

Submitter information

The Ministry of Business, Innovation and Employment (MBIE) would appreciate if you would provide some information about yourself. If you choose to provide information in the “About you” section below it will be used to help MBIE understand the impact of our proposals on different occupational groups. Any information you provide will be stored securely.

A. About you

Name:

Email address:

B. Are you happy for MBIE to contact you if we have questions about your submission?

Yes No

C. Are you making this submission on behalf of a business or organisation?

Yes No

If yes, please tell us the title of your company/organisation:

Oceana Gold (New Zealand) Limited

D. The best way to describe your role is:

- | | |
|--|--|
| <input type="checkbox"/> Academic/researcher/research institute | <input type="checkbox"/> Independent expert (please specify below) |
| <input type="checkbox"/> Community group (please specify below) | <input type="checkbox"/> Business owner (please specify below) |
| <input type="checkbox"/> Consultant (please specify below) | <input type="checkbox"/> Environmental NGO (please specify below) |
| <input type="checkbox"/> Tradesperson (please specify below) | <input type="checkbox"/> Student (please specify below) |
| <input type="checkbox"/> Industry group (please specify below) | <input checked="" type="checkbox"/> Other (please specify below) |
| <input type="checkbox"/> Industry participant (please specify below) | <input type="checkbox"/> Prefer not to say |

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E. Privacy information

The Privacy Act 2020 applies to submissions. Please check the box if you do not wish your name or other personal information to be included in any information about submissions that MBIE may publish.

MBIE may upload submissions, or a summary of submissions, received to MBIE's website at www.mbie.govt.nz. If you do not want your submission or a summary of your submission to be placed on our website, please check the box and type an explanation below:

I do not want my submission placed on MBIE's website because... [insert reasoning here]

F. Confidential information

I would like my submission (or identifiable parts of my submission) to be kept confidential and have stated my reasons and ground under section 9 of the Official Information Act that I believe apply, for consideration by MBIE.

If you have checked this box, please tell us what parts of your submission are to be kept confidential.

A Draft Critical Minerals List for New Zealand

MBIE is developing a critical minerals list for New Zealand to identify the minerals that are:

- essential to New Zealand’s economy, national security, and technology needs, including renewable energy technologies and components to support our transition to a low emissions future; and/or
- in demand by New Zealand’s international partners to enable us to benefit from international economic opportunities, contribute to the diversification of global mineral supply chains and improve the pipeline of the end-use products for which these minerals are essential; and
- susceptible to supply disruptions domestically and internationally. In some instances, we rely on domestic sources of minerals, but the supply of these minerals can be constrained, for example by regulatory factors and social licence. Internationally, supply chain disruptions could arise due to geopolitical risks and external market forces.

Minerals play an essential role in New Zealand’s economic growth through high-paying jobs, Crown royalties, direct positive impact in the regions where mining takes place, and through export revenues. Minerals are also critical inputs into products that are necessary for other sectors to thrive, including the use of aggregates in construction and infrastructure.

Minerals are also essential to modern economies as they are needed to manufacture advanced technologies such as semi-conductors, defence applications and medical equipment. Minerals are also critical for a clean energy transition as low emission technologies requires more mineral inputs than those fuelled by fossil fuels.

The extraction and processing of the minerals essential to New Zealand and our international partners are concentrated in a few countries. Any disruption that interrupts operations at a large facility or group of facilities can have a major impact on supply availability, and therefore on prices. The greater the concentration of production the larger the affect a disruption can have.

In addition, New Zealand does not manufacture a wide range of technologies, we are generally an end consumer of many products produced internationally and rely on the functioning of international supply chains and their access to resilient supplies of minerals.

The development of a critical minerals list is one of the key actions identified in the draft Minerals Strategy that was publicly consulted on from 23 May – 31 July 2024. Due to the technical nature of the list, MBIE engaged a consultancy with specialist expertise, Wood Mackenzie, to support the development of the list.

We are seeking feedback on the content of the draft list that has been developed by Wood Mackenzie for New Zealand. It identifies the minerals that are critical to New Zealand and summarises the reason for their inclusion in the list. Once the list is finalised, actions could be identified to help us reduce the ‘criticality’ of those minerals, i.e., secure better access to them.

Please see the draft Critical Minerals List attached below for more information.

Questions for the consultation

1. Have we missed the inclusion of any mineral(s) on the draft Critical Minerals List?

Yes, (please provide more details below) No, the list is okay. Not sure/no preference
Is there anything you would like to tell us about the reason(s) for your choice?

Gold, silver, thermal coal, metallurgical coal and iron are all classed as essential to New Zealand but excluded due to the application of a very narrow and theoretical interpretation of global supply chain risk, based on the use of raw materials in construction, manufacturing and technology. This focus overlooks:

- The reality of which minerals NZ has in quantities, form and locations where they are likely to be prospective for economic extraction, especially within the acknowledged window of 5 years – gold, silver, coal and iron sands all represent a significant proportion of New Zealand’s economic mineral endowment
- The reality of which minerals form an important part of New Zealand’s economy as opposed to the economies of other countries with manufacturing sectors that rely on raw mineral materials, that export products to New Zealand.

2. Have we included any mineral(s) that you think should not be on the list?

Yes, (please provide more details below) No, the list is okay. Not sure/no preference
Is there anything you would like to tell us about the reason(s) for your choice?

3. Do you have any further feedback on the list, or the methodology under which it was developed?

Yes, (please provide more details below) No, the list is okay. Not sure/no preference
Is there anything you would like to tell us about the reason(s) for your choice?

The methodology needs to identify the purposes for the List and tailor it to meet New Zealand’s mineral needs.

Consider breaking the List into parts, so that it responds to those different identified needs, which might include:

- exports & economic contribution
- energy security
- construction, housing and infrastructure
- low emissions technology.

Consider structural impediments to investment in minerals within New Zealand's economy and regulatory environment, rather than a narrow focus on global supply chain risk

Thank you

Thanks for your feedback, we really appreciate your insight on the development of New Zealand's Critical Minerals List.



OceanaGold's Submission
to the Ministry of
Business, Innovation & Employment
on the New Zealand Draft Critical Mineral List
10 October 2024

Submitted by:

OceanaGold Corporation/Oceana Gold (New Zealand) Limited

Email Privacy of natural persons

1. INTRODUCTION TO OCEANAGOLD (NEW ZEALAND) LIMITED

1. This submission on the draft Critical Minerals List is made by Oceana Gold (New Zealand) Limited (**OceanaGold**).
2. OceanaGold’s global operations began at Macraes, Otago in 1989, extending within New Zealand to include the purchase of the Waihi Mine in 2015. Today, OceanaGold is a multinational gold producer, head-quartered in Vancouver, Canada (refer to the map below).
3. OceanaGold has two operating gold and silver mines in New Zealand, one at Macraes, Otago and one at Waihi, Waikato. OceanaGold has also partnered in the initial development of the Snowy River Mine, an underground mine beneath Department of Conservation (**DOC**) land on the West Coast of the South Island, and is months away from completing the successful closure and rehabilitation of an open pit mine at Reefton, also on the West Coast, ahead of handing that site back to DOC. A new underground mine is planned at Wharekirauponga, 10km north of Waihi, to be developed beneath DOC land and operate as an extension to the existing Waihi operations.
4. Together the two operating mines at Macraes and Waihi employ over 950 people directly. In 2023 Macraes spent \$84M in wages and benefits, and Waihi spent \$48M. Total expenditure by the two operations exceeded \$500M, with about 80c of every dollar spent by the New Zealand operations staying in New Zealand. The addition of the Wharekirauponga mine is expected to add over 300 additional jobs and extend Waihi’s mine-life from 2030 to 2037. Planned “brownfields” mine expansions at Macraes would see that mine operating out to 2030, with potential to extend that to 2035.

Our Portfolio

OceanaGold is a multinational gold, silver and copper producer with four producing mines: the Haile Gold Mine in South Carolina, USA; the Didipio Mine on Luzon Island, Philippines; the Macraes Operation in New Zealand’s South Island; and the Waihi Operation in New Zealand’s North Island. Our headquarters are in Vancouver, Canada and we have support offices in Brisbane and Melbourne (Australia), Manila (Philippines) and Dunedin (New Zealand).



2. SUMMARY OF SUBMISSION

5. OceanaGold welcomes the opportunity to comment on the Draft Critical Minerals List.
6. In summary, we consider the test for criticality requires more thought, and specifically the second limb of the test: minerals whose supply is at risk. We consider that if the List is to be used to drive investment in the minerals that are essential to New Zealand's economy (as gold, silver, iron and coal in all its forms have been found to be in Wood Mackenzie's analysis) the supply chain filter needs to be broadened to include disincentives to investment within New Zealand.
7. As currently framed, the analysis identifies essential minerals but, in refining the analysis further to focus on global supply chains, by definition excludes the minerals that comprise a sizable proportion of New Zealand's mineral exports. This significantly reduces the usefulness of the List as a tool to drive the government's goal to double the value of our mineral exports to \$2 billion by 2035.

3. ESSENTIAL MINERALS VERSUS "CRITICAL MINERALS"

8. Academic views both in New Zealand and abroad almost exclusively use the term "critical mineral" to mean a raw material, used in manufacturing, construction, and technology, that is subject to supply chain risk, either domestically or within trading partner states. In recent years, minerals that are crucial to low emissions technologies have been a particular focus of "critical mineral" lists, and Wood Mackenzie talk to this in their report.
9. This widely adopted academic definition generally excludes both fuel minerals (like coal) and gold and silver, which are important raw materials in electronics and other technology but also traded on international spot markets as a store of value and, for that reason, relatively unconstrained by supply chain risk. Relative "abundance" also disqualifies iron, as it has in the draft List.
10. Applying this narrow definition, with its focus on manufacturing and construction supply chains, gold, silver, thermal coal, metallurgical coal and iron are all excluded from the draft List. These combined minerals make up most of New Zealand's domestic minerals production (excluding aggregate and industrial sand and stone) and mineral exports and employ significantly more than two thirds of New Zealand's minerals industry workers. Unsurprisingly, Wood Mackenzie's analysis has concluded that all of these minerals are "essential" within New Zealand's economy and they were long-listed for that reason.
11. However, in applying supply chain risk as a filter to arrive at the draft critical minerals short list, the relative resistance of gold, silver, iron and coal to global supply chain risk disqualifies those commodities for inclusion. This is illogical given global supply chain resilience is a core strength of any export commodity, providing resilience to New Zealand's export sector and contributing to the acknowledged essentiality of these minerals in Wood Mackenzie's analysis.
12. This global supply chain focus also overlooks the risks to production within New Zealand.

4. PURPOSE OF THE CRITICAL MINERALS LIST

13. It would assist to know the intended purpose of the proposed Critical Minerals List. As it stands, in adopting the classic academic view of what makes a mineral critical, the final draft list is virtually the same as most of the same types of lists adopted globally amongst New Zealand's trading partners. This is notwithstanding the vastly different economies and mineral endowments of jurisdictions like Canada, Australia, and the EU.
14. Again, this significantly reduces the usefulness of the List as a tool to drive the government's goal to double the value of our mineral exports to \$2 billion by 2035.
15. OceanaGold would recommend reviewing the purpose and approach of the List to align more closely with both the draft Minerals Strategy and the recently released minerals stock-take (*The mineral potential of New Zealand*, August 2024), to make the List something that is useful as a driver of both government policy and investment potential in New Zealand. As it stands, the list risks being "shelved" and only occasionally used as a reference tool for driving outcomes in New Zealand's resources sector. Worse, it may function primarily as a tool for opposing investment in the very minerals that contribute most to New Zealand's economy.

5. RECOMMENDATIONS

16. OceanaGold recommends an approach that:
 - a. Identifies the purposes for the List and tailors it to meet New Zealand's mineral needs.
 - b. Considers breaking the List into parts, so that it responds to those different identified needs, which might include:
 - exports & economic contribution
 - energy security
 - construction, housing and infrastructure
 - low emissions technology.

Oceana Gold (New Zealand) Limited, 10 October 2024