

CROWN MINERALS ACT 1991
CROWN MINERALS (MINERALS OTHER THAN PETROLEUM) REGULATIONS 2007

Guidance on Annual Summary Reports

Annual Summary Reports (“ASRs”),¹ are a requirement under the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 (the “Regulations”). Permit holders must annually submit an ASR to NZP&M summarising activities carried out on the permit over the previous calendar year.

An ASR provides NZP&M an insight into activities carried out on the permit over the previous calendar year and is a tool for NZP&M to track a permit holder’s compliance with the work programme and the Crown Minerals Act 1991 (the “Act”). The ASR also provides NZP&M with valuable information on the development of New Zealand’s mineral estate.

PURPOSE

This guideline explains what must be submitted in ASRs to assist permit holders with complying with the relevant regulations. Compliance is based on timeliness and quality. For an ASR to be fully compliant, it must be submitted to NZP&M on time and meet all the requirements set out in the regulations.

Technical data, and the results and interpretations of work undertaken, are to be provided separately as required by permit work programme conditions or under the reporting requirements of Regulation 33².

LEGISLATIVE CONTEXT

Regulations 35 to 39

Regulations 35 to 39 set out the requirements for submission of ASRs. Schedule 4 of the regulations details the required content of ASRs and is the basis for the relevant ASR forms on the NZP&M website.

The ASRs required for different permit types are specified under separate regulations as follows.

¹ Referred to in parts of the regulations simply as Annual Reports.

² Covered in a separate guideline on work programme compliance.

REGULATION	REPORT	FORM USED	REQUIRED	RELEVANT SCHEDULE
Regulation 35	Annual summary report on prospecting and exploration activities	Form 13	Mandatory for prospecting and exploration permits, and for Tier 1 mining permits where exploration has been carried out	Schedule 4 Part 6
Regulation 37	Expenditure on prospecting and exploration activities	Form 13	Mandatory for prospecting and exploration permits, and for mining permits where exploration has been carried out	Schedule 4 Part 6
Regulation 36	Special report on prospecting or exploration activities	none	May apply if the conditions of a permit require the permit holder to have completed a major stage of prospecting or exploration. This is a summary report only and does not take the place of full technical reporting	Schedule 4 Part 7
Regulation 38	Annual report on mining activities under Tier 1 mining permits	Form 14	Mandatory for Tier 1 mining permits	Schedule 4 Part 8
Regulation 39	Annual report on mining activities under Tier 2 mining permits	Form 14	Mandatory for Tier 2 mining permits	Schedule 4 Part 9

APPLICABLE GUIDELINES

The regulations set out the requirements of an ASR, which must be submitted on the prescribed forms available on the NZP&M website. NZP&M's online permitting system will allow permit holders to submit their annual summary reports online from 2016. What follows is an explanation of specific regulations and their relevant schedules, including a description of individual reporting items.

PROSPECTING AND EXPLORATION PERMITS – REGULATION 35 AND REGULATION 37 – FORM 13

ASRs for prospecting and exploration permits are intended to summarise the activities undertaken on the permit for a calendar year. Regulation 35 applies to all Tier 1 and Tier 2 prospecting and exploration permits. Holders of mining permits that submit ASRs under Regulation 38 (most Tier 1 mining permits) must also provide an annual report on any prospecting and exploration activities carried out in the permit under regulation 35.

Requirements for an ASR on prospecting and exploration are set out in Part 6 of Schedule 4 of the regulations. These include summary information on exploration activities such as drilling and sampling, and whether any mining feasibility studies were carried out.

Information is also required on the latest resource and reserve estimates, allowing NZP&M to track knowledge of the Crown's mineral resources.

Up-to date estimate of resource (Tier 1)

Tier 1 permit holders must provide an up-to-date resource estimate that:

- › is in accordance with a recognised resource classification code. Under the Act these are the JORC Code, Canadian National Instrument 43-101, or the South African Code³. For ASRs, only the resource and reserves estimate and the Competent Person statement and signature are required. NZP&M may request the complete JORC Table 1 or equivalent and the supporting information for Table 1 if it has not previously been provided.
- › includes a spatial definition of the areas to which the figures in the estimate apply. This would generally be a map of estimate areas and is expected to cover all the resources in the permit area. Permit holders are required to provide a spatial definition of the areas to which the estimates apply. This can be either a map or a digital model of the resource, but should enable NZP&M to get an understanding of the subdivision and extent of the resource. If the resource is in relation to a producing mine it should also be provided in a digital format that can be viewed with the mine plan. See the Interim Guide to Completing and Submitting mine plans for Annual Summary Reporting.
- › includes a statement of the criteria used to determine the estimate and whether the estimate is made on the basis of a scoping, pre-feasibility, or feasibility study⁴.
- › if exploration is at such an early stage that no resource estimate is possible, an explanation should be made to that effect.

Resources should be inclusive of reserves. Even if resource and reserve estimates have not changed, a permit holder is still required to complete this section of the ASR and not simply refer to the previous year's estimates.

Where possible, resources and reserves should be reported for each block, estimate area or domain within a permit area rather than being amalgamated for the whole permit area.

Digital models or plans should be provided in the NZTM 2000 datum, not in a local mine or circuit grid. The information outlined in Regulation 4 (b) also needs to be provided for all maps or plans submitted

Total in-ground resources (Tier 1 and Tier 2)

This is the permit holder's estimate of the total in-ground mineral resource within the permit area, irrespective of the reporting limitations of any resource reporting or classification code.

Without an estimate of the total in-ground mineral resource, NZP&M would not have a full inventory of New Zealand's mineral resources if it relied solely on what was reported under a recognised reporting classification code. Resources reported in accordance with a recognised reporting classification code are limited to those that have reasonable prospects for economic extraction. Portions of a deposit that do not have reasonable prospects for economic extraction cannot be reported under these codes. Comparison of resources and in-ground estimates is important for NZP&M to assess efficient resource use, potential sterilisation of resources, and good industry practice.

Reports (Tier 1)

A list must be submitted to NZP&M of all reports created by, or for, the permit holder the previous calendar year. The reports to be listed are not just those technical reports required by work programmes, but all other technical reports and feasibility studies related to permit activities are known. This includes environmental and health and safety reports. This is not a requirement to submit all the reports listed, but as a check against the requirement that all technical reports (as prescribed in Regulation 33) are submitted to NZP&M under regulation 33 within 40 working days of the next anniversary date of the permit. NZP&M will ask for reports it requires that have not been submitted.

MINING PERMITS (TIER 1) – REGULATION 38 – FORM 14

ASRs for mining permits are NZP&M's main insight into the activities being carried out on a mining permit and make an important contribution to Annual Review Meetings.

This regulation does not apply to holders of Tier 1 mining permits for an underground mine if the annual royalty payable by the permit holder for the minerals obtained under the permit is less than or equal to \$50,000. For these Tier 1 mining permits, see the guideline for Regulation 39 below.

³ See the guidelines on "Resource and Reserve reporting" for further guidance.

⁴ See the guidelines on "Scoping, pre-feasibility, and feasibility studies" for further guidance

Mine production

ASRs require a summary of mine production. This guideline clarifies what information NZP&M expects as a summary of mine production from the previous year.

- › Production: the total volume of mineral produced from the permit, including from stockpiles. This should be recorded for each mineral mined in the permit.
- › Overburden mined: the total volume overburden moved in the operation.
- › Ore mined: the total volume of ore removed from *in situ*.
- › Ore stockpiled: ore mined that was stockpiled rather than processed.
- › Material processed: the material processed from ore mined and ore from stockpiles.

Forecast production

Forecast production should follow the same format as reported production. If there is no production forecasted for the permit, a reason should be given.

Mine plans

Permit holders are required to provide NZP&M a plan in digital format of all mine workings and planned developments and the timing of the developments for the following year.

New data submission standards for mine plans are currently being developed and will be incorporated into a separate guideline. See the Interim Guide to Completing and Submitting mine Plans for Annual Summary Reporting.

Up-to-date estimate of the resource

See guidance above under Regulation 35.

Total in-ground resource

See guidance above under Regulation 35.

Reports

A list must be submitted of all reports created by the permit holder or for the permit for the previous calendar year. The reports to be listed are not just those technical reports required by work programmes, but all other technical reports and feasibility studies related to permit activities. This includes environmental and health and safety reports. This is not a requirement to submit all the reports listed, but as a check against the requirement that all technical reports (as prescribed in Regulation 33) are submitted to NZP&M under Regulation 33 within 40 working days of the anniversary date of the permit. NZP&M will ask for reports it requires that have not been submitted.

5 Exploration is defined by the Act as activity undertaken for the purpose of identifying mineral deposits and evaluating the feasibility of mining particular deposits and includes any drilling necessary to determine the nature and size of a mineral deposit.

Prospecting and exploration activities

Tier 1 mining permit holders are required to report under regulation 35 on any prospecting and exploration carried out on the permit. While prospecting and exploration work is commonly carried out within mining permits, most do not have a specific requirement to report on prospecting and exploration work in their work programmes, as is the case for prospecting and exploration permits.

Exploration ⁵ drilling must be reported, but not mine development drilling within the delineated resource.

NZP&M has designed the prescribed Form 14 for a Tier 1 mining permit to incorporate the requirements of Regulation 35 while avoiding double reporting, as several requirements under Regulation 35 are the same under Regulation 38 (for example Resource and Reserve reporting).

MINING PERMITS (TIER 2) – REGULATION 39 – FORM 14

The Form 14 ASR for Tier 2 mining permits is a reduced version of the report required for Tier 1 permits, a result of amendments to the Act in 2013 to simplify and streamline processes for Tier 2 permits.

Regulation 39 also applies to holders of Tier 1 mining permits for an underground mine if the annual royalty payable by the permit holder for the minerals obtained under the permit is less than or equal to \$50,000. This is designed so that small underground mines do not have to report resources and reserves in accordance with the JORC or other recognised code.

Part 9 of Schedule 4 of the regulations describes what is required to be submitted in an ASR under regulation 39.

Regulation 39(4) states that a permit holder must, but only if requested by NZP&M, supply either or both of the following:

- a summary of the mining and processing methods proposed to be employed at the mine in the next calendar year
- the proposed location, extent, and direction of mining and time period within which operations will take place in the next calendar year, including appropriate maps and plans necessary to enable a sound understanding of the proposed operations.

For Tier 1 underground mining permits that fall under Regulation 39, NZP&M requires the information under Regulation 39(4) in lieu of providing detailed information otherwise required by other Tier 1 mining permit holders under Regulation 38. NZP&M has incorporated this into the prescribed Form 14.

Mine production

See guidance under Regulation 38.

TIER 2 COAL MINING PERMITS

Holders of Tier 2 mining permits for coal are required to provide up-to-date estimates of the coal resources. This will include total in-ground resources (see guidance under Regulation 35), inferred, indicated and measured resource; and proved and probable reserves. The resource and reserves are not required to be reported in accordance with a recognised resource reporting classification code.

HOBBY/RECREATIONAL OPERATIONS

For hobby/recreational operations as defined under Schedule 1 of the Minerals Programme, NZP&M only requires the permit holder to provide the production from the permit (i.e. how much ore was recovered) and how much the permit holder anticipates producing in the coming calendar year under Forecast Production.

This reduction of reporting requirements applies mainly to permits for suction dredging and beach sand.

ANNUAL REPORT ON EXPENDITURE ON PROSPECTING AND EXPLORATION ACTIVITIES – REGULATION 37

All permit holders are required to report on all expenditure on prospecting and exploration activities carried out on the permit, regardless of the permit type. This means holders of a mining permit must provide expenditure on prospecting and exploration carried out on the permit.

The reporting requirements of Regulation 37 are incorporated into the prescribed ASR forms

SPECIAL REPORT ON PROSPECTING OR EXPLORATION ACTIVITIES – REGULATION 36

Under Regulation 36, NZP&M may request a special report summarising any prospecting or exploration activities that have taken place on a permit since the last annual summary reporting period under Regulation 35.

This regulation applies to a permit holder if the conditions of the permit concerned require the permit holder to have completed a major stage of prospecting or exploration work and NZP&M requests a special summary report. In practice, this provision is seldom used.

Disclaimer

This document is a guideline only and is not intended to cover every possible situation. If this guideline is inconsistent with the Act, relevant Minerals Programme or relevant regulations, the Act, Programme and regulations prevail. This guideline has no binding legal effect and should not be used as a substitute for obtaining independent legal advice.

New Zealand Petroleum and Minerals (NZP&M) is not responsible for the results of any action taken on the basis of information in this guideline, or for any errors or omissions in this guideline. NZP&M may vary this guideline at any time without notice.

There may be factors taken into account in any application process, transaction or decision that are not covered by this or any other guideline. Adherence to this guideline does not guarantee a particular outcome. NZP&M retains the discretion to decline any application where the statutory requirements for that application are not met.



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NZP&M is a division of the Ministry of Business, Innovation and Employment. We lead and actively manage New Zealand's petroleum and minerals portfolio ensuring the country's economic interests and assets are comprehensively protected. Our goal is to use our wider understanding of the energy and resources sector to increase national and regional prosperity via petroleum and minerals exploration and production.

As a government agency, we engage with Councils, iwi and communities about petroleum and minerals development and regulation of the industry. We manage compliance and revenue collection on behalf of the Crown and aim to maximise the return that these important industries deliver for the benefit of all New Zealanders.

We report to the New Zealand public through the Minister of Energy and Resources.