

Continental Shelf Act 1964
(Section 5)

Minerals Prospecting Licence [*]**

I, [***], Group Manager, Crown Minerals, acting pursuant to section 5(3) of the Continental Shelf Act 1964 and acting pursuant to delegated authority under section 41 of the State Sector Act 1988, grant to:

[***] LIMITED

the exclusive right to prospect for [***] in the licensed area described in Schedule 2.

This prospecting licence is granted for a term of [***] years commencing on the below-mentioned date.

This licence is granted subject to the Continental Shelf Act 1964 and all regulations made under that Act, and the conditions of this licence in the attached schedules.

DATED this day of

.....
[***]

Standard Terms and Conditions

1. Definitions and interpretation

1.1 Definitions in this licence have the following meaning:

‘Act’ means the Continental Shelf Act 1964;

‘inspector’ means a person authorized and identified as authorized by the Minister for the purpose of inspecting and monitoring activities carried out under this licence or monitoring the effects of such activities on the marine environment;

‘licence’ means the prospecting licence granted by the Minister to the Licensee pursuant to section 5 of the Act;

‘licensed area’ means those blocks granted to the Licensee for prospecting described in Schedule 1;

‘Licensee’ means [***] Limited;

‘marine environment’ includes the physical, chemical, geological and biological components, conditions and factors which interact and determine the productivity, state, condition and quality of the marine ecosystem, the waters of the seas and oceans and the airspace above those waters, as well as the seabed and ocean floor and subsoil thereof;

‘mineral’ has the meaning set out in the Crown Minerals Act 1991;

‘Minister’ means the Minister of Energy or a delegate authorized to act on behalf of the Minister;

‘pollution of the marine environment’ means the introduction by man, directly or indirectly, of substances or energy into the marine environment, including estuaries, which results or is likely to result in such deleterious effects as harm to living resources and marine life, hazards to human health, hindrance to marine activities, including fishing and other legitimate uses of the sea, impairment of quality for use of sea water and reduction of amenities;

‘prospecting’ means the commercial search for minerals. Activities classified as prospecting include (but are not limited to):

- (a) geological and geophysical marine and airborne surveys where magnetic, gravity, seismic reflection, seismic refraction or the gathering through coring, bottom sampling or other physical sampling, chemical testing processes or other geological samples are used to detect or imply the presence of minerals; and
- (b) any drilling, whether on or off a geological structure;

‘seafloor massive sulphides’ means any deposit in the licensed area of hydrothermal or volcanogenic origin on or just below the surface of the seabed;

‘Secretary’ means the Chief Executive of the Ministry of Economic Development or a delegate authorized to act on behalf of the Secretary;

‘serious harm to the marine environment’ means any effect from activities in the licensed area on the marine environment which represents a significant adverse change in the marine environment.

1.2 Any obligation that is to be observed and performed by the Licensee shall at any time at which the Licensee is more than one person be joint and several obligations.

1.3 References to dollar and ‘\$’ are to the currency of New Zealand.

1.4 Headings are not to be used in the interpretation of this licence.

2. Graticulation of New Zealand’s continental shelf

2.1 For the purposes of this licence, the surface of New Zealand’s continental shelf is taken to be divided:

(a) by the meridian of Greenwich and by meridians that are at an angular distance from the meridian of ten minutes of longitude; and

(b) by the equator and by parallels of latitude that are at an angular distance from the equator of ten minutes of latitude,

into sections called graticular sections, each of which is bounded:

(c) by portions of two of those meridians that are at an angular distance from each other of ten minutes of longitude; and

(d) by portions of two of those parallels of latitude that are at an angular distance from each other of ten minutes of latitude.

2.2 For the purposes of this licence:

(a) a graticular section that is wholly within the continental shelf (as that term is defined in the Act) constitutes a block; and

(b) if a part only of a graticular section is, or parts only of a graticular section are, within the continental shelf (as that term is defined in the Act), the area of that part, or of those parts, constitutes a block.

2.3 For the purposes of this licence, the position on the surface of the Earth of a graticular section or block is to be determined by reference to the New Zealand Geodetic Datum 2000 as defined by Land Information New Zealand Standard 25000.

3. Term

3.1 Unless sooner determined under any of its provisions, this licence shall continue for a term of [***] years.

4. Renewal of licence

4.1 At any time not later than three months before the expiry of the term of the licence, the Licensee may give notice in writing to the Minister that it desires to renew the licence for a further period subject to payment of the fees specified in Schedule 3 and to performance of the terms and conditions in this licence.

4.2 Where notice has been duly given, the Minister may in his discretion direct in writing that the relevant term be extended.

4.3 An extension shall be for a period and subject to such conditions as the Minister may determine.

5. Priority right

5.1 The Licensee may apply to the Minister at any time prior to the expiry or termination of the licence to be granted a mining licence over all or part of the licensed area.

5.2 An application under clause 5.1 must be made in writing and include details of:

- (a) the activities the Licensee intends to carry out on the licensed area; and
- (b) the amount of money the Licensee intends to spend on those activities; and
- (c) the technical qualifications of the Licensee and of the Licensee's employees who are likely to be involved in activities authorized by the licence; and
- (d) the technical advice available to the Licensee; and
- (e) the financial resources available to the Licensee.

5.3 The Minister may request further information relating to the application by the Licensee.

5.4 In submitting its application, the Licensee must be able to demonstrate to the satisfaction of the Minister that:

- (a) the benefits of granting a mining permit outweigh the impacts of those activities on the marine environment, coastal environment and human environment;
- (b) the Licensee has at all times complied with the terms and conditions of this licence;

- (c) the work programme is in accordance with good mining practice for the activities authorized by the licence.

5.5 If the Licensee submits the information required in clauses 5.2 to 5.4, the Minister shall either:

- (a) grant a mining licence to the Licensee provided:
 - (i) the Licensee has satisfied the criteria in clauses 5.2 to 5.4; and
 - (ii) all the conditions for a mining licence have been agreed upon; or
- (b) refuse the application, subject to clause 5.6.

5.6 If the Minister proposes to refuse the application for a mining licence, the Minister must notify the Licensee in writing of the proposed refusal. The notice must:

- (a) specify the reason for the proposed refusal; and
- (b) invite the Licensee to make written submissions in relation to the proposed refusal;
- (c) specify the day by which submissions should be given to the Minister, which must not be less than 30 days after the day on which the notice is given.

5.7 The Minister may refuse to grant a mining licence only if:

- (a) the Licensee has been given a notice under clause 5.6;
- (b) the Minister has considered any submission made by the Licensee;
- (c) the Minister is satisfied that no special circumstances exist that justify the licence being granted.

6. Surrender

6.1 The Licensee may at any time, by notice in writing to the Secretary, surrender the licence or part of the licensed area, provided that acceptance by the Secretary of the notice of surrender does not relieve the Licensee of its obligations:

- (a) to remove all installations, plant, equipment and materials in the licensed area;
- (b) to make the area safe so as not to constitute a danger to persons, shipping or to the marine environment.

6.2 The acceptance by the Minister of the surrender or partial surrender of the licensed area does not release the Licensee from any liability in respect of any obligation accrued prior to the date of acceptance of the surrender or partial surrender.

7. Obligations

7.1 While conducting prospecting activities under the licence, the Licensee must not:

- (a) interfere with or endanger operations under any licence or permit issued or maintained under the Act, Petroleum Act 1937 or Crown Minerals Act 1991;
- (b) cause serious harm to the marine environment;
- (c) cause serious harm or damage to life (including fish and other aquatic life), property, or the coastal environment;
- (d) cause harm or damage to the human environment;
- (e) cause damage to any mineral, which is the subject of a licence or permit held by another person in the licensed area;
- (f) cause pollution of the marine environment;
- (g) disturb archaeological resources;
- (h) create hazardous or unsafe conditions to other users of the licensed area;
- (i) unreasonably interfere with or cause harm to other users of the licensed area;
or
- (j) claim any mineral that the Licensee may discover while conducting operations under this licence other than minerals covered by this licence.

7.2 Before conducting any activity under the licence, the Licensee must obtain any consent or approval required to undertake the proposed activity in the licensed area. Nothing contained in this licence shall be deemed an exemption from the necessity of applying for and obtaining any permit or authority that may be required for any activity under this licence.

7.3 While conducting prospecting activities under the licence, the Licensee must:

- (a) report to the Secretary if the Licensee detects hydrocarbons within four weeks of completing survey activities;
- (b) immediately report to the Secretary if the Licensee:
 - (i) detects environmental hazards that immediately threaten life or property; or
 - (ii) becomes aware of an occurrence of any of the events described in paragraph 7.1(a) to 7.1(i);
- (c) consult and co-ordinate its prospecting activities with other users of the area for navigation and safety purposes; and

(d) if it conducts test drilling activities, use an appropriate and safe technology that is recognized as an industry standard for this type of activity.

8. Work programme commitments

8.1 The Licensee shall not carry out any activity either in the licensed area or elsewhere for the purpose of seabed prospecting in the licensed area except with the consent in writing of the Minister or in accordance with a work programme that the Minister has approved beforehand.

8.2 The Licensee shall submit to the Minister, in such form and by such time and in respect of such period during the term of this licence as the Minister may direct, a programme specifying:

- (a) a work programme that the Licensee proposes to carry out during that period for prospecting activities;
- (b) an assessment of the environmental impacts;
- (c) an environmental monitoring programme.

8.3 The Minister shall consider any programme submitted to him and then give notice in writing to the Licensee either approving or rejecting the programme.

8.4 Where the Minister rejects a programme, the notice shall advise the Licensee of the reasons for the rejection and that it may submit a modified programme within a specified time and give the Licensee an opportunity to make representations to him about the technical and financial factors associated with the programme.

8.5 Where the Minister proposes to reject a modified work programme pursuant to paragraph 8.4, the Minister shall advise the Licensee in writing accordingly and his decision shall be final and binding.

8.6 The Licensee shall conduct its prospecting activities in the licensed area in accordance with the timetable stipulated in the work programme. In carrying out such activities, the Licensee shall expend not less than the amount specified in the work programme for that phase of work.

8.7 The Licensee, with the prior written consent of the Minister, may from time to time make such changes in the work programme and the expenditures specified therein as may be necessary and prudent in accordance with good industry practice.

8.8 The Licensee must make all reasonable efforts to prospect and delineate the mineral resource potential of the licensed area in a systematic and efficient manner and in accordance with good industry practice.

9. Environmental measures and monitoring

9.1 The Licensee must comply *mutatis mutandis* with the environmental guidelines published by the International Marine Minerals Society, 'Code for Environmental Management of Marine Mining' (Draft Revision 21 August 2009), available on http://www.immsoc.org/IMMC_code.htm as amended from time to time.

9.2 The Licensee must avoid, remedy or mitigate serious harm to the marine environment arising from the Licensee's activities in the licensed area. In particular, the Licensee must take all practicable steps to ensure that turbidity and total suspended solids arising from the Licensee's activities in the licensed area, or the extent of any sediment plume are minimized.

9.3 The Licensee must gather environmental baseline data to establish accurate environmental baselines against which to assess the likely effects of the Licensee's activities on the marine environment.

9.4 The Licensee must establish and carry out a programme to monitor and report on the effects of the Licensee's activities that may cause serious harm to the marine environment.

9.5 The Licensee must ensure that any of its prospecting activities involving removal of samples is undertaken without blasting or chemical dissolution.

9.6 Where any prospecting activity is undertaken by means of a dredge bucket, the Licensee must use an environmental bucket for sampling that shall be as a minimum a gasketed clamshell or similar design with proven field performance record, which precludes loss of material between the point of excavation and placement in the vessel.

9.7 Compliance with all environmental measures and monitoring requirements imposed by the licence shall be at the Licensee's own expense.

10. Objects of an archaeological or historical nature

10.1 The Licensee must immediately notify the Secretary in writing of any finding in the licensed area of an object of an archaeological or historical nature and its location. Following the finding of any such object of an archaeological or historical nature in the licensed area, the Licensee must take all reasonable measures to avoid disturbing such object.

11. Contingency plans

11.1 The Licensee shall, prior to the commencement of its programme of activities, submit to the Secretary a contingency plan to respond effectively to incidents that are likely to cause serious harm to the marine environment arising from the Licensee's activities in the licensed area. Such contingency plan shall establish special procedures and provide for adequate and appropriate equipment to deal with such incidents and, in particular, shall include arrangements for:

- (a) the immediate raising of a general alarm in the area of the prospecting activities;
- (b) immediate notification to the Secretary;

- (c) the warning of ships which might be about to enter the immediate vicinity;
- (d) a continuing flow of fully appropriate information to the Secretary relating to particulars of the contingency measures already taken and further actions required;
- (e) the removal, as appropriate, of substances that may cause pollution of the marine environment;
- (f) the reduction and, so far as reasonably possible, prevention of serious harm to the marine environment, as well as mitigation of such effects;
- (g) as appropriate, co-operation with other persons to respond to an emergency;
and
- (h) periodic emergency response exercises.

11.2 The Licensee must report to the Secretary any incident arising from the Licensee's activities that has caused or is likely to cause serious harm to the marine environment. Each such report must contain the details of such incident, including:

- (a) the co-ordinates of the area affected or which can reasonably be anticipated to be affected;
- (b) the description of the action the Licensee is taking or will take to prevent, contain, minimize and repair the serious harm to the marine environment;
- (c) a description of the action the Licensee is taking or will take to monitor the effects of the incident on the marine environment; and
- (d) such supplementary information as may reasonably be required by the Secretary.

12. Cessation of activities

12.1 The Minister may temporarily cease prospecting activities under the licence if the Minister decides that:

- (a) activities pose a threat of serious, irreparable or immediate serious harm. This includes damage to property, serious harm to the marine environment or to life (including fish and other aquatic life), to the coastal or human environment, or to any archaeological resource;
- (b) the Licensee has failed to comply with any applicable law, regulation, order or provision of the licence. This will include the Minister's required submission of reports, well records or logs, and geological and geophysical data and information within the time specified; or
- (c) stopping the activities is in the interest of national security.

12.2 If the Licensee does not promptly comply with the Minister's determination to cease those activities mentioned in sub-clause 12.1(a), the Minister may take such measures as are necessary to avoid, remedy or mitigate any of the activities mentioned in sub-clause 12.1(a) at the Licensee's expense and the Licensee shall indemnify the Minister the amount of all such expenses arising from this sub-clause.

12.3 The Minister will advise the Licensee when it may resume its activities.

13. Termination

13.1 The Minister may terminate the licence at any time if any of the following events occurs:

- (a) the insolvency of the Licensee or the bankruptcy of its directors;
- (b) the commencement of insolvency procedures against the Licensee or the commencement of bankruptcy procedures against its directors;
- (c) the making of any arrangement or composition with the Licensee's creditors;
- (d) the appointment of a receiver or administrator or statutory manager or any liquidation whether compulsory or voluntary by the Licensee;
- (e) in a jurisdiction other than New Zealand, the commencement of any procedure or the making of any arrangement or appointment substantially corresponding to any of those mentioned in sub-clauses (a) to (d) of this clause;
- (f) if the Licensee is a company, the Licensee ceases (for the purposes of the Income Tax Act 2007) to direct or control either its operations under the licence or any commercial activities in connection with those operations from a fixed place within New Zealand;
- (g) any breach of clause 28.

13.2 If the Minister terminates the licence pursuant to clause 13.1, the Minister will advise the Licensee by notice in writing and will state the reason for the termination.

13.3 If any of the following events occur:

- (a) any payments due pursuant to this licence or any part thereof being in arrear or unpaid for two months or more remain owing to the Crown;
- (b) a breach or non-observance by the Licensee of any of the terms and conditions of this licence,

then the Minister may terminate the licence after the Minister has advised the Licensee in writing and given the Licensee a reasonable period to remedy the events mentioned in sub-clauses (a) to (b) of this clause.

14. Consequences of expiry, termination and surrender

14.1 In the event of expiry, termination or surrender (in whole or part) of the licence, the Licensee:

- (a) will remove all installations, plant, equipment and materials in the licensed area (or such part of the licensed area);
- (b) must make the area safe so as not to constitute a danger to persons, shipping or to the marine environment; and
- (c) will remain liable for all obligations accrued in respect of the licensed area or such part of the licensed area prior to the date of such expiry, termination or surrender.

15. Inspections

15.1 The Licensee must allow the representatives of the Minister to inspect on board vessels and installations used by the Licensee to carry out its geological and geophysical prospecting activities.

15.2 If requested by the Secretary, the Licensee must make available for an inspector a reasonable berth on board any ship or vessel used by it in carrying out geological and geophysical prospecting activities under the licence.

15.3 The Licensee must notify the Secretary as soon as practicable in advance of the details of any proposed ship-borne geological and geophysical prospecting activities within the licensed area, including the proposed date of commencement and the expected duration.

15.4 Every person engaged in the licensed activities must give such assistance as may be reasonably required for facilitating any inspection, and must make available the vessel's log, equipment, records, facilities, all other recorded data and any relevant documents which are necessary to monitor the Licensee's compliance with the licence.

15.5 The Licensee must inform inspectors of any on-board health and safety policies and procedures as soon as is reasonably practicable after receiving notice of inspectors' arrival, or if there is no notice, after arrival, and give the inspectors any necessary training in such health and safety procedures.

15.6 The Licensee, its agents and employees shall assist the inspectors in the performance of their duties and shall:

- (a) accept and facilitate prompt and safe boarding of vessels and installations by inspectors;
- (b) co-operate with and assist in the inspection of any vessel or installation conducted pursuant to these procedures;

- (c) provide access to all relevant equipment, facilities and personnel on vessels and installations at all reasonable times;
- (d) not obstruct, intimidate or interfere with inspectors in the performance of their duties;
- (e) provide reasonable facilities, including, where appropriate, food and accommodation, to inspectors; and
- (f) facilitate safe disembarkation by inspectors.

16. Subcontracting

16.1 The Licensee is not discharged from any obligation arising under the licence by contracting a third party to perform an obligation.

17. Books and records

17.1 The Licensee must make available within New Zealand:

- (a) accurate geological plans and maps relating to the license area and such other records related thereto as may be necessary to preserve all information which the Licensee has about the geology of the license area;
- (b) a complete and proper set of books, accounts and financial records, consistent with internationally accepted accounting principles. Such books, accounts and financial records must include information which will fully disclose the actual and direct expenditures incurred in carrying out the prospecting activities and such other information as will facilitate an effective audit of such expenditures.

17.2 The Licensee will:

- (a) permit any person in the service or employment of the Crown who is appointed by the Minister for the purpose of inspection to take copies of and make notes from all books, accounts, financial records, papers, maps and other records of any kind kept by the Licensee in pursuance of this licence;
- (b) furnish that person with such information and provide him with such assistance as he may reasonably request in connection with or arising out of an inspection in pursuance of this clause.

18. Geological data and information

18.1 The Licensee must notify the Secretary in writing within 30 days of when it has completed the initial analysis, processing or interpretation of any geological data and information. Initial analysis or processing are the stages of analysis or processing where the data and information first become available for in-house interpretation by the Licensee or become available commercially to third parties via sale, trade, licence agreement or other means.

18.2 The Licensee shall submit a report to the Secretary not later than 40 working days after the annual anniversary of the commencement date of the licence. Unless the Secretary specifies otherwise, the report must contain all geological data and information in digital format that includes:

- (a) a summary of all prospecting activities;
- (b) the results obtained from the environmental baseline monitoring referred to in sub-clause 9.3, including observations, measurements, evaluations and analyses of environmental parameters;
- (c) the most recent audited—or if these are unavailable, then unaudited—financial statement of all expenditure associated with the licence;
- (d) an accurate and complete record of all geological and geochemical data and information describing each operation of analysis, processing and interpretation;
- (e) analyses of core or bottom samples and a representative cut or split of the core or bottom sample;
- (f) detailed descriptions of any hydrocarbons or other minerals or hazardous conditions encountered during operations,

and if the following information has been collected:

- (g) palaeontological reports identifying by depth any microscopic fossils collected, including the reference datum to which palaeontological sample depths are related and, if the Secretary requests, washed samples that the Licensee maintains for palaeontological determinations;
- (h) copies of well logs or charts, preferably in a digital format.

18.3 The Licensee must submit to the Secretary any report (or other document) on any activity begun but not completed before the licence expired, was surrendered in whole or in part, or was revoked, which the Licensee would have been required to supply to the Secretary had the activity been completed.

18.4 A third party may obtain geological data and information from the Licensee or from another third party by sale, trade, licence agreement or other means. If this occurs:

- (a) the third-party recipient of the data and information assumes the obligations under this licence;
- (b) the Licensee or third party that sells, trades, licenses or otherwise provides data and information to a third party must advise the recipient in writing that accepting these obligations is a condition precedent of the sale, trade, license or other agreement;

(c) the Licensee or a third party that licenses, sells, trades or otherwise provides data and information to a third party must advise the Secretary in writing within 30 days of the licence agreement, sale, trade or other agreement, including the identity of the recipient of the data and information.

19. Test samples

19.1 The Licensee must keep, in good condition, representative fractions of samples of the seafloor massive sulphide occurrences obtained in the course of prospecting of the licensed area and deliver to the Secretary reasonable and representative fractions of any such samples obtained.

20. Reports

20.1 Upon expiration, termination or surrender of the licence, the Licensee must within 30 days, if the Licensee has not already done so, submit the following data and information to the satisfaction of the Secretary:

(a) copies of all geological, environmental, geochemical and geophysical data which the Licensee has acquired in the course of undertaking the programme of activities in respect of the licensed area;

(b) where appropriate, an estimation of mineable areas or deposits, where such areas or deposits have been identified. This estimation must include details of the grade and quantity of the indicated and inferred seafloor massive sulphide resources and the anticipated mining conditions;

(c) copies of all geological, technical, financial and economic reports which the Licensee has made in connection with the activities the Licensee has undertaken in the licensed area;

(d) information in sufficient detail on the equipment used to carry out the prospecting work the Licensee has undertaken in the licensed area (but not equipment design data); and

(e) a statement of the quantity of rock, metalliferous sediment (including seafloor massive sulphide material) the Licensee has recovered as samples or for the purpose of testing.

20.2 The Licensee must submit to the Minister the data and information referred to in sub-clause 20.1 if, prior to the expiration of the licence, the Licensee applies for a further prospecting licence or a mining licence in respect of part or all of the licensed area, or if the Licensee surrenders its rights in whole or part of the licensed area to the extent that such data and information relates to the surrendered area.

20.3 All information supplied by the Licensee under this licence shall, on the payment of a reasonable charge for the cost of labour and materials incurred in making the information available, be made available to any person who requests it:

- (a) after the expiry of 5 years after the date on which the information was obtained by the Licensee; or
- (b) after the licence in respect of which the information was obtained and every subsequent licence in respect of that licence (insofar as the information relates to land covered by both the subsequent licence and the original licence) ceases to be in force,

whichever first occurs.

20.4 The Minister may use any information supplied by the Licensee under this licence for the purpose of exercising any power or performing any function conferred on the Minister under the Act.

20.5 The Minister may disclose any information supplied by the Licensee under this licence to any other government agency that requests such information. The Licensee or third parties which submitted proprietary data, information and samples will be notified about the disclosure and will have at least 5 working days to comment on the action.

20.6 Subject to the Official Information Act 1982, the Minister shall not use any information supplied by the Licensee under this licence for any other purpose than those mentioned in sub-clauses 20.3 to 20.5 without the prior consent of the person who provided the information.

21. Undertakings

21.1 The Licensee undertakes to fulfil its obligations under the licence in good faith.

21.2 The Licensee undertakes to carry out the programme of work:

- (a) with due diligence, efficiency and economy;
- (b) with regard to the impact of the Licensee's activities on the marine environment; and
- (c) with regard for other activities in the marine environment.

22. Costs

22.1 The Crown shall be entitled to recover from the Licensee the actual and reasonable costs incurred in respect of a peer review of any environmental impact assessment or environmental monitoring programme provided to the Minister in accordance with the conditions of the licence.

22.2 Where a fee fixed in accordance with Schedule 3 is in any particular case inadequate to enable the Crown to recover the actual and reasonable costs in respect of the matter concerned, the Minister may require the Licensee to also pay an additional fee to the Crown.

23. Indemnity

23.1 The licensee will indemnify the Minister against all actions, claims and liabilities whatsoever that may be made or brought against the Minister by any third party in relation to or in connection with a breach by the Licensee of this licence.

24. Insurance

24.1 The Licensee must maintain appropriate insurance policies with internationally recognized carriers, in accordance with generally accepted international maritime practice.

24.2 Before commencing any work and at other times when requested by the Secretary, the Licensee must give the Secretary in respect of each insurance policy and cover referred to in clause 24.3, the original or a certified copy of certificates of currency issued by the insurer.

24.3 The Licensee will effect and maintain the following policies of insurance from the grant of this licence until its expiry, termination or surrender:

- (a) public liability;
- (b) hull insurance;
- (c) protection and indemnity insurance;
- (d) equipment insurance;
- (e) environmental liability including (but not limited to): clean-up, third-party property damage, subsistence, assessment of and damage to natural resources.

25. Payments

25.1 The Licensee shall pay fees to the Crown as consideration for processing an application in accordance with Schedule 3 to this licence.

25.2 The Licensee shall not by reason of determination of this licence or surrender of any part of the licensed area be entitled to be repaid or allowed any sum payable to the Crown pursuant to this licence before the date of determination or surrender.

26. Notice

26.1 Any application, request, notice, report, consent, approval, waiver, direction or instruction hereunder shall be made by the Secretary, the Minister or by the Licensee, as the case may be, in writing. Service shall be by hand, or by facsimile or registered mail.

26.2 Either party may change its address for service of documents to any other physical address in New Zealand by not less than ten days' notice to the other party.

26.3 Delivery by hand shall be effective when made. Delivery by facsimile shall be effective when the 'transmit confirmation report' confirming the transmission to the recipient's published facsimile number is received by the transmitter. Delivery by registered mail shall be deemed to be effective three business days after posting.

26.4 A notice sent by email alone is invalid. An original signed copy of any notice emailed must also be given by hand, sent by facsimile or by post and will be deemed to have been given on the date deemed under clause 26.3.

26.5 Notice to the designated representative of the Licensee shall constitute effective notice to the Licensee for all purposes under this licence, and the designated representative shall be the Licensee's agent for the service of process or notification in any proceeding of any court or tribunal having jurisdiction.

27. Training

27.1 The Minister may from time to time give to the Licensee instructions in writing as to the training of persons or the observing for education of persons employed or to be employed, whether by the Licensee or any other person, in any activity which is related to the exercise of the rights granted by this licence and the Licensee shall ensure that any instructions so given are complied with.

27.2 The Licensee shall furnish to the Secretary with such information relating to the training of the persons referred to in clause 27.1 as the Secretary may from time to time request.

28. Assignment

28.1 The Licensee will not, except with the prior consent in writing of the Minister, do anything whatsoever whereby any right granted by this licence or derived from a right so granted becomes exercisable by or for the benefit of or in accordance with the directions of another person.

29. Entire arrangement

29.1 This licence supersedes all other licences previously entered into with respect to the subject-matter of this licence and it contains the entire terms and conditions upon which the Minister is prepared to grant consent to the Licensee to prospect for minerals on the continental shelf pursuant to section 5 of the Act.

Schedule 1

Licensed Area

All that area of land containing [***] square kilometres, more or less, bounded by straight lines between the geographical co-ordinates using New Zealand Geodetic Datum 2000 (as defined by Land Information New Zealand Standard 25000 from time to time) commencing at a point:

Latitude		Longitude	
Insert co-ordinate	and	insert co-ordinate	then
			<i>[north/east/south/west]</i> to
Insert co-ordinate	and	insert co-ordinate	then
			<i>[north/east/south/west]</i> to

the point of commencement. Such area is shown on the attached plan and more particularly identified in the spatial database held by the Secretary.

Schedule 2

Work Programme

Schedule 3

Fees

1. When is the annual fee payable?

The annual fees are payable annually in advance within 30 days after 1 July.

2. What other fees are payable?

The fees specified in the table are prescribed as the fees payable in respect of any matter specified in that table.

Application fees	\$
Annual fee for first term per square kilometre or part thereof	5
Annual fee for second term per square kilometre or part thereof	10
Application for prospecting licence	10,000
Application for mining licence	25,000
Any application to amend the terms and conditions of the licence	5,000
Application for extension of duration of the licence	5,000
Application for assignment of the licence	5,000