93
 Job - 1230ha - Aerial Carrot **ΔΔΔΔΔ**

SECONDARY CONTROL
 Year Ending 30/06/91
 Job 2 - Helicopter - 4 hrs >Deadhorse
 Job 3 - Nightshooting - 20 mandays >Threekings
 Job 4 - Daywork - 20 mandays >Ram Paddock

Year Ending 30/06/92
 Job 14 - Nightshooting - 20 mandays >All blocks except
 Job 15 - Daywork - 30 mandays >Carters &
 Job 13 - Helicopter - 8hrs >Gibraker

BALANCE OF PROGRAMME 1993-1995
 ANNUAL ALL BLOCKS
 15hrs Helicopter (1 pass)
 60 mandays Nightshooting (4 passes over 1/2 area)
 70 mandays Daywork (1 pass)

H.A.
S.A.
8/6
1/11
rjc

RABBIT AND LAND MANAGEMENT PROGRAMME MATANGI STATION A. C. SANDERS R.D. 5 ALEXANDRA ANNUAL PEST CONTROL	
DRAWN: <i>P.R. Diver</i> TRACED: <i>G.A. Ballantine</i>	SCALE -: 1: 70 000 approx JOB NO.: T4714 PLAN NO. 12964 / 17
APPROVED: <i>M.J. Hall</i> 27/10/92	OTAGO REGIONAL COUNCIL

90/467

29 July 1997

District Land Registrar
Private Bag
DUNEDIN

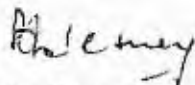
Dear Sir/Madam

AMENDMENT TO THE CONDITIONS OF MINING PERMIT 41 187 90/467

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

Encl



90/467

29 July 1997

District Land Registrar
Private Bag
DUNEDIN

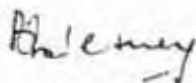
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Yours sincerely



Brian Wesney
for Unit Manager - Permitting

Encl



Managers of New Zealand's CRYSTAL
MILKERS

DUNEDIN
LAND REGISTRY OFFICE

**MINING PERMIT 41 187
CERTIFICATE OF CHANGE OF CONDITIONS**

IN THE MATTER of the Crown
Minerals Act 1991

AND

IN THE MATTER of mining permit
41 187 dated 23 December 1993 in the
name of Fulton Hogan (Central) Ltd

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

DATED at Wellington this 22nd day of July 1997

P.S. Carpinter

SIGNED by PAUL STEPHEN CARPINTER, Secretary of Commerce

SECOND SCHEDULE

MINERAL

Sand
Quartz
Gravel

ROYALTY

As per conditions 4(a) to 4(d) and 5(a)
to 5(c) set out in the Third Schedule
attached

June 1997

THIRD SCHEDULE
CONDITIONS OF MINING PERMIT 41 187

WORK PROGRAMME

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

- (a) mining by open-cut methods using earthmoving machinery as appropriate;
- (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.

- 2(a) The permit holder shall, before commencing work and within 30 days following the anniversary of the grant of this permit in each year, submit to the Secretary of Commerce (the Secretary) a proposed annual work statement and mine plan for written approval.
- (b) The proposed annual work statement and mine plan shall detail estimates of grades of ore to be recovered for the next 12 months, confirm the mining method to be used, period of mine operation, a schedule of production to date, estimated remaining recoverable reserves, and general mining activities to be undertaken.
- (c) The Secretary shall, within 30 working days of receipt, respond to the proposed work statement and mine plan either giving approval to the work statement or withholding approval and requesting either modification or further information to enable assessment.
- (d) Compliance with the work statement and mine plan shall constitute a condition of this permit.

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.

ROYALTY PAYABLE UP TO 30 SEPTEMBER 1997

- 4(a) Up to, and including 30 September 1997, the permit holder is required to pay to the Crown a royalty of \$0.10 per tonne on all sand, quartz and gravel produced under this permit.

June 1997

- (b) The permit holder must forward a royalty return, in the form provided by the Secretary, for the six-month period ending 30 June 1997 and for the three-month period ending 30 September 1997.
- (c) The royalty return is to be forwarded to the Secretary within 30 days following the period to which it relates.
- (d) The royalty return is to be accompanied by the royalty payment in respect of all sand, quartz and gravel produced in the period to which the royalty return relates.

ROYALTY PAYABLE FROM 1 OCTOBER 1997

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

June 1997

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 royalty return for the final reporting period, the permit holder is required to take into account all unclaimed restoration costs, and any proceeds or gains from hire, rent, lease or disposal of land or fixed assets which have not previously been deducted, and then to calculate any liability to pay the accounting profits royalty in all reporting periods where net sales revenues for the permit or the production unit exceeded \$1,000,000 (or averaged 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 sand, quartz and gravel taken under this permit is the weighbridge at Clutha Street, Alexandra.

Reporting Period

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

June 1997

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 statutory requirements of the Companies Act 1993 or the Financial Reporting Act 1993, then the auditor must sign the written statement. The statement must be in the form prescribed in the relevant regulations. The statement is required to be paid for by the permit holder.

Royalty Payments

- (n) Subject to condition 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.

Reports of Production

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

Amendment of Royalty Conditions

- (u) 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.

OTHER CONSENTS AND AGREEMENTS REQUIRED

6. The permit holder shall ensure that all necessary resource consents and land access agreements are obtained prior to the commencement of mining operations.
7. The permit holder shall notify the Secretary, the Inspector of Mines and appropriate local authorities when operations are due to commence.

1030 01.AUG97 934072

PARTICULARS ENTERED IN REGISTER
LAND REGISTRY OTAGO
DIST. LAND REGISTRAR

John Allan

CROWN MINERALS
OPERATIONS GROUP
ENERGY & RESOURCES
DIVISION

Ministry of Commerce Building
43 Bowen Street
P.O. Box 172, Wellington
New Zealand
Telephone 01-772 0030
FAX 01-772 0034



23 December 1991

District Land Registrar
Private Bag
DUNEDIN

MINING PERMIT 41 187
BY FULTON HOGAN (CENTRAL) LTD

I enclose 4 copies of the above permit signed by the Minister of Energy.

Would you please record the permit, number each copy, retain one copy and return the remaining copies to this office in accordance with Section 81 of the Crown Minerals Act 1991.

The registration fee of \$46.00 is attached.

Helen Stark
for Unit Manager - Authorisations

DUNEDIN
LAND REGISTRY OFFICE

MINING PERMIT 41 187
CROWN MINERALS ACT 1991

PERMIT HOLDER: Fulton Hogan (Central) Ltd
c/- PO Box 150, ALEXANDRA

FIRST SCHEDULE:

<u>CT Reference</u>	<u>Area</u>	<u>Legal Description of Permit Area</u>
CL 386/95	8.1700 hectares	CENTRAL OTAGO DISTRICT - OTAGO LAND DISTRICT All that area of land being Part Run 569, Blocks VI and VII Cairnhill Survey District.

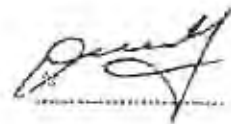
TERM: Twenty years commencing on the date hereof.

PURSUANT to the Crown Minerals Act 1991 the Minister of Energy hereby grants to the above permit holder the right to mine the land described in the **FIRST SCHEDULE** hereto for those minerals specified in the **SECOND SCHEDULE** hereto upon the terms and conditions specified in the **THIRD SCHEDULE** hereto and subject to the Crown Minerals Act 1991 and any regulations made thereunder.

The grant of this permit does not entitle the permit holder to carry out any mining or enter on to any land without having obtained the relevant access arrangement in terms of the Crown Minerals Act 1991 or resource consents if required as provided for by the Resource Management Act 1991.

DATED at Wellington this 3rd day of December 1993

SIGNED by DOUGLAS LORIMER KIDD, Minister of Energy



SECOND SCHEDULE

MINERAL

ROYALTY

Sand)
Quartz)
Gravel)

10 cents per tonne
produced.