18 June 2014

# Media Summary:

# Trans-Tasman Resources South Taranaki Bight Project

# Background

* Trans-Tasman Resources Limited (TTR) is a New Zealand company based in Wellington.
* TTR is leading a project to mine iron rich sands on the seabed in New Zealand’s exclusive economic zone (EEZ) about 30km from the coast of Patea in Taranaki. The area TTR will mine is 64km² - New Zealand’s total EEZ is 4,083,744 km² which is approximately fifteen times the land area of the country.
* Of the 50 million tonnes per year of iron sands extracted, 45 million tonnes will be returned backfilling the mined areas. The remaining will be processed into iron ore concentrate for export. Iron sand concentrate is used in the manufacture of steel.
* Since inception TTR has spent more than NZ$60 million to investigate the resource, and on engineering, marketing, studying the existing physical and ecological environment and identifying potential impacts.
* TTR’s objective is to develop an iron sands extraction project which achieves substantial economic development while protecting the environment.
* TTR has put a significant amount of time and effort into developing this project including consulting with iwi and local communities and undertaking detailed scientific research to assess environmental impacts of the project.
* Once operating TTR estimates it will spend approximately $150m in the local economy annually on range of services such as maintenance contracts; fuel and consumables; chefs, cleaners and trades. At any one time around sixty employees will be required on vessel to run the operation.
* Constructing the vessels and mining equipment will cost around US$550m.
* TTR’s investment in New Zealand will benefit the local community by providing jobs and employment and therefore contributing to increased spending locally. TTR will also establish a community trust to support local community projects and ensure that the local communities of South Taranaki benefit from the Project.
* Through using an innovative, environmentally sympathetic and low cost iron sand extraction system TTR believes it can develop and export iron ore and offshore mining IP from New Zealand to the rest of the world.
* TTR has a mining permit from MBIE.

# Economic Benefits

* 420 jobs will be created - 250 will be directly employed by TTR with 170 indirect (NZIER)

* The project is conservatively estimated to earn New Zealand $50 million per year in tax and royalties (this is a conservative estimate and without any regard for New Zealand labour, services or supplies)
* NZIER estimate the Project will increase the size of the New Zealand economy by:
  + Increasing exports by $147 million per year
  + Increasing Gross Domestic Product (GDP) by $302 million per year
  + Increasing household consumption by $104 million per year
* GDP in the Taranaki regional economy will grow by 3% or $240 million year.

# Environmental considerations

* The TTR project is located in relatively shallow water where environmental information gathering and monitoring in the shallower waters is relatively straightforward. TTR selected NZ’s leading independent consultancies, supported by overseas experts, to investigate the current environmental conditions and advise on the potential effects. All of this information is in the public domain on the EPA’s website. This is a summary.
* The seabed in the project area is a dynamic and high energy environment continually being disturbed by waves, currents and moderately frequent storms. Populations of organisms living within this environment must be either fully mobile, or if not, capable of rapid re-colonisation following disturbance.
* The biological communities in the TTR extraction and re-deposition are dominated by short lived, opportunistic polychaete wormspecies, frequently among the first organisms to re-colonise a disturbed area.
* The absence of long-lived organisms is indicative of a highly disturbed environment
* The project area is not a recognised habitat for marine mammals. TTR will also establish protocols for encounters with marine mammals to ensure adverse effects do not arise.
* In shallow water species will repopulate quickly due to the proximity to light and a consequence of the organisms being adapted to a “disrupted” environment with frequent storms.
* Seabed material will be excavated using a very slow crawler dredge extracting sand to 11 m below the sea floor and this will minimise the area of seabed affected at any one time. This allows mined areas to naturally commence rehabilitation after mining and back filling is completed.
* Recreational and commercial fishing and diving will not be adversely affected by this project.