

**BEFORE THE ENVIRONMENTAL PROTECTION AUTHORITY
AT WELLINGTON**

IN THE MATTER of the Exclusive Economic Zone and
Continental Shelf (Environmental Effects)
Act 2012

AND

IN THE MATTER of a decision-making committee
appointed to hear a marine consent
application by Trans Tasman Resources to
undertake iron ore extraction and
processing operations offshore in the
South Taranaki Bight

EVIDENCE OF ALAN J EGGERS

17 DECEMBER 2016



ATKINS | HOLM | MAJUREY

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INTRODUCTION

1. My name is Alan John Eggers.
2. Currently I'm a director and Executive Chairman of Trans-Tasman Resources Limited (TTR).
3. My academic qualifications include B.Sc, B,Sc (Hons) and M.Sc degrees in economic geology from Victoria University of Wellington. I'm a fellow of the Society of Economic Geologists (SEG), and a member of the Australasian Institute of Mining and Metallurgy (AusIMM) and Australian Institute of Geologists (AIG).
4. I have worked as a professional geologist for over 37 years and gained international experience in exploration and mine developments of uranium, iron ore, base metals, precious metals and industrial minerals.
5. Since 1987 my corporate background includes being a director, managing director and chairman of a number of NZX and ASX publicly listed mining companies.
6. I was the founding director and managing director for 20 years of listed uranium company Summit Resources Limited. From first listing on NZX in 1987 I built Summit into an ASX top 200 company with a market capitalisation of \$1.2 billion until its takeover by Paladin Energy Ltd in May 2007.

TTR CORPORATE BACKGROUND AND MANAGEMENT

7. TTR was established in 2007 to explore and develop the North Island's offshore iron sand deposits. These offshore iron sands represent an outstanding, world class mineral resource with enormous economic potential for New Zealand.
8. TTR is a majority controlled and managed New Zealand company with my mining investment entity, Minvest Securities (New Zealand) Limited being the major shareholder.
9. The Company is headquartered in Wellington.
10. TTR's key personnel and management team includes:
 - (a) Shawn Thompson Project Director and mining engineer;
 - (b) Andrew Stewart Chief Financial Officer and Company Secretary;

- (c) Matthew Brown Chief Geologist and Exploration Manager; and
- (d) Tokatumoana Walden, TTR's Taranaki based Executive Relationship Manager.

STB SEABED MINING PROPOSAL

11. TTR's Marine Consent application covers an area of 65.76 km², between 22 and 36 kilometres off the west coastline of South Taranaki within New Zealand's Exclusive Economic Zone (EEZ).
12. The proposed recovery and export of titaniferous iron sand will be a world-leading, marine-based mining project.
13. The project involves the extraction of up to 50 million tonnes (Mt) of iron rich sands per year in the EEZ, approximately 22 to 36 kilometres off the coast of Patea in water depths of 20 to 45 metres.
14. The operation when in full production will produce 5Mt per annum of iron ore concentrate for export.
15. Approximately 10% titano magnetite sands (ore) are physically separated from the seabed material on the Integrated Mining Vessel (IMV), then transferred to a storage vessel for dewatering and loading onto cape size export vessels.
16. As will be detailed by experts, the de-ored sediment will be re-deposited in a controlled manner, as back fill, into areas of the seabed that have been previously mined.
17. The proposed iron sand operation has a relatively small footprint with the area of extraction and disturbance being limited to an area of 300m by 900m at any one time.
18. There are no chemical additives to the recovered iron sands or de-red sediment discharge.
19. There are no New Zealand shore based mining or processing activities apart from support services, supplies, communications, personnel transfer and head office management.
20. The project will directly employ 230 New Zealand based staff plus support personnel.
21. Based on my experience developing mining projects, and in my professional opinion, the TTR iron sand resource will provide

a strong economic base for the operation, well able to weather shifts in commodity price cycles and be a profitable long term producer.

TTR's INVESTMENT

22. Since inception TTR has spent more than \$70 million on defining the resource potential, environmental assessment of the proposed mining operations and the possible impacts of the mining, mine engineering and process design.
23. TTR has also undertaken ore marketing and financial modelling of the processing and shipping operations associated with the resource extraction and iron sands export operations in the STB.
24. In 2013 TTR was granted Callaghan Innovation Growth Grant Funding for eligible research and development (R&D) expenditures within the Growth Grant criteria. TTR's eligible expenditures include R&D associated with surveying environmental scenarios of current turbidity, seawater modelling and plume modelling of sediment discharge to the seafloor.
25. The R&D is designed to understand conditions surrounding the future mining site and development of mitigation approaches.
26. To date TTR has received approximately \$1m in Callaghan grants equivalent to 20% of eligible R&D expenditures. In the same period, from October 2013 to October 2016, TTR has spent approximately \$18m [\$9m on administration and corporate, \$2.5m on geology, metallurgy and engineering and \$6.5m environmental research and consenting including over \$2m in hearing costs to the Environmental Protection Authority (EPA).]

LOCAL, REGIONAL AND NATIONAL ECONOMIC BENEFITS

27. The Economic Benefits Analysis, prepared by Martin Jenkins and Associates, shows the annual operational expenditure to be around \$254m.
28. In summary, the total economic impact of the STB iron sands project are estimated to be:
 - (a) At the local level, to generate an additional \$45 million in expenditure, generating \$19 million in GDP and directly supporting around 300 jobs;

- (b) At the regional level, to generate an additional \$116 million in expenditure, generating \$51 million in GDP and supporting around 700 jobs; and
 - (c) At a national level, to generate an additional \$350 million in expenditure, generate \$160 million in GDP and support approximately 1,660 new jobs.
29. The project would add to the diversification of the economic activity in the Taranaki and Whanganui region and contribute to government income through additional taxes and royalties and New Zealand export earnings of around \$400 million a year (based on current iron ore prices and our DCF modelling).

ADDITIONAL SCIENCE AND ENGINEERING UNDERTAKEN

30. Since the first marine consent application was declined in 2014 TTR has undertaken a comprehensive program of additional science and engineering work to update and refine the environmental assessments of its application and how it can be successfully undertaken.
31. The expert witnesses will outline the key aspects of this new scientific and engineering work design to cover the matters of concern identified in the first hearing. The expert evidence and conditions proposed for the marine consent indicate the commitment of TTR to high levels of environmental assessment and management throughout the life of the project.

STAKEHOLDER ENGAGEMENT

32. TTR has undertaken extensive engagement and consultation over the last two and half years with a wide range of stakeholders, regulators and interest groups. This is outlined in the evidence of Tokatumoana Walden and Shawn Thompson.
33. TTR's management team will continue to engage with all stakeholders to address any outstanding issues and remaining areas of concern where possible.
34. Apart from one meeting in Hawera in September 2015 where some assurances were made it is a matter of regret that despite ongoing efforts, from September 2014 to arrange meetings with Ngāfi Ruanui, and to commission a cultural impact assessment (CIS) from Ngāfi Ruanui, no material progress was made on the engagement or having the CIS delivered.

35. The reasons for the unwillingness of Ngāti Ruanui to engage or meet are not completely clear. Even my own personal efforts to meet with them in order to understand the stand-off were rebuffed.



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