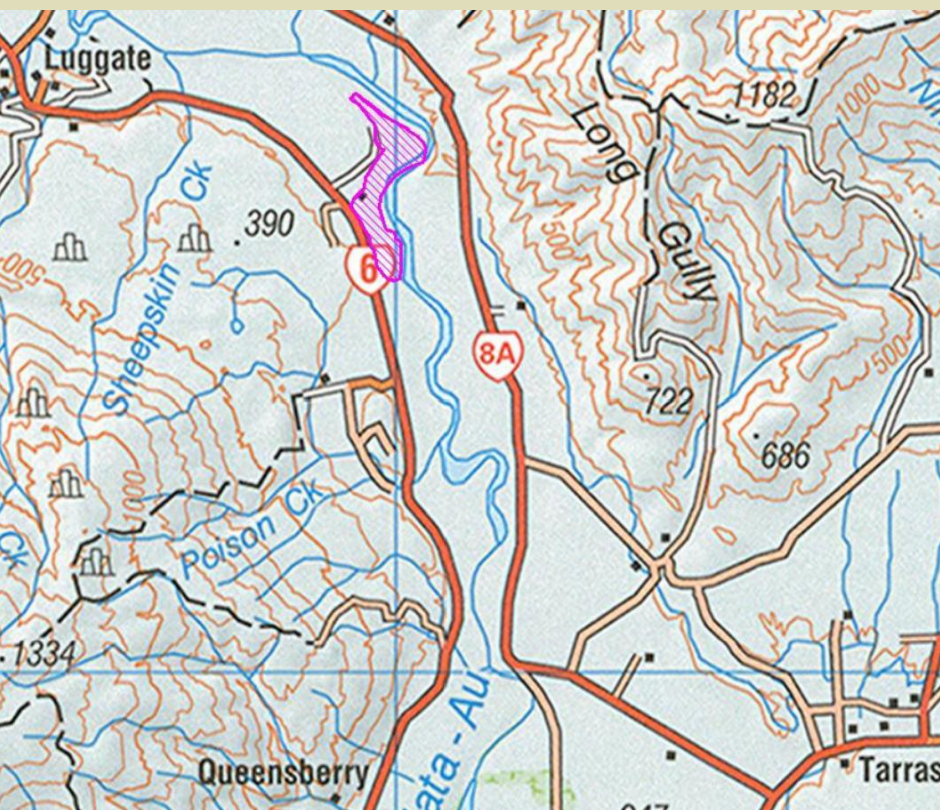


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Economic impacts of the Queensberry Gold Project



Report prepared for Awa Koura Mining
Limited

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1. Contents

- 2. Executive summary.....2
- 3. Background to the Project3
- 4. Direct economic impacts of the Project5
- 5. Employment directly supported by the Project.....7
- 6. Downstream effects in the rest of the local economy.....8
- 7. Concluding remarks11

2. Executive summary

This report quantifies the potential economic impacts of the Queensberry Gold Project (the Project). Awa Koura Mining Limited is seeking to extract alluvial gold at Queensberry on the Clutha Terraces adjacent to the Upper Clutha River/Mata-Au in Central Otago District. The project location between Cromwell and Wānaka means that the core area of economic influence is also likely to stretch beyond Central Otago District and spillover into neighbouring Queenstown Lakes District (which includes Wānaka and Queenstown).

This report shows that the Queensberry Gold Project is expected to directly add an average of \$2.57 million of GDP a year to the local economy once the mine is operational and employ an average of 4 staff. In addition to these direct effects, there could also be up to another \$0.53 million of GDP a year and up to 3.3 further jobs supported by the multiplier effects of the mine's procurement and providing goods and services to meet the needs of workers.

2.1. Key findings

- It is estimated that the Project will directly contribute an average of \$2.57 million each year to the local economy once the mine is operational, with a cumulative total direct GDP effect of \$8.44 million over the three-year mining period (including capital investment and start-up costs).
- On top of the \$2.57 million of direct GDP effects each year, there is the potential for a further \$0.53 million of GDP from economic multiplier effects, comprising:
 - Indirect GDP of \$0.29 million annually supported with suppliers in Otago from procurement by the mine.
 - Induced GDP of \$0.24 million of GDP annually in Otago supported by spending by workers to service their lifestyles (e.g. on retail, medical, education, personal services, etc).
- The Project will directly support an average 4 staff:
 - On top of the jobs directly supported by the Project's mining operations, there are also employment multiplier effects that could accrue. It is estimated that up to 3.3 further jobs could be supported by the indirect effects of the mine's procurement and the induced effects of providing goods and services to meet the needs of workers.
- Jobs will be highly productive. The Project is estimated to contribute \$643,493 of GDP per worker on average each year. GDP per worker for the Project is 4.8 times the current average productivity across the local Inland Otago (Central Otago and Queenstown Lakes) economy of \$133,811 of GDP per job in 2024.

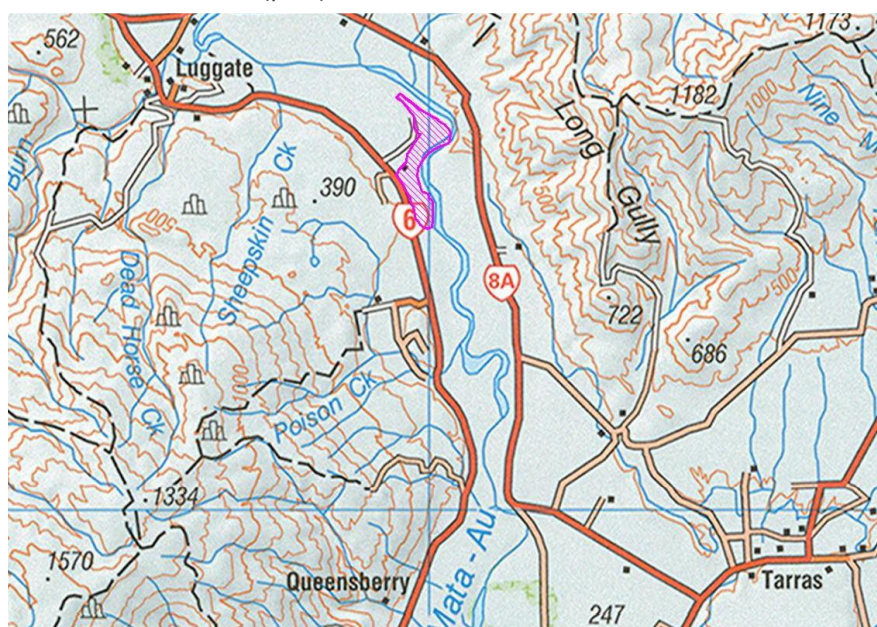
3. Background to the Project

This section provides background context to the Queensberry Gold Project (the Project), which Awa Koura Mining Limited is seeking to develop. This context includes the location of the Project and some of the core assumptions that have informed the economic impact analysis.

3.1. Project description

Awa Koura Mining Limited is proposing to establish the Queensberry Gold Project (the Project), which is seeking to extract alluvial gold at Queensberry on the Clutha Terraces adjacent to the Upper Clutha River/Mata-Au in Central Otago District. The project site is located approximately 5km southeast of Luggate, or just over 30km north of Cromwell. The area put forward in a Mining Permit Application (MPA) covers 103.7 hectares, although it is anticipated that the maximum disturbance footprint will be 80 hectares based on allowing for infrastructure within the MPA area and a buffer along the Clutha River.

Figure 1 – Location of the MPA area (pink)



The MPA area is known locally as Sandy Point. Access to the area is via SH6 and smaller roads, and farm tracks. Most of the land within the MPA is owned by a private company (with whom the Applicant has an access arrangement) and the rest is administered by the Department of Conservation (DOC), part as the Autaia Scenic Reserve and part is the Clutha River Marginal Strip.

3.2. Core project assumptions

Economic modelling within this report has relied on financial and operational data provided by the applicant (Awa Koura Mining Limited) as part of its MPA (released in February 2025), although these have been updated to reflect a three-year mining horizon. Project assumptions from the applicant have been supplemented with other economic modelling inputs, primarily drawn from Statistics New Zealand and Infometrics (New Zealand's leading regional economic data provider).

Summary figures for the Project are in Table 1. Economic and employment modelling in this report (in Sections 4 and 5) has relied on more detailed line-by-line inputs behind these headlines.

Table 1

Queensberry Gold Project - key production, revenue, and spending highlights	
<i>Calculated with data from the MPA of Awa Koura Mining Ltd (February 2025), three-year time horizon</i>	
Production highlights	Total over three years
Gold production (total)	1,890 ounces
Mining term	3 years
Gold price (\$/oz)	\$4,500 ¹
Revenue and spending highlights	
Gold revenue	\$8.51 million
Wages	\$0.84 million
Government royalties	\$0.09 million
Landowner royalties	\$0.85 million
Other operating expenditure	\$1.20 million
<i>Total operating expenditure (OPEX)</i>	<i>\$2.98 million</i>
<i>Capital expenditure and one-off start-up costs (CAPEX)</i>	<i>\$2.21 million</i>

Project revenue is expected to be \$8.51 million, with operating (including royalties), capital, and one-off costs of \$5.19 million over a three-year period.

3.3. Area of economic influence

The Project is 5km southeast of Luggate, and within 30-60 minutes' drive of other surrounding towns, such as Cromwell, Wānaka, Queenstown, and Alexandra. These towns sit at the heart of an area defined in this report as Inland Otago, which encompasses Queenstown Lakes District and Central Otago District.

It is assumed that workers associated with the Project (estimated in Section 5) will generally live within Inland Otago (Queenstown Lakes and Central Otago).

Figure 2 – Map showing Inland Otago (Queenstown Lakes District and Central Otago District)



With respect to procurement of goods (materials, plant and equipment) and services for the Project, it is likely the area of influence will extend into the rest of Otago, while some further procurement will also occur in other parts of New Zealand and offshore. Long-term development of local capacity, especially as there are other mining projects being proposed in the local area, could potentially lift the share of economic benefits generated locally.

¹ This \$4,500 gold price is consistent with a spot price of USD2,700 and a NZD:USD exchange rate of 0.60, which is conservative against current spot prices in gold markets, and is consistent with assumptions used by sharemarket-listed goldminers (e.g. See Santana's "Bendigo-Ophir Gold Project – Pre-Feasibility Study" that was released by Santana to the Australian Stock Exchange (ASX) on 15 November 2024).

4. Direct economic impacts of the Project

This section assesses the direct economic impacts of the Project, including impacts related to mining operations, as well as value added from capital investment and other one-off startup costs.

4.1. Direct economic impacts (measured by GDP)

Direct economic impacts have been measured by GDP. Using GDP is appropriate because GDP is New Zealand's official measure of economic growth². GDP is the economics equivalent of an accounting profit. The key difference between the two is that economic profits (GDP) consider the value added widely across the economy for both labour (workers) and capital (financial, physical assets, intangible) before tax, while accounting profits only focus on returns to the owner of the business in question.

At an individual business level, the direct contribution of a business's operational activities on regional GDP can be estimated by summing EBITDA (earnings before interest, taxation, depreciation, and amortisation) with wages and salaries³. In the case of capital investment, such as investment to develop mining infrastructure and processing capacity, a share of this spending also directly contributes to GDP⁴.

It is estimated that the total direct effects of the Queensberry Gold Project to the Otago economy will be a cumulative total of \$8.44 million of GDP across the three-year mining period. On average each year, once operational mining has begun, the Queensberry Gold Project is projected to contribute \$2.57 million of GDP per annum to the local economy (see Table 2).

Most GDP effects occur once the mine is operational and producing gold – over the three-year mining period, there is expected to be \$7.72 million of GDP directly generated by mining operations.

To enable this GDP from mining operations to occur, there is expected to be \$2.21 million of capital investment and other one-off start-up costs. These upfront costs are a necessary enabler to unlock economic value added by operational mining activities, however, these one-off costs themselves also add value directly to the economy. Data from Infometrics shows that for every \$1 of capital investment and start-up costs, there is \$0.32 of economic value added (GDP) through additional demand within the infrastructure, planning, and engineering sector.

² According to [Statistics New Zealand](#). Gross Domestic Product June 2024 release.

³ Estimates of EBITDA and wages and salaries were calculated from financial and operational data provided by the applicant (Awa Koura Mining Limited) as part of its MPA (released in February 2025). In addition to incorporating EBITDA and wages and salaries into operational GDP estimates, it was also necessary to account for royalty payments that Awa Koura Mining Limited will make to the Crown and land owners – Crown royalties were added directly back in (as they are implicitly a tax), while privately-paid royalties were apportioned into GDP using a value-added ratio (GDP to gross output ratio) for property owners provided by Infometrics. The use of Infometrics value-added ratios ensures consistency with other economic datasets widely used to inform economic development analysis in Otago – Central Otago District Council, Queenstown Lakes District Council, and Otago Regional Council all subscribe to economic profiles of their jurisdictions which they make publicly available (these are available here: [Central Otago](#), [Queenstown Lakes](#), and [Otago](#)).

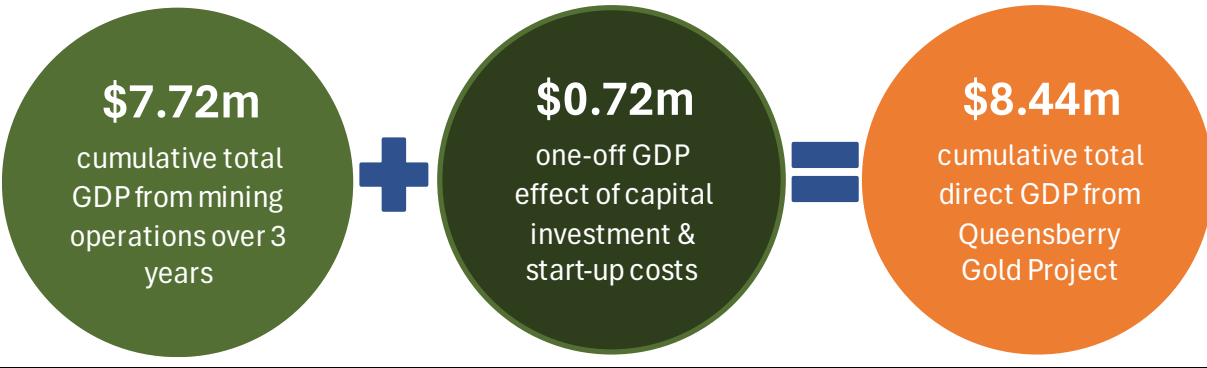
⁴ Capital investment is a necessary enabler for a business to begin its operations, so in a sense GDP from the business's operations already captures an ongoing benefit from the capital investment. But in addition to this enabling role, capital investment itself also directly generates economic activity because the investment stimulates demand as it occurs. Expected capital investment and other one-off startup costs have been apportioned into GDP using value add ratios for heavy and civil engineering for Otago, provided by Infometrics.

Given the \$2.21 million of capital investment and start-up costs, this means that GDP generated from planning and building processing capacity directly adds a further \$0.72 million of GDP, in addition to the \$7.72 million of operational mining GDP that the investment directly enables.

Table 2

Queensberry Gold Project estimated direct contribution of GDP to Otago economy			
GDP in \$ million, real 2025 pricing, author calculations from Awa Koura Mining Ltd data & Infometrics			
Type	GDP from operations	GDP from capital & start-up costs	Total Direct GDP
One-off/start-up		\$0.72m	
Annual average (pa)	\$2.57m		
Mining period (years)	3	one-off	
Total (three-year period)	\$7.72m	\$0.72m	\$8.44m

Figure 3 – Cumulative total GDP effects from Queensberry Gold Project over three-year mining permit



5. Employment directly supported by the Project

This section introduces the potential employment directly associated with the Project. Employment is looked at from the perspective of the number of workers needed to support operations during the mine's production years.

5.1. Direct employment effects

Awa Koura Mining Limited anticipates that 4 staff will be required to operate the Queensberry Gold Project.

Over the three-year mining period, it is estimated that a total of \$0.84 million of wages will be paid to staff at the Queensberry Gold Project.

Average annual wages for each worker directly associated with the Queensberry Gold Project are expected to be at least \$70,000 per annum.

Figure 4



This estimated average wage associated with the Queensberry Gold Project compares favourably to the current average wage in Central Otago District (\$66,867) and Queenstown Lakes (\$69,788)⁵.

⁵ Source: Infometrics Regional Economic Profile, available here: <https://rep.infometrics.co.nz/central-otago-district/income-and-housing/earnings?compare=queenstown-lakes-district>

6. Downstream effects in the rest of the local economy

This section provides benchmarking of the Project against the rest of the local economy. The idea is to give some perspective for how impactful the additional GDP and employment from the mining project will potentially be. Alongside the direct effects of the project estimated in the previous sections, this section also introduces the flow-on effects that occur downstream in other industries as a result money recirculating locally due to procurement by the mine and spending of wages by staff.

6.1. Potential additional multiplier effects on local economy

The Project is projected to directly generate an average of \$2.57 million of GDP per annum once it is operational. Given that the Inland Otago economy was estimated to produce \$6.6 billion of GDP in 2024⁶, this suggests the Queensberry Gold Project would directly contribute the equivalent of 0.03% of Inland Otago's current GDP each year.

Alongside the GDP directly generated by the Project's mining operations, there are also additional economic multiplier effects that will accrue. These multiplier effects include:

- Indirect economic multiplier effects which occur because of the Project's procurement of goods and services from other businesses.
- Induced economic multiplier effects which occur because direct and indirect workers will need to be provided with goods and services to support their lifestyles (e.g. supermarkets, medical, education, personal services, etc).

Table 3 below provides estimates of the potential multiplier (indirect and induced) GDP effects of the Queensberry Project on other industries across Otago. This calculation has been informed using insights from Infometrics which suggest that:

- The indirect value add in mining in Otago from Infometrics at present is 11.3% of the initial direct GDP effect.
- The induced GDP effects from mining in Otago typically totals about 8.5% of the initial direct and indirect GDP effects.

Table 3

Potential total GDP effects from Queensberry across direct, indirect, and induced channels	
<i>Total GDP effect from the Queensberry Mining Project, author calculations with Infometrics data</i>	
	GDP (average year once operational, \$m)
Direct GDP	\$2.57m
Indirect GDP	\$0.29m
Induced GDP	\$0.24m
Total GDP effect (direct + indirect + induced)	\$3.10m

These additional indirect and induced multiplier effects should be taken as a theoretical maximum and achieving them will be reliant on capacity within other industries that support the mine. Given the relatively small scale of the Queensberry Gold Project compared to the rest of the Inland Otago economy, this capacity should be easier to come by compared to much larger projects.

⁶ Source: Calculations from Infometrics Economic Profiles of [Central Otago](#) and [Queenstown Lakes](#).

In addition to the \$2.57 million of direct GDP each year, a further \$0.29 million of indirect GDP through local supplier spending could potentially be supported by the Project, as well as \$0.24 million of GDP induced annually because direct and indirect Queensberry Gold Project workers will need access to goods and services to support their lifestyles (e.g. retail, medical, education, personal services, etc).

Adding the indirect and induced GDP multiplier effects together with direct GDP from the mine suggests that the total GDP effect of the Project could be \$3.10 million per annum to the Otago economy.

6.2. Potential additional multiplier effects on local employment

The Queensberry Gold Project is expected to directly employ 4 staff. Given that the Inland Otago economy was estimated to have 49,510 filled jobs in 2024, this suggests the Queensberry Gold Project would directly contribute the equivalent of 0.01% of Inland Otago's current employment each year.

The average proportion of Inland Otago's current employment directly supported by the Project (0.01% of Inland Otago's jobs) is smaller than the mine's direct contribution to total Inland Otago GDP (equivalent to 0.03% of Inland Otago's GDP). This is because gold mining has very high levels of productivity and so generates a much higher-than-average amount of economic activity for each staff member. In the next section (Section 6.3) we will consider how the productivity of the Project compares to the rest of the economy.

Alongside the employment directly generated by the Project's mining operations, there are also additional employment multiplier effects that will accrue. These multiplier effects (highlighted in Table 4) include:

- Indirect multiplier effects on employment which occur because of the Project's procurement of goods and services from other businesses and can be calculated in a similar manner to the indirect GDP effects calculated in Section 6.1.
- Induced multiplier effects on employment which occur because direct and indirect workers will need to be provided with goods and services to support their lifestyles (e.g. supermarkets, medical, education, personal services, etc) and can be calculated in a similar manner to the induced GDP effects calculated in Section 6.1.

Table 4 below provides estimates of the potential multiplier (indirect and induced) employment effects of the Project on other industries across Otago. These calculations have been informed using insights from Infometrics which suggest that:

- The additional indirect employment effect mining within the Otago economy will be around 35.6% of the initial direct employment effect. The indirect employment effects are relatively higher than the indirect GDP effects in Section 6.1 because many of the businesses in the rest of the economy supplying the Project will generate much lower levels of GDP per worker than a gold mine.
- The induced employment effects from mining in Otago typically also total about 35.6% of the initial direct and indirect employment effects.

As with indirect GDP, these additional indirect and induced employment effects should be taken as a theoretical maximum, assuming that suppliers lift their own capacity to meet additional demand.

In addition to the 4 direct jobs, another 1.4 indirect jobs with suppliers could potentially be supported by the Project, as well as a further 1.9 jobs induced because direct and indirect Queensberry Gold Project workers will need access to goods and services to support their lifestyles (e.g. retail, medical, education, personal services, etc).

Adding the indirect and induced employment multiplier effects together with direct employment at the mine suggests that the total employment effect of the Project could be 7.3 jobs.

Table 4

Potential total employment effects of Queensberry across direct, indirect, & induced channels	
<i>Total employment effect from the Queensberry Mining Project, calculated with Infometrics data</i>	
	Jobs (average year)
Direct employment	4.0
Indirect employment	1.4
Induced employment	1.9
Total employment effect (direct + indirect + induced)	7.3

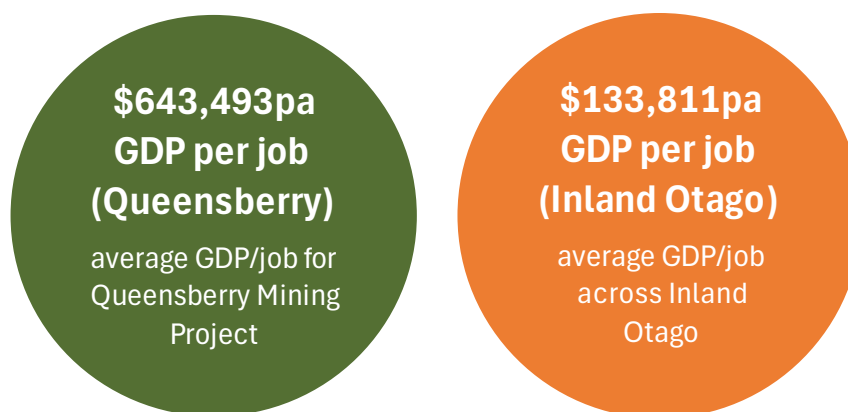
6.3. Productivity compared to other industries

Productivity is a measure of how efficiently economic activity is generated. There are many ways to measure productivity – but due to data availability the most common measures of productivity usually centre around comparing how much GDP an economy generates for each worker. Measuring productivity this way essentially tells us how effective an area is at turning the work of its people into income. If we have higher productivity, then there are opportunities for higher-paying employment.

The Project is estimated to on average contribute \$643,493 of GDP per worker each year. GDP per worker for the Project is 4.8 times the average productivity across Inland Otago of \$133,811 of GDP per job in 2024⁷.

Capital-intensive industries like mining often contribute large amounts of economic activity for each worker, which is not a surprise given workers in a mining environment are operating expensive machinery that can excavate and process large volumes of material.

Figure 5



⁷ Source: Calculations from Infometrics Economic Profiles of [Central Otago](#) and [Queenstown Lakes](#).

7. Concluding remarks

This report has highlighted the economic impacts of the Queensberry Gold Project. It is estimated that the Project will directly contribute an average \$2.57 million each year to the Inland Otago economy once the mine is operational, with a cumulative total direct GDP effect of \$8.44 million over the three-year mining period (including capital investment and start-up costs).

On top of the \$2.57 million of direct GDP effects each year, there is the potential for a further \$0.29 million of indirect GDP supported with suppliers in Otago from procurement by the mine, as well as another \$0.24 million of GDP induced annually in Otago from spending by workers to support their lifestyles (e.g. on retail, medical, education, personal services, etc).

The Project will support an average of 4 staff a year across the Project duration. There could also be up to 3.3 further jobs supported by the indirect effects of the mine's procurement and the induced effects providing goods and services to meet the needs of workers.

These jobs will be highly productive. The Project is estimated to contribute \$643,493 of GDP per worker on average each year. GDP per worker for the Project is 4.8 times the current average productivity across Inland Otago of \$133,811 of GDP per job.



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