MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

COVERSHEET

Minister	Hon Shane Jones	**Portfolio**	Regional Development
Title of Cabinet paper	Regional Infrastructure Fund: Investing in Critical Minerals Projects	**Date to be published**	24 August 2026

List of documents that have been proactively released		
Date	**Title**	**Author**
May 2026	Regional Infrastructure Fund: Investing in Critical Minerals Projects	Office of the Minister for Regional Development
May 2026	Critical Minerals Information pack	MBIE
27 May 2026	Regional Infrastructure Fund: Investing in Critical Minerals Projects ECO-26-MIN-008	Cabinet Office
27 May 2026	Regional Infrastructure Fund: Investing in Critical Minerals Projects ECO-26-SUB-008	Cabinet Office

Information redacted **<u>YES</u> / NO** *(please select)*

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of Commercial Information, Confidential Advice to Government, Legal Professional Privilege and International Relations.

© Crown Copyright, Creative Commons Attribution 4.0 International (CC BY 4.0)

Security classification – Restricted

Office of the Minister for Regional Development

Cabinet Economic Policy Committee

Regional Infrastructure Fund: Investing in critical minerals projects

Proposal

1 On behalf of the Regional Development Ministerial Group (RDMG),[1] I am seeking Cabinet's agreement to commit up to $50.000 million of the Regional Infrastructure Fund's (RIF) capital to invest in two RIF projects located on the West Coast that do not meet the RIF's eligibility criteria but offer strategic regional development and critical minerals opportunities:

1.1 New Zealand Critical Minerals Separation Facility (Westport) project – RIF contribution $30.000 million; total project cost $ Commercial Informatio million; and

1.2 Tāiko Critical Minerals Sand Separation Plant (Barrytown) project – RIF contribution $20.000 million, total project cost $ Commercial Informatio million.

2 Further, I am seeking Cabinet's agreement to amend the RIF eligibility criteria for individual businesses to include critical minerals as an approved primary focus area, so future proposals can be agreed by RDMG.

Relation to government priorities

3 These proposals support the Government's *Going For Growth* agenda, which includes a commitment to infrastructure for growth. A key action under this commitment is the $1.200 billion RIF, a capital fund with the primary purpose of accelerating infrastructure projects that will make a material difference in our regions.

4 Both proposals directly support the *Going For Growth* agenda by delivering infrastructure that enables regional and national growth.

5 Both proposals also enable domestic processing of minerals identified on the Government's *Critical Minerals List*, and align with the Government's strategic objectives for critical minerals by International relations
International relations

Executive Summary

6 Since the establishment of the RIF, critical minerals have emerged as a Government priority, reflecting their importance to domestic economic resilience, international supply chains, and New Zealand's strategic relationships. The Government's Critical Minerals List, published in January 2025, identifies minerals that are essential to New Zealand's economy and vulnerable to supply disruption.

[1] RDMG is comprised of the Ministers of/for Finance, Infrastructure, Local Government, Māori Development, and Regional Development [CAB-24-MIN-0168.02 refers].

3b9cmttej9 2026-07-13 15:53:42

7 New Zealand has a unique opportunity to capitalise on its critical minerals endowment to develop and grow the sector to the long-term economic and strategic benefit of the country. International relations [redacted] International relations [redacted] International relations [redacted] This would support higher-value exports and position New Zealand to participate more directly in increasingly diversified global supply chains, where partners are seeking reliable sources of processed materials from trusted jurisdictions. Expanding processing capability also supports the sector to scale over time by improving the economics of extraction and enabling more consistent, higher-value production.

8 In December 2025, RDMG agreed to ring-fence $80.000 million from the RIF for projects to develop and process domestic critical minerals resources. Co [redacted] Commercial Information [redacted]

9 The two critical minerals projects recommended for funding in this paper would establish early-stage processing (primarily physical separation) capability for critical minerals, moving beyond bulk export of less refined material and enabling higher-value activity in the West Coast region.

10 The projects are:

10.1 New Zealand Critical Minerals Separation Facility project (Westport project), seeking up to $30.000 million of RIF funding towards a $ Commercial Informatio [redacted] million mineral separation and processing facility producing ilmenite, garnet, zircon and monazite; and

10.2 Tāiko Critical Minerals Sand Separation Plant (Barrytown project), seeking up to $20.000 million of RIF funding towards an $ Commercial Informatio [redacted] million mineral sands mining and processing operation producing ilmenite, garnet and zircon.

11 Both projects involve investment in individual businesses whose primary focus is critical minerals, which is not currently an approved focus area under the RIF eligibility criteria. Cabinet consideration is therefore required. I consider that, while the projects do not meet this aspect of the eligibility criteria, they could lift regional productivity, International relations [redacted] International relations [redacted] while contributing to New Zealand's critical minerals objectives and supporting high-value employment.

12 The Westport and Barrytown projects would deliver significant benefits for the West Coast and New Zealand's critical minerals sector. They will establish early onshore processing, International relations [redacted], and create or re-establish around 170 permanent high-value jobs, plus 90-95 construction jobs. International relations [redacted] International relations, Commercial Information [redacted]

3b9cmttej9 2026-07-13 15:53:42

13 The projects are not without risks, as with many development and expansion projects. Risks vary between the projects but collectively include Commercial Information Commercial Information Commercial Information While some risks can be mitigated through funding conditions, residual risk would remain.

14 The Westland Mineral Sands' (WMS) Westport project is in care and maintenance mode with Commercial Information Commercial Information due to low international prices. International relations International relations and RIF funding is expected to catalyse additional capital raising. The Barrytown project is consented and ready to commence mining once finance is secured. Tāiko has no operating history but is led by an experienced management team and is seeking to raise capital. For both projects, RIF funding would also act as a catalyst for further investment, potentially from international partners, and would only be drawn down once the remaining capital is secured.

15 RDMG has considered the risks and agreed that, on balance, the potential scale of regional development benefits, alongside the strategic importance of critical minerals, is sufficient to justify RIF investment and an exception to the eligibility criteria. Overall, this represents an ambitious investment that, if successful, would support the Government's critical minerals objectives and wider regional economic outcomes as well as the development of this emerging sector, and directly catalysing private investment into it. I also propose that critical minerals be added as an approved primary focus area for individual businesses under the RIF to support future investment decisions.

16 Commercial Information

Background

17 On 17 June 2024, Cabinet agreed the detailed settings of the $1.200 billion Regional Infrastructure Fund (RIF) [CAB-24-MIN-0214 refers]. Cabinet agreed that the single overarching intention of RIF funding was to achieve a lift in the productivity potential of the regions through the delivery of regional infrastructure initiatives.

Cabinet agreed RIF eligibility criteria for businesses

18 In June 2024, Cabinet also agreed to a set of criteria that projects must meet to be eligible for RIF support. The full RIF eligibility criteria is attached as **Annex One.** One of the criteria states that,

18.1 where the investment is for an asset in an individual business:

3b9cmttej9 2026-07-13 15:53:42

11.1.1 benefits and outcomes should be non-exclusive to the individual business, meaning that the investment must catalyse benefits or services for other businesses or the community; and

11.1.2 be a business that has a primary focus on one of the following areas: energy security, water security, food security, connectivity (transport solutions or digital connectivity) or growth of a Māori-owned business that is critical to enabling outcomes throughout a community or region.

19 Cabinet delegated authority to the Regional Development Ministerial Group (RDMG) to make investment decisions for eligible RIF projects valued up to and including $35.000 million. Cabinet is required to make decisions on RIF proposals that do not meet the eligibility criteria, for any level of investment.

The strategic value of critical minerals

Critical minerals are vital to New Zealand and to our international partners

20 Critical minerals have emerged as a key Government priority. Critical minerals are essential inputs across a wide range of strategically important industries, underpinning modern energy systems, advanced manufacturing, digital technologies, and defence capabilities. They have become a key geostrategic lever, and the need to diversify their supply chains is the subject of intense global discussion. New Zealand's critical mineral resources have driven interest in the country as an investment destination, and created an enduring economic opportunity.

21 A key opportunity is moving New Zealand up the value chain. At present, most mineral output is exported in raw or minimally processed form, capturing only a limited share of value. Developing domestic processing capability would International relations and lift the overall contribution of the sector.

22 Globally, processing capacity is concentrated in a small number of countries, and efforts to diversify supply chains through trusted partners are increasing. Developing domestic processing capability would position New Zealand to participate more directly in international supply chains, supplying processed materials rather than raw inputs. This is particularly relevant as partner countries seek to reduce reliance on concentrated and higher-risk sources, creating an opportunity for trusted jurisdictions such as New Zealand.

23 The Government published a Critical Minerals List for New Zealand in January 2025, which identifies 37 minerals that are essential to New Zealand's economy and technological needs, including clean energy and international trade, and are vulnerable to international or domestic supply disruptions.

24 A Critical Minerals Information Pack providing more detail about New Zealand's critical minerals resources and opportunities is included as **Annex Four** of this Cabinet paper.

3b9cmttej9 2026-07-13 15:53:42

Critical minerals interventions can boost the New Zealand economy as well as supporting international trade and supply chain resilience

25 Government can choose to intervene in the critical minerals sector to achieve two differing but related outcomes:

25.1 increasing supply chain resilience for minerals that are critical to New Zealand (this is the focus of the Critical Minerals List for New Zealand); and

25.2 International relations and supporting international critical minerals supply chain resilience.

26 The latter outcome may involve mineral products that have been identified as critical minerals for international partner countries but not New Zealand.

Government investment can help attract international capital to critical minerals projects

27 There is growing international interest in securing access to critical minerals feedstock and associated processing capability. In addition to China which currently has a dominant position, emerging interest is particularly from potential partners such as the United States, European Union, Japan and Korea. These countries are actively seeking to diversify supply chains and invest in projects in trusted jurisdictions.

28 Engagement with international partners indicates that capital is available for projects that align with these supply chain objectives, particularly where governments are involved. Recent discussions with international partners have signalled strong interest in partnering on critical minerals development, including investment, technology and access to markets.

29 Crown investment can help attract this capital. Government participation can provide confidence to other investors and support projects to reach financial close, helping to bring in additional private and foreign investment.

30 Developing domestic processing capability also positions New Zealand to participate more directly in international supply chains, supplying processed materials rather than raw inputs and strengthening trade relationships.

The proposed projects develop processing capability, which is important for enabling the critical minerals sector to grow

31 The two projects proposed in this paper represent early-stage processing (primarily physical separation). While this is not the full chemical refining undertaken overseas, it is an important step that increases value and builds domestic capability. More advanced processing in New Zealand may be constrained by environmental considerations, but the government is supporting the development of cleaner alternatives over time for both domestic use and for export.

3b9cmttej9 2026-07-13 15:53:42

32 Developing processing capability is also important to enable the sector to scale. Processing requires a consistent supply of raw material, while also providing a pathway to higher-value products that improve the economics of extraction. Scaling extraction and processing therefore reinforce each other, supporting the development of a wider critical minerals sector, including infrastructure, technical capability, and related activities such as recycling and clean processing technologies.

RIF investment into critical minerals

I seek Cabinet's agreement to waive the RIF eligibility criteria in order to invest in two critical minerals projects

33 In December 2025, RDMG agreed to set aside $80.000 million of RIF funding for critical minerals projects. However, many of the projects identified for the allocation fall outside of the RIF eligibility criterion which limits the primary focus areas for individual businesses seeking RIF funding.

34 I am seeking agreement from Cabinet to waive the requirement for two proposed investments to meet the RIF's eligibility criteria. The proposals do not directly align with an eligibility criterion in relation to investment in individual businesses as they have a primary focus on critical minerals, which is not one of the priority areas identified in the RIF's eligibility criteria. They do however meet the criteria regarding creating broader benefits or services for other businesses and the community, in particular through their provision of high-value jobs and significant economic activity in the region.

34.1 The New Zealand Critical Minerals Separation Facility project (Westport project) seeks $30.000 million of RIF investment towards a $ Commercial Informatio million project to build a floatation circuit and dry mineral separation plant in Westport, West Coast.

34.2 The Tāiko Critical Minerals Sand Separation Plant project (Barrytown project) seeks $20.000 million of RIF investment towards an $ Commercial Informatio million project to develop a mineral sand mining and processing operation near Barrytown, West Coast.

The two projects represent significant regional economic development opportunities, and International relations

35 Both projects add significant value to the minerals industry on the West Coast through the development of early onshore processing of critical minerals. Together, the projects could:

35.1 create or re-establish an estimated 170 permanent high-value[2] jobs, in addition to an estimated 90-95 jobs during project construction;

35.2 International relations a range of critical minerals, including ilmenite (titanium-rich), zircon and rare earth element-rich minerals

[2] Median mining salaries are over 60 per cent higher than the median salary for all industries in the West Coast region.

(monazite) – valued at an estimated $[redacted] million per year for the Barrytown project and $[redacted] million for the Westport project; and

35.3 generate significant additional GDP – valued at $[redacted] million for the Barrytown project.

36 Taken together, and if successful, the projects would drive increased productivity and high-value job creation at scale in the West Coast region, while contributing to New Zealand's critical minerals objectives – specifically [redacted] and supporting international critical minerals supply chain resilience.

37 I therefore consider these projects meet the bar to warrant an exception to the criteria given the scale of the potential economic impact and broader strategic implications for the Government's policy agenda – in particular leveraging New Zealand's critical minerals opportunities.

Both projects are high-risk

38 The projects are not without risks as with many development and expansion projects. Risks vary between the projects but collectively include early-stage delivery challenges, [redacted] While some risks can be mitigated through funding conditions, residual risk would remain.

39 Westland Mineral Sands (WMS) is undertaking the Westport project [redacted] operations are suspended and the business is in a care and maintenance state. Purchase and installation of the processing plant would enable the heavy mineral concentrate to be transformed [redacted] RIF funding is expected to catalyse additional capital required for this project, including potentially from international partners.

40 The Barrytown project is consented and ready to commence mining once finance is secured. The project company, Tāiko Critical Minerals Limited (TCM), has successfully listed on the New Zealand Stock Exchange [redacted] TCM has no operating history, and therefore faces the usual challenges of a start-up business, but has a management team with extensive mining industry experience. RIF funding would act as a catalyst for additional capital from shareholders and other investors.

41 Both projects also face:

41.1 [redacted]

3b9cmttej9 2026-07-13 15:53:42

Commercial Information [redacted]

41.2 additional resource consent requirements to expand mining operations to their full forecast size (though resource consents are in place to begin operations);

41.3 the risk of Commercial Information [redacted] and

41.4 Commercial Information [redacted]

42 These risks will be mitigated where possible through funding conditions requirements, including securing co-funding, updated budget and Commercial Information [redacted] However, residual project and operational risks. Commercial Information [redacted]

43 Commercial Information [redacted]

44 The close proximity of the two projects to one another is not considered a risk to each project's ability to find a market for their products, given high international demand for critical minerals. However, Commercial Information [redacted]

RDMG recommends Cabinet invest in the two projects, given their potential regional development benefits and contribution to the Government's critical minerals objectives

45 RDMG have discussed and agreed that the potential benefit of the projects is sufficient to outweigh the risks outlined. Therefore RDMG recommends that Cabinet invest in the Westport and Barrytown projects due to the significant regional development benefits for the West Coast they can achieve, and due to their contribution to the Government's critical minerals objectives.

46 Overall, I consider that RIF funding for these two strategic critical minerals projects constitutes an ambitious investment that, if successful, would strongly

---

Commercial Information [redacted]

3b9cmttej9 2026-07-13 15:53:42

support the Government's goals for critical minerals, growing exports and regional prosperity and support further development of the sector.

Considering the strategic value of critical minerals, I also seek Cabinet's agreement to amend the RIF eligibility criteria for individual businesses to include critical minerals projects

47 Other critical minerals projects have been identified in the RIF pipeline which, if assessed as viable, are likely to contribute to attracting international investment, scaling the critical minerals industry and International relations Internatio l and participation in diversified global supply chains.

48 If Cabinet agrees to fund these two projects, Commercial Information Commercial I f ti in the $80.000 million RIF Critical Minerals allocation.[4] To facilitate the investment of this remaining funding into critical minerals projects, I also propose that Cabinet agree to amend the RIF eligibility criteria for individual businesses to include critical minerals as an approved primary focus area. Going forward, this would enable RDMG to approve investment in otherwise-eligible RIF funding proposals with a primary focus on critical minerals without the need to present these proposals for Cabinet decision.

49 I consider that this revision to the RIF eligibility criteria for individual businesses would appropriately reflect the national strategic importance of critical minerals, and the regional development opportunity they represent, as developments that can create large-scale economic activity and provide high-value jobs in regions.

Commercial Information

Commercial Information

3b9cmttej9 2026-07-13 15:53:42

Commercial Information

Critical minerals project summaries

New Zealand Critical Minerals Separation Facility project (Westport project), West Coast

53 The key points of the project are outlined in the table overleaf:

Applicant	**Westland Mineral Sands Co Limited (WMS)**
Total Project Cost	$Commercial million
RIF Investment Requested	$Commercial million Commercial
RIF Investment recommendation	Up to $30.000 million loan
Co-Funding	$Comme i l million Commercial Information
Reason for requiring Cabinet consideration	The eventual borrower, a special purpose borrower vehicle, is an individual business that does not have a primary focus on energy security, water security, connectivity or growth of a Māori-owned business that is critical to enabling outcomes throughout a community or region.

Project Overview

54 The New Zealand Critical Minerals Separation Facility project is a $Commercial Information million project to build a mineral separation and floatation plant consisting of a floatation circuit, dry mineral separation plant, associated infrastructure upgrades and an onsite laboratory and testing facility in Westport.

55 WMS is proposing to move from mining and selling heavy mineral concentrate to additional processing and the exporting of a variety of higher-value products which would command a higher price internationally, bringing the business back into viability. The project consists of:

55.1 a floatation circuit to separate rare earth elements ore (monazite) from heavy mineral concentrate;

55.2 a dry mineral separation plant to produce ilmenite, garnet and zircon; and

55.3 associated project infrastructure.

3b9cmttej9 2026-07-13 15:53:42

Benefits

56 Key project benefits include:

56.1 creation of Comme rcial high-value jobs in Westport during project construction;

56.2 re-establishment of around Co m jobs for staff that run WMS' mining operation (these roles are currently disestablished);

56.3 increased International relations and Crown mineral revenue; and

56.4 strengthening of New Zealand's Critical Minerals supply chain resilience.

Viability risks and high-level project timeline

57 Commercial Information

Commer cial operations are suspended and the business is in care and maintenance mode. Purchase and installation of the processing plant would enable the heavy mineral concentrate to be transformed into higher-value exports for which there is strong international demand. Other risks include Commercial Information additional resource consent requirements to expand mining operations to their full forecast size, potential project and operating cost overruns Commercial Information Commercial Information

58 Recommended risk mitigations include detailed design work, updated budgets, securing co-funding and securing customer offtake agreements.

59 The project is estimated to take between Commercial Information until the mineral separation plant is fully up and running, depending on the procurement approach taken (new or second-hand plant). Purchase of a new plant will take the longer time. Commercial Information Commercial Information

Funding recommendation

60 WMS is seeking RIF funding for a mineral separation plant that is costed Commercial Information Commercial Information RIF investment of up to $30.000 million. This Commercial Information Com merci likely to

3b9cmttej9 2026-07-13 15:53:42

Commercial Information

61 I recommend the funding instrument for RIF investment is a Commercial loan, Commercial Information A
Commercial Information

Tāiko Critical Minerals Sand Separation Plant project (Barrytown project), West Coast

62 The key points of the project are outlined in the table overleaf:

Applicant	**Tāiko Critical Minerals Limited (TCM)**
Total Project Cost	$Comme rcial million
RIF Investment Requested	$Commer cial million loan
RIF Investment recommendation	Up to $20.000 million loan
Co-Funding	$Comme rcial million (Commercial
Reason for requiring Cabinet consideration	The eventual borrower, a special purpose borrower vehicle, is an individual business that does not have a primary focus on energy security, water security, connectivity or growth of a Māori-owned business that is critical to enabling outcomes throughout a community or region.

Project Overview

63 The Tāiko Critical Minerals Sand Separation Plant project is an $ Commercial Information million project to develop a mineral sands mining operation, heavy mineral concentrate spirals plant, mineral separation plant, associated project infrastructure and an onsite testing facility near Barrytown on the West Coast.

64 TCM is a company focused on the development of onshore mineral sands resources. It aims to develop a long-life mining and processing operation of more than 20 years, driven by domestic mineral processing capability and sustained export of critical minerals to international markets. The higher-value processing activities will be underpinned by the establishment of mineral sand

3b9cmttej9 2026-07-13 15:53:42

mining and heavy mineral concentrate production as feedstock. The project consists of:

64.1 associated capital assets and infrastructure;

64.2 development of a heavy mineral concentrate spirals plant;

64.3 development of a mineral separation plant (producing individual mineral products such as ilmenite, garnet and zircon); and

64.4 development of an onsite testing facility.

Benefits

65 Key project benefits include:

65.1 creation of Commercial high-value jobs in Barrytown during project construction;

65.2 creation of around Com ongoing high-value jobs on the West Coast;

65.3 increased International relations Crown revenue; and

65.4 strengthening of New Zealand's Critical Minerals supply chain resilience.

Viability risks and high-level project timeline

66 The project carries a level of risk associated with a startup operation. The project company, TCM has successfully listed on the New Zealand Stock Exchange Commercial Information TCM has no operating history, and therefore faces the usual challenges of a start-up business, but it has a management team with extensive mining industry experience. Commercial Commercial Information additional resource consent requirements to expand mining operations to their full forecast size, potential project and operating cost overruns and Commercial Commercial Information

67 Recommended mitigations for key project risks include securing Commercial Commercial Information

68 If funding is secured, the project is expected to Commercial Information Commercial Information

Funding recommendation

69 After initially applying for $Commer million of RIF funding, TCM revised its funding request to $Comme million for the mineral separation plant portion of the project. Commercial Information Commercial Information

3b9cmttej9 2026-07-13 15:53:42

Commercial Information

70 Commercial Information

71 I recommend that funding instrument for RIF investment is a Commercial Information oan, Commercial Information

Next steps

72 If Cabinet agrees to invest in these two proposals, Kānoa will begin the contracting process with the applicants.

73 If Cabinet agrees to amend the RIF eligibility criteria for individual businesses to include critical minerals as an approved primary focus area, remaining critical minerals projects that otherwise meet RIF eligibility criteria will be able to be considered and approved by RDMG, rather than Cabinet.

Cost-of-living Implications

74 There are no potential indirect cost-of-living implications related to these proposals over the medium-term.

Financial Implications

75 If Cabinet agrees to invest in these two proposals, capital funding would be committed from the RIF's existing appropriation.

Legislative Implications

76 This proposal contains no legislative implications and a Regulatory Impact Statement is not required.

Climate Implications of Policy Assessment

77 There are limited expected direct climate implications from this proposal associated with the emissions resulting from the two proposed critical minerals projects.

Population and Human Rights Implications

78 This proposal contains no population or human rights implications.

3b9cmttej9 2026-07-13 15:53:42

Consultation

79 The following departments were consulted: The Treasury, Ministry for Foreign Affairs and Trade, Ministry for Primary Industries, Ministry of Business, Innovation and Employment (Resources Policy), Department of Conservation, Ministry of Social Development, Te Puni Kōkiri, Department of Internal Affairs, Ministry of Housing and Urban Development, and Ministry for the Environment.

80 Commercial advice on the investment proposals was sought from Crown Regional Holdings Limited (CRHL), which is an asset holding company established to hold regional investments made by the Crown. CRHL provides commercial advice to Kānoa on draft investment proposals that are recommended for loan or equity funding through the RIF.

81 Feedback on the investment proposals has also been incorporated directly into the investment proposals attached as **Annexes Two** and **Three**.

Ministry of Foreign Affairs and Trade (MFAT) advice

82 Legal professional privilege [redacted]

83 MFAT also advises that International relations International relations [redacted]

84 There is no discussion of the environmental impacts of the projects within this Cabinet paper; however MFAT notes that Commercial Information Commercial Information [redacted]

Proactive Release

85 I intend to release this Cabinet paper and associated minutes within 30 days of the investments being announced publicly.

3b9cmttej9 2026-07-13 15:53:42

Recommendations

The Minister for Regional Development recommends that the Committee:

1 **Note** on 17 June 2024, Cabinet agreed the detailed settings of the $1.200 billion Regional Infrastructure Fund (RIF), including that the single overarching objective of the RIF was to achieve a lift in the productivity potential of the regions through the delivery of regional infrastructure initiatives [CAB-24-MIN-0214 refers];

2 **Note** Cabinet also agreed to eligibility criteria for RIF investments, including specific requirements for investments in individual businesses;

3 **Note** critical minerals are essential inputs across a range of strategically important industries;

4 **Note** that developing domestic processing capability would enable New Zealand to capture greater value from its mineral resources while supporting participation in increasingly diversified global supply chains as a supplier of higher-value processed material;

5 **Note** that expanding processing capability supports the critical minerals sector to scale over time by improving the economics of extraction and enabling more consistent, higher-value production;

6 **Note** in December 2025, the Regional Development Ministerial Group (RDMG) agreed to set aside $80.000 million of RIF funding for critical minerals projects, however critical minerals are not included as an eligible primary focus area in the RIF eligibility requirements for individual businesses [CAB-24-MIN-0214 refers];

7 **Note** that the two projects outlined in this paper – the New Zealand Critical Minerals Separation Facility project (Westport project) and the Tāiko Critical Minerals Sand Separation Plant project (Barrytown project) – do not meet the RIF's Cabinet-approved eligibility criteria for investment in individual businesses due to their primary focus on critical minerals;

8 **Note** that, if successful, the projects could achieve significant benefits, including:

   8.1 creating or re-establishing an estimated 170 permanent high-value jobs;

   8.2 International relations

   8.3 generating more than $Com merc million in additional GDP;

9 **Note** that the two projects are Commercial Information Commerc ial and while some risks can be mitigated through funding conditions, material residual risk would remain;

3b9cmttej9 2026-07-13 15:53:42

10 **Note** that RDMG considers that, on balance, the potential scale of regional development benefits, alongside the strategic importance of critical minerals, is sufficient to justify RIF investment and an exception to the eligibility criteria;

11 **Note** section 65L of the Public Finance Act 1989 (PFA) empowers the Minister of Finance to provide a loan to any person or organisation if it appears to the Minister of Finance to be 'necessary or expedient in the public interest to do so' (the public interest test);

12 **Note** if Cabinet agrees to fund the two projects included in this Cabinet paper, Kānoa – Regional Economic Development & Investment Unit (Kānoa) will separately seek approval from the Minister of Finance to provide loans under section 65L of the PFA;

13 **Agree** to waive the requirement for these proposed investments to meet the RIF's eligibility criteria for investment in individual businesses, on the basis that the proposals could:

13.1 lift regional productivity;

13.2 International relations

13.3 support high-value employment;

14 **Agree** to provide a Commercial Information loan as the investment instrument and the following key terms from the RIF for the New Zealand Critical Minerals Separation Facility project:

Term	Proposed terms for this project
Borrower	Westland Mineral Sands Co Limited
Loan Amount	Up to $ Commercial Informatio million
Term	Up to Commercia years
Interest	Commercial Information
Repayment	Commercial Information
Security	Commercial Information
Option Commercial Information	
Entity	Westland Mineral Sands Co Limited
Shareholding	Commercial Information
Shares	Commercia
Director	Commercial Information

15 **Agree** this approval is subject to the standard conditions precedent and the following additional conditions being met to the satisfaction of Kānoa – Regional Economic Development & Investment Unit (Kānao) within Commerci Commercial of Cabinet approving this investment (unless otherwise agreed by Kānoa):

3b9cmttej9 2026-07-13 15:53:42

Commercial Information

16 **Agree** to provide a Commercial loan as the investment instrument and the following key terms from the RIF for the Tāiko Critical Minerals Sand Separation Plant project:

Term	Proposed terms for this project
Borrower	Tāiko Critical Minerals Limited Commercial Information Commercial Information
Loan Amount	Up to $Comme million
Term	Up to Co years
Interest	Commercial Information
Repayment	Commercial Information
Security	Commercial Information
Option Commercial Information	
Entity	Tāiko Critical Minerals Limited Commercial Information Commercial Information
Shareholding	Commercial Information
Shares	Commercial
Director	Commercial Information

17 **Agree** this approval is subject to the standard conditions precedent and the following additional conditions being met to the satisfaction of Kānoa within Co Commerci of Cabinet approving this investment (unless otherwise agreed by Kānoa):

Commercial Information

3b9cmttej9 2026-07-13 15:53:42

Commercial Information

18 **Note** If Cabinet agrees to fund these two projects totalling $50.000 million, then $Commercial million of funding will remain in the Critical Minerals $80.000 million RIF allocation. Commercial Information

Commercial Information

19 **Agree** to amend one of the RIF eligibility criteria for individual businesses agreed on 17 June 2024 to the following (*changes italicised*), to enable RDMG to approve otherwise-eligible critical minerals proposals for RIF funding:

19.1 be a business that has a primary focus on one of the following areas:

19.1.1 energy security, water security, food security, connectivity (transport solutions or digital connectivity), *critical minerals* or growth of a Māori-owned business that is critical to enabling outcomes throughout a community or region;

20 **Note** both the Westport and the Barrytown projects have requested funding for their own critical minerals testing facility, however, internationally sector-wide testing facilities for multiple firms are more common and generate greater economic efficiencies;

21 Commercial Information

Authorised for lodgement

Hon Shane Jones

Minister for Regional Development

3b9cmttej9 2026-07-13 15:53:42

Annex One: Regional Infrastructure Fund eligibility criteria

To be eligible for consideration for RIF funding, the applicant must:

- Be a New Zealand-based legal entity (which does not preclude partnering with offshore parties). A legal entity is an organisation with its own legal identity and constitution, separate from its members (for example, businesses, partnerships, trusts, councils, and iwi).
- Be able to deliver on a project asset based in one of the provincial regions of New Zealand. Specifically excluded are: Auckland (all elements of the Auckland Unitary Authority), Wellington (Wellington City, Lower Hutt City, Upper Hutt City, and Porirua City) and Christchurch City.
- Be focused on delivering a 'hard infrastructure' (for example, tangible or built) asset or completing physical works that protect existing Crown/local infrastructure or assets developed through the RIF.
- Contribute to improving regional resilience and/or productivity.
- Fit at least one of the RIF funding component definitions (resilience or enabling infrastructure).
- Show an ability to deliver, including an implementation plan appropriate to the size, scale and nature of the project, robust project governance/decision-making systems and risk identification and management.
- Have a co-investment element (from a private sector investor, iwi or other non-government entity) unless there are specific reasons why this not possible. All individual businesses with be expected to have co-investment.
- Require government financial support to progress or to attract private sector investment (either within the region or elsewhere) – in other words, the project would not otherwise happen without RIF support.
- Show alignment to regional development priorities.

Where the investment is for an asset in an individual business:

- Benefits and outcomes from the project should be non-exclusive to the individual business, meaning, the investment must generate broader benefits or services for other businesses or the community; and
- The business must have a primary focus on one of the following areas: energy security, water security, food security, connectivity (transport solution or digital connectivity), or growth of a Māori-owned business that is critical to enabling outcomes throughout a community or region.

Exclusions for funding

The following type of projects will not be eligible for RIF support:

3b9cmttej9 2026-07-13 15:53:42

- The project is based outside of the provincial regions of New Zealand. Specifically excluded are Auckland (all elements of the Auckland Unitary Authority), Wellington (Wellington City, Lower Hutt City, Upper Hutt City, and Porirua City) and Christchurch City.
- Projects already underway, unless the applicant can demonstrate why the project would not proceed further without RIF support and otherwise fits RIF criteria.
- ‘Business as usual’ infrastructure maintenance works.
- Purchases of land, except in instances where this is essential to the success of an investment-ready RIF eligible infrastructure project.
- Projects funded through the following central government programmes:
    - social infrastructure (housing and accommodation, schools, hospitals), large-scale national digital connectivity (broadband) initiatives and Roads of National Significance.
- Ancillary commercial activity such as marketing or business development.
- Funding for apprenticeships or Vocational Education and Training. Vocational Education is defined as preparing learners for jobs based in manual or practical activities.
- Potable water supply (water used for human consumption) projects, wastewater, or storm water management assets, except for the following that will remain eligible:
    - rural, community-owned water assets (not on the local authority’s water network);
    - water assets, not ‘business as usual’ assets and are directly critically enabling for eligible RIF projects, for example storm water assets typically vital to ensure the success of a floodbank project.

3b9cmttej9 2026-07-13 15:53:42

Annex Two: Investment Proposal - New Zealand Critical Minerals Separation Facility, West Coast

Proposal	**New Zealand Critical Minerals Separation Facility**		
Region	**West Coast**		
Applicant	**Westland Mineral Sands Co Limited (WMS)** A New Zealand registered entity incorporated in 2022.		
Project Description	To build a floatation circuit and dry mineral separation plant in Westport, enabling the processing of critical minerals from heavy mineral concentrate.		
Rationale for Government investment	Government investment will support the development of an **onshore critical minerals supply chain** in New Zealand, **adding value through onshore processing** International relations of high-value critical minerals products.		
Total Project Value	$Commercial million	**RIF priority area**	Critical Minerals allocation
RIF Funding Requested	$Commercial million Commercial	**RIF Funding Recommendation**	Up to a $30.000 million loan

Proposal Summary

1. The New Zealand Critical Minerals Separation Facility project is a $Commercial Informat million project to build a mineral separation and floatation plant consisting of a floatation circuit, dry mineral separation plant and onsite laboratory and testing facilities in Westport.

2. Critical minerals are essential inputs across a wide range of strategically important industries, underpinning modern energy systems, advanced manufacturing, digital technologies, and defence capabilities. They have become a key geostrategic lever, and the need to diversify their supply chains is the subject of intense global discussion. New Zealand's critical mineral resources have driven interest in us as an investment destination, and created an enduring economic opportunity for the country.

3. Our international partners see New Zealand as part of the solution to grow a broad-based supply chain. New Zealand has an opportunity to capitalise on the growing demand for stable, diverse and responsible critical minerals supplies. Westland Mineral Sands Co Limited (WMS) is a New Zealand owned, vertically integrated mineral sands and bulk logistics company. WMS mines and processes mineral sand at its Buller South Pilot Mine, producing heavy mineral concentrate through a spiral extraction plant. WMS has been exporting heavy mineral concentrate to international customers but has not exported any heavy mineral concentrate since July 2025, due to a softening in the market and higher transport logistics costs.

4. WMS is proposing to move from mining and selling heavy mineral concentrate to additional processing and the exporting of a variety of higher-value products. The project consists of:

    a. a floatation circuit to separate rare earth elements ore (monazite) from heavy mineral concentrate

3b9cmttej9 2026-07-13 15:53:42

b. a dry mineral separation plant to produce ilmenite, garnet and zircon, and

c. associated project infrastructure.

Benefits

5. The project would contribute to the Government's critical minerals ambitions by onshoring the higher value-portion of a strategic critical minerals supply chain. It would also support the development of a high-value industry in the West Coast region.

6. Key project benefits include:

   a. Creation of Commercial high-value jobs during project construction

   b. Re-establishment of around Commercial jobs for staff that run WMS' mining operation (these roles are currently disestablished)

   c. International relations

   d. Strengthening of New Zealand's Critical Minerals supply chain resilience.

Benefit	Rating	Comments
Local	High	The Project is expected to: • Create Commercial high-value skilled jobs on the West Coast through construction, with the redevelopment of WMS' workforce to undertake mining activity (WMS currently in a care and maintenance mode), and strong indirect economic benefits flowing from the expansion of WMS' construction and mining activity. • Improve utilisation and long-term viability of Westport Port and coastal shipping infrastructure.
Regional	Medium	• Increased sector development, knowledge and IP generation relating to Critical minerals exploration and mining activity. • Increased regional GDP.
National / Sector	Medium	• International relations • Enhance New Zealand's strategic resilience and sovereign capability in critical minerals extraction and processing.

Risks

Commercial Information

3b9cmttej9 2026-07-13 15:53:42

Risk	Rating	Comments
Benefit realisation	Commercial Information [redacted]	
Project delivery		
Operational		
Credit		

Revised funding recommendation

9. WMS is seeking RIF funding for a mineral separation plant Commercial Information [redacted] Commercial Information [redacted]

10. Internationally, sector-wide laboratory and testing facilities for multiple firms are more common (and generate greater economic efficiencies) than facilities built into single firms. Commercial Information [redacted] Commercial Information [redacted]

11. The project falls outside of the RIF eligibility criteria as it is not in the approved focus areas for individual business investments[5], and therefore requires Cabinet approval to fund. Cabinet approval is also required as the project does not meet RIF co-funding requirements for individual businesses (see *Commercial and Financial Case Summary* section below).

Alignment with Government priorities

12. The **Going For Growth** economic plan outlines five pillars to drive New Zealand's economic transformation. The proposal aligns with the *infrastructure for growth* pillar.

13. The project contributes to the *infrastructure for growth* pillar by developing value-added mineral processing infrastructure in the West Coast region.

14. The project aligns with New Zealand's Minerals Strategy to 2040, which sets a goal to double the value of mineral exports to NZ$3.000 billion by 2035. An outcome of

[5] Energy security, water security, food security, connectivity (transport solutions or digital connectivity), or growth of a Māori-owned business that is critical to enabling outcomes throughout a community or region [CAB-24-MIN-0214].

3b9cmttej9 2026-07-13 15:53:42

the strategy is that our critical minerals are sought after and support resilient supply chains, here and overseas.

15. The project will produce the ores of three critical minerals identified on the **2025 Critical Minerals List –** monazite, ilmenite and zircon[6]. By producing these minerals locally, the project supports the New Zealand's Minerals Strategy's goal to strengthen supply chain resilience, reduce exposure to international disruptions, and double mineral exports to $3.000 billion by 2035.

Regional strategic context

16. The West Coast region has a GDP per capital of $75,058, slightly below the New Zealand average of $78,233. The deprivation index for the region is 6.8, somewhat above the national average of 5.6.

17. The West Coast region possesses unique geology, which holds a diverse range of valuable resources, including high-grade coal, alluvial gold and mineral sands containing critical minerals in high concentrations compared to international benchmarks.

18. Consequently, the West Coast region has a significant comparative advantage in mining, with mining accounting for 7.9 per cent of regional GDP, whereas it contributes just 0.7 per cent to national GDP. Mining jobs are well-paid: median mining salaries are over 60 per cent higher than the median salaries for all industries in the West Coast region.

19. The *Te Tai Poutini West Coast 2050 Strategy* seeks to secure long term economic prosperity and resilience by realising the region's natural resources to unlock economic opportunities whilst protecting and enhancing the natural environment. It aims to do this by focusing on adding value, which aligns with the focus of this project on adding value through mineral processing.

Commercial and financial case summary

20. WMS requests a $Commercial Information for the project. For the reasons outlined above, Kānoa considers Commercial Information
Commercial Information

21. Financial Instrument Assessment Framework (FIAF) assessment of the project indicates a Commercial Information
Commercial Information
Commercial Information

22. Kānoa recommends contributing $Commercial million towards the $Commercial million project, noting there could be a project cost escalation up to $Commercial million with detailed design and costing yet to be completed. There is therefore a $Commercial million funding shortfall which needs to be met by WMS to complete the project, in addition Commercial Information

[6] Monazite is the ore from which rare earth elements are produced, and zircon and ilmenite are the ores from which zirconium and titanium, are produced. Rare earth elements, zirconium and titanium are included on the 2025 Critical Minerals List. New Zealand does not currently have the domestic processing capacity to produce these critical minerals from their ores.

3b9cmttej9 2026-07-13 15:53:42

23. It is currently Commercial Information Commercial Information

24. Co-funding of $Comme million Co per cent) falls slightly below the RIF's co-funding requirements for individual businesses of 50 per cent [CAB-24-MIN-0168.02], also requiring Cabinet approval to fund.

Conditions of funding approval

25. Release of the funding is conditional on standard Kānoa terms and conditions and the following additional conditions:

    Commercial Information

Impact if the Government does not invest via the RIF

26. The applicant has stated that without RIF funding, the project is unlikely to secure sufficient additional investment to proceed and its benefits would not be realised.

Management case summary

27. The project will be led by appropriately experienced senior management at WMS including Chief Development Officer Tim Chase, who has over 30 years of experience on project development, construction, commissioning and operations, as well as experienced Managing Director Ray Mudgway and Chief Operating Officer Mike Stewart. In addition, WMS has undertaken significant consenting, physical works and operational activity for its mineral sands mining operation in recent years. Kānoa therefore considers WMS has the capability to undertake the project.

Investment readiness

28. Overall, Commercial Information, hence the proposed conditions. While the project is costed, a detailed design and costing exercise is still required to refine costs and reduce contingency. Commercial Information and the purchase of key plant items will be required once funding is secured.

29. Consents are in place for the existing mining operation, but consenting is still required for a 100-hectare expansion to the existing mining operation. A building consent will also need to be lodged once funding is secured.

30. The project is estimated to take between Commercial Information until the mineral separation plant is fully up and running, depending on the procurement approach taken (new or second-hand plant). Purchase of a new plant will take the longer time. However Commercial Information Commercial Information Commercial Information. The first portions of the plant would arrive in Westport within Information with the full plant commissioning in the next Commercial WMS will have re-commenced its existing operations beforehand so that mining starts again Commercial Information

3b9cmttej9 2026-07-13 15:53:42

Project risk summary

31. As outlined above, Commercial Information [redacted] Commercial Information [redacted] WMS has placed its operations into care and maintenance mode Commercial Information [redacted] Commercial Information [redacted]

Commercial Information [redacted] Additional risks to the project include:

Commercial Information [redacted]

32. Kānoa seeks to manage these risks where possible through the following:

Commercial Information [redacted]

Feedback from CRHL and agency consultation

33. Officials have incorporated feedback from other agencies and Crown Regional Holdings Limited (CRHL) on the proposal.

Crown Regional Holdings Limited

34. The Crown Regional Holdings Limited (CRHL) Board is conditionally supportive of the proposal, noting both the project's commercial and operational risks and potential to deliver significant economic returns if successful. Directors considered that an Commercial Information [redacted] Commercial Information [redacted] Commercial Information [redacted] and recommended Ministers consider this alternative.

Commercial Information [redacted]

3b9cmttej9 2026-07-13 15:53:42

35. Directors also recommended that the approval be subject to the following conditions precedent, reflecting the high-risk nature of the project:

Commercial Information [redacted]

36. Kānoa considers the existing funding structure of Commercial Information [redacted] Similarly, Kānoa considers that the existing conditions precedent it has proposed are appropriate for managing the project's risks.

MBIE Resources Policy

37 Commercial Information [redacted]

38. Free and frank opinions [redacted]

39. Although WMS's rare earth production has strategic value, the proposed processing would only capture an early stage of the value chain, with limited contribution to supply chain resilience, particularly given its inability to operate through current market conditions.

40. Kānoa largely agrees with the assessment of MBIE resources policy Commercial [redacted] Commercial Information [redacted] and the risk of Free and frank [redacted] is partially mitigated by RIF investment being used to develop new added-value processing and not to restart WMS' previous operations.

Te Puni Kōkiri

41. TPK acknowledges Commercial Information [redacted] It notes that each of the two critical minerals projects originally included their own lab facility which have been removed in the revised Kānoa proposals. It is therefore concerned that as a result, Commercial Information [redacted] Free and frank opinions [redacted] Free and [redacted]

42. *Te Rūnanga o Ngāti Waewae* have been consulted on this proposal. Commercial [redacted] Commercial Information [redacted]

3b9cmttej9 2026-07-13 15:53:42

Commercial Information [redacted]

43. Kānoa has assessed the WMS and Tāiko Critical Minerals Sand Separation Plant projects in parallel and, Commercial Information [redacted] considers investment in both is feasible.

Ministry of Foreign Affairs and Trade

44. Legal professional privilege, International relations [redacted]

45. Legal professional privilege [redacted]

46. Legal professional privilege [redacted]

47. The Ministry of Social Development (MSD) is supportive of the proposal. MSD has 23 deeds of settlement with Ngāti Rārua in the area, and the proposal appears not to contradicts MSD's commitment through these deeds of settlement.

48. Support from MSD is provided on the basis that:

    Commercial Information [redacted]

49. Engagement with MSD and consideration of employment opportunities for job seekers is a standard step undertaken following approval of RIF projects, and Kānoa will ensure that there is engagement with MSD regarding the workforce opportunities for this project if funding is approved. Commercial Information [redacted] Commercial Information [redacted]

Approved and proposed RIF funding in region

50. There have been eight projects for a total of $33.700 million RIF funding previously approved in the West Coast region:

    a. Flood resilience (four projects) – 16.072 million grant.

    b. Hokitika Airport Redevelopment - $9.800 million loan.

    c. Jackson Bay Wharf Upgrade – $2.311 million grant.

    d. Westport Harbour Infrastructure – $3.216 million loan.

    e. Greymouth Port Infrastructure -$2.297 million loan.

51. There are further projects for the West Coast region in the pipeline, including:

    a. Tāiko Critical Minerals Sand Separation Plant - $20.000 million loan.

3b9cmttej9 2026-07-13 15:53:42

3b9cmttej9 2026-07-13 15:53:42

Annex Three: Investment Proposal - Tāiko Critical Minerals Sand Separation Point, West Coast

Proposal	**Tāiko Critical Minerals Sand Separation Plant**		
Region	**West Coast**		
Applicant	**Tāiko Critical Minerals Limited (TCM)** A New Zealand registered entity incorporated in 2015.		
Project Description	To develop a mineral sand mining and processing operation near Barrytown, including production of heavy mineral concentrate and subsequent processing into higher value products including ilmenite, zircon and garnet.		
Rationale for Government investment	Government investment will support the development of an **onshore critical minerals supply chain** in New Zealand, **adding value through onshore processing** International of high-value critical minerals products.		
Total Project Value	$Commercial million	**RIF priority area**	Critical Minerals allocation
RIF Funding Requested	$Commercial million loan	**RIF Funding Recommendation**	Up to a $20.000 million loan

Proposal Summary

1. The Tāiko Critical Minerals Sand Separation Plant project is an $Commercial Informatio million project to develop a mineral sands mining operation, heavy mineral concentrate spirals plant, mineral separation plant, and an onsite testing facility near Barrytown on the West Coast.
2. Critical minerals are essential inputs across a wide range of strategically important industries, underpinning modern energy systems, advanced manufacturing, digital technologies, and defence capabilities. They have become a key geostrategic lever, and the need to diversify their supply chains is the subject of intense global discussion. New Zealand's critical mineral resources have driven interest in us as an investment destination, and created an enduring economic opportunity for the country.
3. Our international partners see New Zealand as part of the solution to grow a broad-based supply chain. New Zealand has an opportunity to capitalise on the growing demand for stable, diverse and responsible critical minerals supplies.
4. Tāiko Critical Minerals Limited (TCM) is a company focused on the development of onshore mineral sands resources. It aims to develop a long-life mining and processing operation of more than 20 years, driven by domestic mineral processing capability and sustained export of critical minerals to international markets. The higher-value processing activities will be underpinned by the establishment of mineral sand mining and heavy mineral concentrate production as feedstock. The project consists of:
    a. Associated capital assets and infrastructure.

b. Development of a heavy mineral concentrate spirals plant.[8]

c. Development of a mineral separation plant and onsite testing facility (producing individual mineral products such as ilmenite, garnet and zircon).

Benefits

5. The project would contribute to the Government's critical minerals ambitions by onshoring the higher-value portion of a strategic critical minerals supply chain. It would also support the development of a high-value industry in the West Coast region.

6. Key project benefits include:

a. Creation of around Co m roles during construction.

b. Creation of around Com ongoing high-value jobs on the West Coast.

c. International relations

d. Strengthening of New Zealand's Critical Minerals supply chain resilience.

Benefit	**Rating (high/medium/low)**	**Comments**
Local	High	The Project is expected to: • Create around Co high-value skilled jobs on the West Coast (Tāiko operational staff); • Improve utilisation of rail logistics from Rapahoe to East Coast ports including Lyttelton and Timaru. • Indirect economic benefits for Barrytown and surrounding West Coast communities through an increased workforce living in the area.
Regional	Medium-High	• Increased sector development, knowledge and IP generation relating to Critical minerals exploration and mining activity. • Increased regional GDP.
National / Sector	High	• International relations • Enhance New Zealand's strategic resilience, and sovereign capability in critical minerals extraction and processing. Contribute to efforts by various trade partners to develop new critical minerals supply chains.

Risks

22 The project carries a level of risk associated with a startup operation. The project company, TCM has successfully listed on the New Zealand Stock Exchange but has Commercial TCM has no operating history, and therefore faces the usual challenges of a start-up business, but it has a management team with extensive mining industry experience. Other risks include Commercial Information Commercial additional resource consent requirements to expand mining operations to their full forecast size, Commercial Information and Commercial Information

[8] Spiral plants work using gravity to separate minerals from sand, producing a heavy mineral concentrate for further processing.

23 Recommended mitigations for key project risks include Commercial [redacted] and updated budgets Commercial Information [redacted]
Commercial Information [redacted]

Risk	Rating (high/medium/low)	Comments
Benefit realisation	Commercial Information [redacted]	
Project delivery		
Operational		
Credit		

Revised recommendation

7. After initially applying for [redacted] million of RIF funding, TCM revised its funding request to [redacted] million for the mineral separation plant portion of the project. [redacted]
Commercial Information [redacted]

8. Internationally, sector-wide laboratory and testing facilities for multiple firms are more common (and generate greater economic efficiencies) than facilities built into single firms. Negotiations [redacted]
Negotiations [redacted]

9. The project falls outside of the RIF eligibility criteria as it is not in the approved focus areas for individual business investments[9], and therefore requires Cabinet approval to fund.

Alignment with Government priorities

10. The **Going For Growth** economic plan outlines five pillars to drive New Zealand's economic transformation. The proposal aligns with the *infrastructure for growth* pillar.

11. The project contributes to the *infrastructure for growth* pillar by developing value-added mineral processing infrastructure in the West Coast region.

---

[9] Energy security, water security, food security, connectivity (transport solutions or digital connectivity), or growth of a Māori-owned business that is critical to enabling outcomes throughout a community or region [CAB-24-MIN-0214].

3b9cmttej9 2026-07-13 15:53:42

12. The project aligns with New Zealand's Minerals Strategy to 2040, which sets a goal to double the value of mineral exports to NZ$3.000 billion by 2035. An outcome of the strategy is that our critical minerals are sought after and support resilient supply chains, here and overseas.

13. The project will produce the ores of three critical minerals identified on the **2025 Critical Minerals List –** monazite, ilmenite and zircon[10]. By producing these minerals locally, the project supports the New Zealand's Minerals Strategy's goal to strengthen supply chain resilience, reduce exposure to international disruptions, and double mineral exports to $3.000 billion by 2035.

Regional strategic context

14. The West Coast region has a GDP per capital of $75,058 slightly below the New Zealand average of $78,233. The deprivation index for the region is 6.8, somewhat above the national average of 5.6.

15. The West Coast region possesses unique geology, which holds a diverse range of valuable resources, including high-grade coal, alluvial gold and mineral sands containing critical minerals in high concentrations compared to international benchmarks.

16. Consequently, the West Coast region has a significant comparative advantage in mining, with mining accounting for 7.9 per cent of regional GDP, whereas it contributes just 0.7 per cent to national GDP. Mining jobs are well-paid: median mining salaries are over 60 per cent higher than the median salaries for all industries in the West Coast region.

17. The Te Tai Poutini West Coast 2050 Strategy seeks to secure long term economic prosperity and resilience by realising the region's natural resources to unlock economic opportunities whilst protecting and enhancing the natural environment. It aims to do this by focusing on adding value, which aligns with the focus of this project on adding value through mineral processing.

Commercial and financial case summary

18. TCM requests a $Commercial million loan for the project. For the reasons outlined above, Kānoa considers a reduced funding quantum of up to $Commercial million, reflecting an adjusted project scope, is appropriate.

19. Financial Instrument Assessment Framework (FIAF) assessment of the project Commercial Information based on a rating of high strategic alignment, high commercial potential and moderate implementation complexity. Kānoa recommends that a Commercial loan is provided Commercial Information

Securing co-funding for the project is still at an early stage

20. TCM intends to provide up to $67.000 million of co-funding towards the project. TCM has a significant shareholder list, and listed on the NZX in early March 2026 with a view to raising significant capital later in the year. TCM has provided the following breakdown of co-funding sources:

    a. Pre-IPO equity: $Commercial million (already secured).

[10] Monazite is the ore from which rare earth elements are produced, and zircon and ilmenite are the ores from which zirconium and titanium, are produced. Rare earth elements, zirconium and titanium are included on the 2025 Critical Minerals List. New Zealand does not currently have the domestic processing capacity to produce these critical minerals from their ores.

3b9cmttej9 2026-07-13 15:53:42

b. DWC equity: $Comm million (major shareholder).

c. ASX or NZX equity: $Comm million.

d. Other debt/equity: $Comm ercial million.

21. Commercial Information

22. Proposed applicant co-funding of up to Co per cent of total project costs surpasses the RIF minimum 50 per cent co-funding requirement for individual businesses [CAB-24-MIN-0168.02].

Conditions of funding approval

23. Release of the funding is conditional on standard Kānoa terms and conditions and the following additional conditions:

Commercial Information

Impact if the Government does not invest via the RIF

24. The applicant has stated that without RIF funding, the project is unlikely to secure sufficient additional investment to proceed and its benefits would not be realised.

Management case summary

25. The project will be led by appropriately experienced senior management at TCM including Chief Executive Officer Robert Brand, who has 40 years' experience in the industrial and critical minerals sector including as CEO of two of the world's largest industrial garnet companies, and Chief Financial Officer Paul Mason, who has 25 years' experience in the resources industry, working on the development, construction and operating of a number of resource projects.

26. However, despite very experienced board and management, the company has not yet commenced mining operations, and is limited to a small core management and project team. Additional senior staff will therefore be required to fill roles and workforce development will be a key deliverable, and risk, for the project. Kānoa considers that TCM has the appropriate capability to lead the expansion of its team, which will be required to undertake the project.

Investment readiness

27. Overall, the project is not yet considered investment ready, hence the proposed conditions. While the project has all necessary resource consents, mining permits, lease and other agreements to commence operations, Commercial Information Commercial and Fast-track approval is needed to undertake the full scale and expansion

3b9cmttej9 2026-07-13 15:53:42

elements of the project. A building consent will also need to be lodged once the project has secured funding, as will the purchase of key plant items.

28. A standard consent has been approved for the operation of one of the project land blocks, approximately 63 hectares, and a 12-year period. The project is listed in Schedule 2 of the Fast-track Approvals Act 2024, and Fast-track consent will be sought to extend this across two additional blocks and for a total 30-year period (this timeline includes establishment and remediation works).

29. If funding is secured, the project is expected to complete a definitive feasibility study in Commercial Information [redacted] with final project completion in Commercial Information [redacted]

Project risk summary

30. As outlined above, the project carries a level of risk associated with a startup operation. Key risks include:
    a. Commercial Information [redacted]
    b. [redacted]
    c. [redacted]
    d. [redacted]

31. Kānoa seeks to manage these risks where possible through the following:
    a. Commercial Information [redacted]
    b. [redacted]
    c. [redacted]
    d. [redacted]
    e. [redacted]
    f. [redacted]

Feedback from CRHL and agency consultation

32. Officials have incorporated feedback from other agencies and Crown Regional Holdings Limited (CRHL) on the proposal.

Crown Regional Holdings Limited

33. The Crown Regional Holdings Limited (CRHL) Board is conditionally supportive of the proposal, noting the project Commercial Information [redacted] is at an early stage. Commercial Information [redacted] Commercial Information [redacted] To enable Commercial Information [redacted]

3b9cmttej9 2026-07-13 15:53:42

this. Directors indicated a preference for a Commercial Information [redacted] and recommended Ministers consider this alternative.

34. Directors also recommended that the approval be subject to the following conditions precedent, reflecting the high-risk nature of the project:

Commercial Information [redacted]

35. Kānoa considers the existing funding structure of a Commercial Information [redacted]

MBIE Resource Policy

36. MBIE Resource Policy considers the TCM proposal Commercial Information [redacted] although the best outcome for both the West Coast and New Zealand would be for both projects to succeed. Commercial Information [redacted] The project is underpinned by a researched and defined resource base, enabling clearer assessment of scale, value, and risk.

37. MBIE resource policy considers the Commercial Information [redacted] As a potential second critical minerals production facility, TCM would also diversify supply, which is especially valuable given WMS's current suspension of operations. Commercial Information [redacted]

38. Kānoa largely agrees with assessment of MBIE resources policy, noting that both WMS and Taiko would offer similar early-stage critical minerals processing, and that either/both would improve supply diversity Commercial Information [redacted]

Te Puni Kōkiri

39. TPK acknowledges Commercial Information [redacted] It Negotiations [redacted] It notes that each of the two critical minerals projects originally included their own lab facility which have been removed in the revised Kānoa proposals. Commercial Information [redacted]

40. *Te Rūnanga o Ngāti Waewae* have been consulted and are supportive of this proposal.

Ministry of Foreign Affairs and Trade

41. Legal professional privilege [redacted]

3b9cmttej9 2026-07-13 15:53:42

42. Commercial Information [redacted]

43. Commercial Information [redacted]

Ministry of Social Development

44. The Ministry of Social Development (MSD) is supportive of the proposal. MSD has 23 deeds of settlement with Ngāti Rārua in the area, and the proposal appears not to contradicts MSD's commitment through these deeds of settlement.

45. Support from MSD is provided on the basis that:
    a. Commercial Information [redacted]
    b. [redacted]
    c. [redacted]

46. Engagement with MSD and consideration of employment opportunities for job seekers is a standard step undertaken following approval of RIF projects, and Kānoa will ensure that there is engagement with MSD regarding the workforce opportunities for this project if funding is approved. Kānoa has Commercial Information [redacted] Commercial Information [redacted]

Approved and proposed RIF funding in region

47. There have been eight projects for a total of $33.700 million RIF funding previously approved in the West Coast region:
    a. Flood resilience (four projects) – 16.072 million grant.
    b. Hokitika Airport Redevelopment - $9.800 million loan.
    c. Jackson Bay Wharf Upgrade – $2.311 million grant.
    d. Westport Harbour Infrastructure – $3.216 million loan.
    e. Greymouth Port Infrastructure -$2.297 million loan.

48. There are further projects for the West Coast region in the pipeline, including:
    a. New Zealand Critical Minerals Separation Facility - $30.000 million loan.

3b9cmttej9 2026-07-13 15:53:42

Annex Four: Critical Minerals Information Pack

Attached separately.

3b9cmttej9 2026-07-13 15:53:42