

Example of an application for an Exploration Permit for alluvial gold

This document provides applicants with a fictitious example of an application for a Tier 2 exploration permit targeting alluvial gold and its corresponding evaluation by New Zealand Petroleum and Minerals (**NZP&M**). The purpose of the annotated application is to guide applicants on the type and level of information that should be provided when applying for an alluvial gold exploration permit. The accompanying evaluation then demonstrates how NZP&M assesses that information for an exploration permit application. The purpose is to increase the transparency of the evaluation process.

This example document is to complement the guideline on “Preparing and acceptance of Tier 2 alluvial gold permit applications”.

NZP&M often has to go back to applicants during the evaluation process to request additional information. This reduces the efficiency of the evaluation process and results in longer processing times.

The Regulations require certain information to be provided with an application. This information is then assessed by NZP&M against the relevant criteria under the Act and Minerals Programme. Applicants provide the general information required under regulation but frequently;

- do not provide a level of detail that will enable an adequate assessment against the relevant considerations; or

- the information provided does not address specific aspects of the relevant considerations under the Act and Minerals Programme.

This example application is intended to help reduce these issues by:

- providing examples of the types and level of information needed to support an application targeting alluvial gold;
- highlighting the key parts of the legislation and how they are covered by the information in the application;
- directing readers to additional existing guidelines for further guidance,
- highlighting areas where the application will need to front-foot potential issues, and
- showing how the information provided in your application is assessed by NZP&M against the legislative requirements.

It is recommended that you refer to the relevant considerations under the Act and Minerals Programme, additional guidance given throughout the document, the Minerals guidelines on the NZP&M website, and, if in doubt, contact NZP&M.

It is important to note that your application may be affected by circumstances or eventualities that are not covered off in this example.

Disclaimer

This document is an exemplar only and is not intended to cover every possible situation. In the unlikely event that the information within this document is inconsistent with the Act, relevant Minerals Programme or relevant regulations, the Act, Programme and regulations prevail.

There may be factors taken into account in any application process, transaction or decision that are not covered by this exemplar. Adherence to this document does not guarantee a particular outcome. New Zealand Petroleum and Minerals (**NZP&M**) retains the discretion to decline any application where the statutory requirements for that application are not met.

NZP&M is not responsible for the results of any action taken on the basis of information in this document, or for any errors or omissions. NZP&M may vary the information included at any time without notice. This document has no binding legal effect and should not be used as a substitute for obtaining independent legal advice.

UNDER SECTION 23A & SECTION 32, CROWN MINERALS ACT

Application for a prospecting permit, mining permit or minerals exploration permit

This form is to be used to apply for a new permit or a subsequent permit under section 32 of the Crown Minerals Act 1991. This form is not to be used to apply for a petroleum exploration permit or any permit offered for allocation by public tender under section 24 of the Crown Minerals Act 1991.

- New Zealand Petroleum & Minerals recommends that applicants familiarise themselves with the Crown Minerals Act 1991 (the 'Act'), the relevant regulations, and the relevant Minerals Programme, and seek professional advice where appropriate before making an application for a permit. See <http://www.nzpam.govt.nz/cms/about-nzpam/rules-and-regulations> for more details.
- Please note that information provided with your application is treated confidentially but may be subject to release under the provisions of the Official Information Act 1982. If this is the case, we may consult with you before the material is considered for public release.
- The personal information you must include in this form is needed to process your application under the Act. You have the right under the Privacy Act 1993 and/or the Official Information Act 1982 to access information held about you by New Zealand Petroleum & Minerals and request that this information be corrected if necessary.
- If the space on any part of this form is insufficient to include all relevant details, place them at the beginning of the supporting Information document in the order they appear in this form, state 'see supporting information' in the appropriate space, and attach the document to the application.
- Note that a permit holder is the person who is the sole permit participant, or all of the permit participants, as the case may be. A permit participant means a person who holds a participating interest in a permit.

SECTION 1: CONTACTS

1.1 Application contact¹ details:

Please set out the details of the Application contact.

Name:	
Organisation:	
Postal address:	

¹ Application contact

The Application contact is the sole point of contact for an application. An application contact:

- receives all communications about the progress of an application, including any application fee invoice.
- can view all applications for which they are the Application contact (where they have an New Zealand Petroleum & Minerals online permitting system account)



Email:	
Preferred contact method:	☐ Post ☐ Email (a preferred method must be indicated)
Primary phone:	
Secondary phone:	

1.2 Permit administrator² details:

Please set out the permit administrator details.

Name:	
Organisation:	
Postal address:	

Email:	
Preferred contact method:	☐ Post ☐ Email (a preferred method must be indicated)
Primary phone:	
Secondary phone:	

2 Permit administrator

The Permit administrator is the ongoing primary contact on matters to do with the permit. A permit administrator:

- receives all communications regarding the permit not directed to the Fee administrator, Royalty administrator, ERL administrator, Geotechnical contact, or Audit contact. This includes all communication around upcoming obligations.
- can view all permits for which they are the Permit administrator (and where they have an New Zealand Petroleum & Minerals online permitting system account).
- by default assumes the Geotechnical contact role for a permit, when the permit is first granted, however this can be assigned at any time by email.
- by default assumes the Fee administrator role for a permit, when the permit is first granted, however this can be assigned at any time using this form.

SECTION 2: PROPOSED PERMIT HOLDER PERMIT PARTICIPANTS AND INTERESTS

2.1 Proposed permit participant details:³

If there is more than one proposed permit participant please record the details of each additional one using Form APP 09 Additional permit participant information (see <http://www.nzpam.govt.nz/cms/permit-holders/permit-applications>).

Name of proposed permit participant: ⁴		
Type of proposed permit participant:	☐ Individual ☐ NZ registered company <i>(please state NZ Company number)</i> ☐ Incorporated society ☐ Partnership ☐ Local authority	☐ Crown ☐ Overseas company ⁵ ☐ Trust ⁴ ☐ Industrial and provident society ☐ Other <i>(please state)</i>

³ Under section 91 of the Act, the name and contact details of the permit participants of each permit must be on the public register. Contact details for the purposes of this section are considered to be the permit participant(s) address which may be an email address (currently address for service) and telephone number at which the permit participant may be contacted. Therefore, this information will be publicly available.

⁴ Permits can only be granted to legal entities. Trusts must provide the full name of every trustee and partnerships the full name of all partners. This information may be supplied in a separate list included in the supporting information to the application.

⁵ Please note that overseas companies carrying on business in New Zealand are required to register with the New Zealand Companies Office under section 334 of the Companies Act 1993. For further information on registration and the obligations of overseas companies carrying on business in New Zealand please refer to www.companies.govt.nz

Postal address:⁶

Physical address:⁶

Address for service:⁷

Primary phone:

Email address:

Preferred contact method:

☐

Post

☐

Email

(a preferred method must be indicated)

⁶ Physical and postal addresses need to be of the registered office, if applicable.

⁷ The address for service must be a physical address within New Zealand.

2.2 Proposed permit interests:

Please list all proposed permit participants, their percentage interest in the proposed permit and indicate the proposed permit operator.⁸

Permit participant(s):	Operator: ⁸ (Y/N)	Interest:
1.		%
2.		%
3.		%
4.		%
5.		%

⁸ The operator is the person who is responsible for the day-to-day management of activities under the permit.

SECTION 3: PROPOSED PERMIT DETAILS

3.1 Proposed permit details:

Please provide the following details:

What type of permit are you seeking?	Petroleum ☐ Prospecting ☐ Mining OR Minerals ☐ Prospecting ☐ Exploration ☐ Mining
What mineral(s) are you seeking this permit for? ⁹	
Proposed permit tier: ¹⁰	☐ Tier 1 ☐ Tier 2

⁹ For subsequent permits, the minerals must be one or more of the same minerals as the current permit.

¹⁰ All Petroleum permits are Tier 1. For minerals permits see <http://www.legislation.co.nz/act/public/1991/0070/latest/DLM5239546.html>

If this is a <i>prospecting</i> permit application, is a non-exclusive permit sought?	☐ Not applicable (<i>non applicable for petroleum exploration permits</i>) ☐ Yes If this is a petroleum prospecting permit application, are you applying for speculative prospector status? ¹¹ ☐ Yes ☐ No ☐ No
If this is an <i>exploration</i> or <i>mining</i> permit application, is the application for a subsequent permit pursuant to section 32 of the Act?	☐ Not applicable (<i>not an exploration or mining permit application</i>) ☐ Yes current permit number: _____ ☐ No (<i>Application must be received before permit expires</i>)
If this is a <i>Minerals mining</i> permit application, please tick all mining methods that are proposed to be used and state whether the application is for a hobby or recreational operation and whether it is for a special purpose mining activity:	☐ Not applicable (<i>not a minerals mining permit application</i>) ☐ Solution mining ☐ Surface mining ☐ Dredging ☐ Opencast ☐ Underground ☐ Reworking Hobby or recreational operation¹² ☐ Yes ☐ No Special purpose mining activity¹³ ☐ Yes ☐ No
If this is a <i>Minerals</i> permit application, is the application part of a newly available acreage (NAA) offer? ¹⁴	☐ Not applicable (<i>not a minerals permit application</i>) ☐ Yes NAA number: _____ ☐ No
Proposed area: ¹⁵	_____ hectares or _____ square km
Location:	Region (please state) _____ ☐ Onshore ☐ Offshore ¹⁶ ☐ Both
Is the permit application area intended to exclude all granted permits or existing privileges for the same minerals group?	☐ Yes ☐ No
Proposed operation name:	_____
Proposed duration ¹⁷	_____ Years _____ Months

¹¹ As defined under section 90C of the Act.

¹² Hobby or recreational operations means small-scale suction dredging operations where the suction dredge has a combined engine rating no higher than 10 horse power, and beach sand mining operations that are limited to hand tools and riffle box.

¹³ As defined under section 2 of the Act.

¹⁴ Land with NAA status is subject to a time-bound competitive allocation process. For more information about the process, see clauses 6.7. and 6.8 of the Minerals Programme for Minerals (Excluding Petroleum) 2013.

¹⁵ The area is to be stated in hectares for Minerals exploration and mining permits only. For all other permit types, including all Petroleum permits, please state the proposed area extension in square kilometres.

¹⁶ Offshore is anything that is the seaward side of the mean high watermark.

¹⁷ **Prospecting permits** are ordinarily granted initially for up to 2 years, **exploration permits** are ordinarily granted initially for up to 5 years and **mining permits** for up to 40 years. **Mining permits** for alluvial gold and hobby or recreational operations are ordinarily granted for up to 10 years.

SECTION 4: SUPPORTING INFORMATION

4.1 Documents required:

Please attach the following:

- ☐ A signed APP 09 form for each additional proposed permit participant.
- ☐ A signed APP 10 Application authority form for each proposed permit participant that is not you as an individual.
- ☐ For Tier 1 minerals applications on land for minerals other than gold or silver only – a Land Minerals Status (LMS) report. Even if this is a subsequent permit application and an LMS report has previously been provided please attach a copy of the report.
- ☐ A map of the permit area. The map must clearly identify the location of the proposed permit and must be prepared in accordance with the regulations. For subsequent permit applications, the area must fall only within the area of the current permit.
- ☐ Other supporting information as outlined in the relevant Regulations, see the application guides at the following link: <http://www.nzpam.govt.nz/cms/permit-holders/permit-applications>

SECTION 5: APPLICATION FEE

5.1 Fee payment:¹⁸

Please indicate how the application fee is to be or has been paid:

- ☐ I have paid by direct credit and have attached as evidence a copy of the successful internet banking transaction.
- ☐ I have attached a cheque.

¹⁸ Your application must be accompanied by the appropriate fee prescribed in the relevant fees regulations or evidence that the appropriate fee has been paid. Payments by direct credit are to be made to New Zealand Petroleum & Minerals' bank account held with Westpac Bank, NZ Government Branch- 318 Lambton Quay, Wellington New Zealand 6011, account number 03 0049 0001311 02 and a proposed permit participant's name should be used as the reference for the payment. An applicant is also expected to pay for all bank fees incurred for telegraphic transfers made from overseas. One bank fee is charged when the fee leaves the country of origin's bank and another fee is charged when it is received by a bank in New Zealand. As such, payments by telegraphic transfer should ensure that overseas bank charges are set to 'Ours' in order to have the bank fees paid at both ends – SWIFT Code is WPACNZ2W.

SECTION 6: DECLARATION

I declare that all information provided in this application is true and correct to the best of my knowledge and that I am authorised to sign this application¹⁹.

Signature:	
Name:	
Position of signatory:	
Organisation:	
Date:	

¹⁹ Where the permit participant is a company, partnership, society, trust or other legal entity, the application must be signed in accordance with the relevant legislative requirements, constitution, or rules by a person or agent with the requisite authority. All applications must be signed in accordance with the relevant regulations.

This completed form is to be forwarded to nzpam@mbie.govt.nz or mailed to the NZP&M postal address below.

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NZP&M is a branch of the New Zealand Ministry of Business, Innovation and Employment. We manage New Zealand's Crown Mineral Estate. Our aim is to maximise the gains to New Zealand's economy from development of these resources, a key component to the government's Business Growth Agenda. To support this aim we endeavour to educate and inform New Zealanders, including consultation with indigenous stakeholders and local government.

An example of an application for an Exploration Permit

The purpose of this document is to provide applicants with an example of the types of information that may be used to support an application for a Tier 2 exploration permit targeting alluvial gold. Permit applicants should also refer to the online guidance on preparing and acceptance of Tier 2 alluvial gold permit applications.

An application for an exploration permit must satisfy the requirements, and be consistent with, the purpose of the Crown Minerals Act 1991 (the **Act**), the Crown Minerals (Minerals other than Petroleum) Regulations 2017 (**Regulations**) and the Minerals Programme for Minerals (Excluding Petroleum) 2013, to be granted (**Minerals Programme**). In order for an application to first be accepted for processing it must contain the information specified in regulation 17 of the Regulations.

Once an application is deemed complete and is accepted for evaluation, the assessment by NZP&M will focus on the considerations, criteria, and limitations that are outlined in the Act, Regulations and Minerals Programme, especially Chapter 9 which relates to exploration permits.

To satisfy those requirements the application has to provide sufficiently detailed information to allow for a complete evaluation. Taking some time to expand on and provide context for your application and to make it as complete as possible will go a long way in our evaluation of your permit application in a timely manner.

NZP&M has developed a series of Minerals Guidelines that provide useful information to help guide our applicants through the legislation and the application process. Guidelines have been developed for a variety of aspects, including one specifically covering the preparation and acceptance of Tier 2 alluvial gold permit applications. Have a look at the guidelines while preparing your application: <https://www.nzpam.govt.nz/permits/minerals/guidelines/>.

The following is an example of an application for an Exploration Permit for alluvial gold and aggregate. Discussion of what is required is given in italics.

APPLICATION FOR AN EXPLORATION PERMIT FOR ALLUVIAL GOLD AND AGGREGATE EXPLORATION PERMIT

Objectives

It is worth outlining at a high level the objective(s) of the proposed operation. This will help address whether the application is consistent with the purpose of an exploration permit (i.e. consistency with section 23 of the Act and clause 9.1(3) of the Minerals programme).

Example information

Jim Shue is applying for an alluvial gold and aggregate exploration permit application over 396 hectares of land in the Paddle Valley, 25 km east of Northwest Southton. The primary objective is to determine whether there is a viable alluvial gold deposit in the mid-Pleistocene-Quaternary gravels in the Paddle Valley, and the feasibility of mining any deposit identified. A secondary objective is to test the suitability of gravel in the area as an aggregate source for the Southton region.

Ordinarily an exploration permit application has to be for an unbroken area greater than 150 hectares (clauses 4.6 and 9.4 of the Minerals Programme). If the land you're applying for is outside of these parameters then you will need to justify why this is appropriate. Your application should also justify why the full application area is required.

Geology & Permit Area History

Clause 9.3 of the Minerals Programme outlines a number of matters that are ordinarily considered when assessing whether a proposed work programme is appropriate. These include consideration of an applicant's knowledge of the area (e.g. geology and previous work) as well as the actual work they plan to carry out.

The work proposed needs to be appropriate to the geology of the area and compliment previous prospecting, exploration or mining activities. The proposed activities need to be in accordance with good industry practice, provide new knowledge, build on previous work and suitably cover the proposed area under the application.

A demonstrated knowledge of relevant geological features, the prospecting/exploration history, the implications of available data and any resource information can be persuasive.

A map of the geology is a valuable addition, particularly with additional annotation showing historical activity and the location of proposed activity.

Example information

The target geology is mid-Pleistocene to Quaternary glacio-fluvial Midas Formation gravels occurring in relict stream beds and fluvial terraces either side of Upshot Creek. The gravels have been transported and deposited by, Upshot Creek, which drains through Paddle Valley. Paddle Valley is incised into Greenland Group meta-sediment with the potential of significant gold being sourced from mineralised quartz veins within the Greenland Group as well as from adjacent schist rocks to the north-west. The location of the 396 hectare application area is given in Figure 1.

The Midas Formation gravels largely overly the Murky Mudstone, which in turn, unconformably overlies basement rocks.

Historically alluvial gold has been mined to some degree in the adjacent Silicon Valley, which occurs within the same potential source rocks as Upshot Creek and Paddle Valley. This occurred intermittently from the early 1900's through to 1939 with little known about the amount of gold recovered but there was clearly sufficient recovery to maintain interest through those 30 plus years.

Paddle Valley has experienced little dedicated exploration activity, with the last known activity being an exploration programme conducted by Cash Cow Pty Ltd in 1992 under exploration permit 12345. This prospecting activity was targeted more toward hard rock prospectivity with 25 rock chip samples taken from exposed quartz veins close to and within the application area. As well as this however, some 10 panned samples were taken from the Upshot Creek bed and three test pit samples were taken along a terrace structure. These are reported in Minerals Report (MR) 7777. The locations, as best known, are shown on Figure 1.

Results from the rock chip samples gave a maximum grade of 1.3 g/t gold with five others recording grades between 0.5 and 0.8 g/t gold. No grades are given for the panned samples but some 'colour' is reported for four of the 10 samples taken. The three test pit samples taken from the terrace gravels yielded gold grades of 91 to 132 mg/m³. There is a question over how robust the test pits samples were and whether they tested right through to the base of the gravel.

No work has been conducted on the possible volume of gravel present in the terrace structures or other relict creek features, which is a major target of the proposed work programme.

All gold, silver, and uranium is owned by the Crown – these are sometimes referred to as the “statute minerals”. All other minerals, even those on Crown-owned land, have the potential to be privately-owned. Permits cannot be issued for privately-owned minerals. For this reason, if your application includes non-statute minerals (such as gravel, aggregate, sand etc.) you must provide evidence of the mineral ownership in the application area.

NZP&M strongly recommends that applicants provide a Land and Mineral Status (LMS) report prepared by a LINZ-accredited supplier. A list of accredited suppliers can be found [here](#).

In some cases, particularly where mineral ownership is contentious, or multiple land parcels are involved, NZP&M may require a LMS report from a LINZ-accredited supplier be provided.

Example information

The gravel intersected by the three historical test pits was a clean well sorted gravel bed that may also hold value as a source of aggregate. A Land and Mineral Status report is supplied in support of this application. That report, prepared by a LINZ-accredited Crown Property Supplier, confirmed that the aggregate in the application area is entirely Crown-owned. A copy of that LMS report is attached to this application.

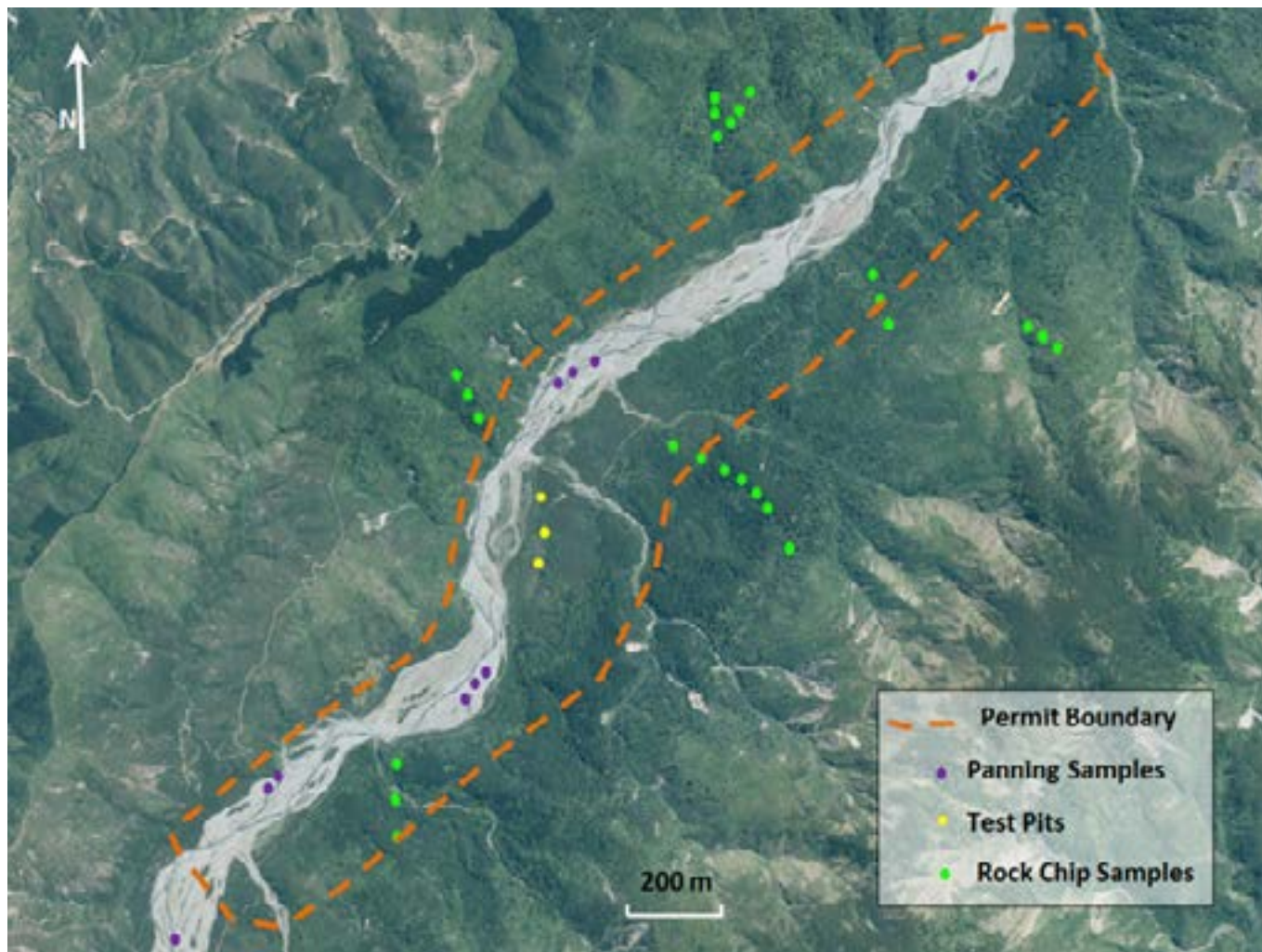


Figure 1. Location of permit application area with historical prospecting sites shown.

Work Programme

Clauses 9.2 and 9.3 of the Minerals Programme outline the matters relating to the assessment of work programmes for an exploration permit. In discussion with NZP&M a 'minimum' work programme will be agreed but a higher level of exploration activity will be encouraged and should be detailed within the application.

In particular, NZP&M will ordinarily consider the following matters when assessing a proposed work programme:

- Geology of the area and any previous exploration or mining work carried out in the area.
- The technical approach as to how exploration will occur.
- Whether exploration is in accordance with good industry practice.
- Timing and quantity of the work and analysing the results. If there is any intention to bulk sample or drill, this should be clearly stated.
- An estimated expenditure for each stage of the work programme.

The work programme should comprise activities that, upon completion, will allow the permit holder to make a commercially justifiable decision on developing the gold resource.

For further guidance refer to the document "[Guidance on design of work programmes for minerals prospecting, exploration and mining permits](#)".

Duration

Clause 9.5 of the Minerals Programme outlines the restrictions and ordinary limitations for the duration of an exploration permit, and clause 9.2 outlines how the work programme will typically be staged.

Typically an exploration permit will be granted for up to five years with the work programme being broken down into two distinct stages of a three year period and a two year period. The first stage will have committed work and expenditure while the following stage programme may be contingent on the results of the first stage. An exploration permit can be considered up to a maximum of 10 years; an extension to this time would only be granted for appraisal of a discovery. Any extensions of time for the permit would generally require some part of that permit area to be relinquished.

Example information

The application is for a three year period with the first two years representing Stage 1 and the third year being Stage 2. The exploration programme for Stage 1 will comprise:

1. A literature search for any additional information on results for gold exploration and/or mining of the Upshot Creek and Paddle Valley and surrounds. This is expected to take no more than 6 months;
2. At least 30 test pits on established terraces to establish gold mineralisation, grade, gravel/sediment profile and depth of any gold bearing gravels;
3. In the case of the digger being unable to reach the base of the gravel (5 m reach) a drill rig will be used in that position to establish gravel depth;
4. Panning of the creek bed and grab (digger bucket) samples from the creek will also be taken at regular (30 m to 40 m) intervals (30 to 40 samples).

Following the completion of Stage 1 the results will be reviewed and a decision made as to whether further exploration is warranted. If no encouraging results have been obtained by this point then part or all of the permit will be surrendered.

Stage 2 would involve consideration of Stage 1 results and a conceptual model presented in a report of any expected resource in terms of grade, volume and tonnes. Physical work could involve twinning some of the test pits to validate results and help understand the short range variability of the geology and grade and/or additional infill test pits to improve the resource 'model'. The planned location of the test pits are given in Figure 2. The initial test-pitting will focus on an area where historical pitting has taken place (by Cash Cow Limited in 1992) as this area is known to contain alluvial gold although insufficient work was carried out to confirm whether there is a mineable resource. After this, further test-pitting will be carried out in the equivalent gravel units in other areas that are deemed likely to contain alluvial gold.

Working to 'good industry practice'

Exploration activities must be conducted in a manner compatible with good industry practice and the general view of what 'good industry practice' involves. This is considered specifically in relation to clause 9.3(1)(d) of the Minerals Programme but the exercise of good industry practice is a fundamental principle that underpins the Crown Minerals legislation. NZP&M will be interested in the quality of the work and data obtained as much as the quantity.

For more information refer to the [Good Industry Practice](#) guideline.

Example information

A series of steps will be taken throughout the work programme to maintain the integrity of the work and results in line with good practice:

1. All sample and test pits will be 'picked up' using a GPS to ensure accurate spatial locations;
2. All test pits, where conditions suit, will be 'mapped' where stratigraphic features will be observed and recorded with depth e.g. size fraction (silt/mud, sand, gravel, boulders) and degree of sorting. Where collapse or water inflow might be a problem the digger bucket sample will be laid out in a way that will allow as much information to be gained as possible;
3. Test pits, or drill holes will be to the base of terrace material to the maximum depth possible to ensure the full profile is mapped and sampled;
4. Test pit samples will be taken at 1 m to 2 m intervals with the volume of sample recorded or discrete to thinner horizons where practicable. These samples will be put through the trommel screen with residual sample sent over a Wiffley table with recovered gold measured by weight. This will also be done for digger bucket samples recovered from the stream.
5. Any volume or grade calculations will use either length or volume weighting as appropriate to provide robust statistical analysis.

The collection of data will allow stratigraphically robust models of terraces with a greater certainty of gold hosting positions. These can be tested and validated during the third year if necessary. Data from the creek sampling will indicate whether dredging operations in the creek itself could be worthwhile.

After carrying out this work programme Mr Shue should be in a position to confirm whether or not there is an alluvial gold deposit in the area and the feasibility of mining that deposit.

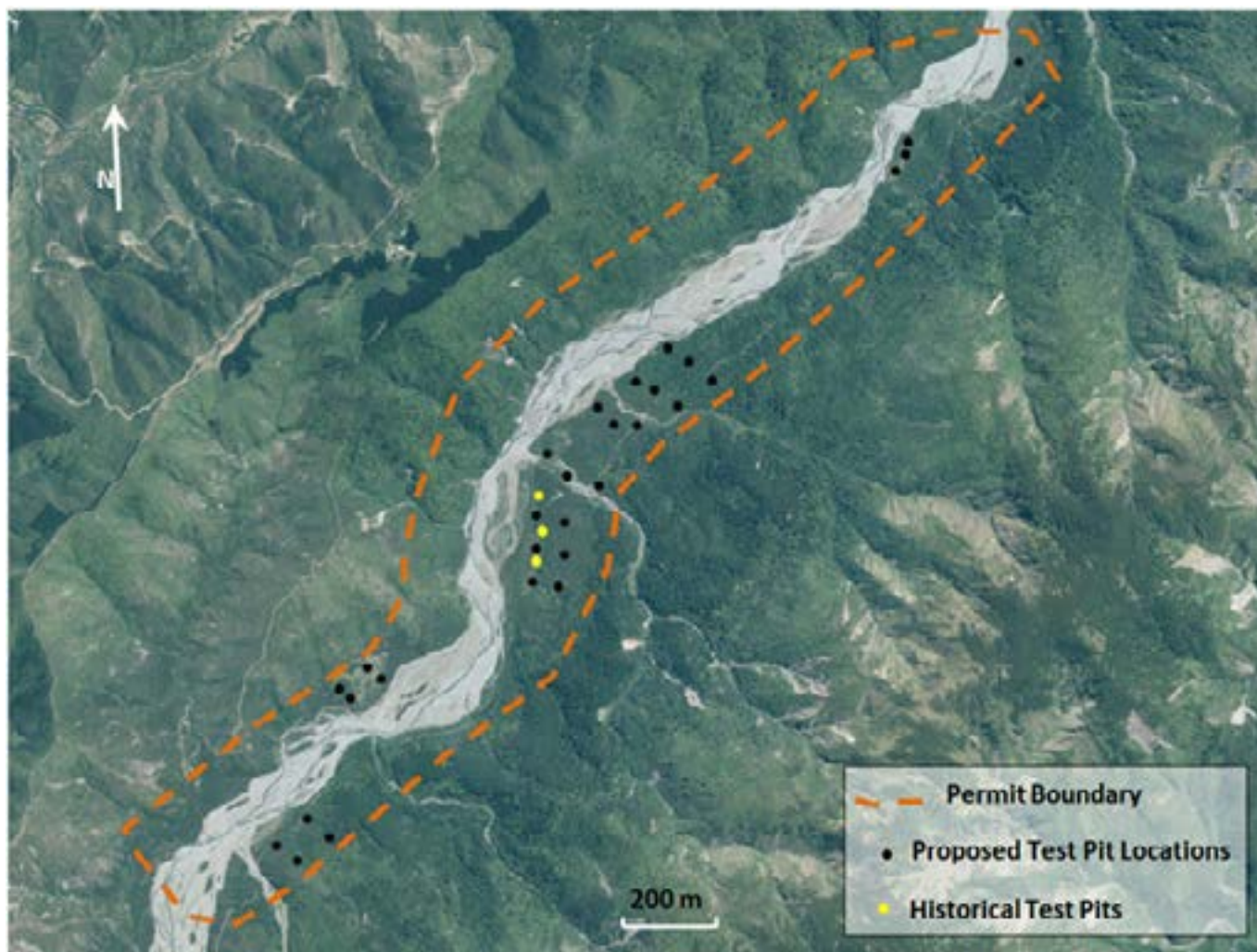


Figure 2. Location of proposed test pits.

Costing

The expected cost of each of the exploration activities needs to be presented with sub-totals by stage and a bottom line cost. These costs need to be 'realistic' with a breakdown of the costs and source of cost information in the application well received. The estimated expenditure for each stage of the work programme is considered under clause 9.3(1)(g) of the Minerals Programme.

Example information

A breakdown of estimated costs is given in Table 1. This covers the estimated costs for accessing the ground, digging 30 test pits in Stage 1 as well as 30 stream samples. Costs presented for Stage 2 are contingent on the results from Stage 1. A contingency of 20% has been included to cover any over-runs or drilling to establish gravel depths.

Stage	Activity	Unit	Unit Cost	Total Cost	Basis
1	Land access	1	\$5,000	\$5,000	Land owner discussion
	Labour	640 hours	\$25	\$16,000	2 workers for 40 days @ 8 hours/day
	Equipment	35 days	\$300	\$10,500	Fuel & sundries
	Total			\$31,500	
2	Land access	1	\$2,000	\$2,000	
	Labour	80 hours	\$25	\$2,000	2 workers for 5 days @ 8 hours/day
	Equipment	5 days	\$300	\$1,500	Fuel & sundries; 5 follow-up test pits
	Total			\$5,500	
	Grand total			\$37,000	
	Contingency	20%		7400	Over run; drilling

Table 1. Budgeted Costs.

Capability

The capability of an applicant to comply with and give effect to the proposed permit and work programme is an important consideration in the legislation (e.g. section 29A(2) of the Act). Clause 5.3 of the Minerals Programme also provides that where there is a significant concern with an applicant's capability – from either a technical, financial, or poor compliance history standpoint – the application can be declined without further consideration.

The application needs to demonstrate, in sufficient detail, the applicant's capability of meeting the proposed work programme and general permit conditions. This will need to be established with respect to the applicant's technical capability, financial capability, and (where relevant) their compliance history on previous permits.

Technical

The technical capability of the proposed 'operator' to undertake the day-to-day management of the work programme must be demonstrated. This includes the appropriate level of technical experience for the person(s) responsible and also the availability and suitability of relevant equipment.

If an applicant proposes to contract work out to a third party in order to bring in technical expertise, then the applicant should also be able to demonstrate relevant project management experience. Details of contractors, consultants or sub-contractors who may be working on the permit instead of the applicant must also be supplied.

For further guidance refer to the [Technical Capability](#) guideline.

Example information

The applicant, Jim Shue, holds a B-Grade Mine Managers certificate and has previous experience in exploration and mining of alluvial deposits having worked in partnership with Bruce McGavin on exploration permit EP 666 and mining permits MP 4321 and MP 2468 (50% interest). As part of these activities the applicant has experience in stream and soil sampling, operating diggers up to 20 tonnes, alluvial pit work as well as suction dredging, trommel screen and water pump operations. The applicant is also familiar with sampling using a drill rig.

The applicant owns outright an eight year old 20 tonne digger in good working condition with a truck and low loader for transporting it. He is licensed for all machinery and equipment including a 'wheels, tracks and roller' endorsement on his license. The applicant also owns a 1.2m trommel screen, sluice boxes, water pumps, a six inch dredge and assortment of smaller equipment for sampling the stream bed as well as digging test pits in the terraces.

In the case of gravel depths in the terraces exceeding the reach of the digger the applicant would engage a drill rig from Drills R Us Ltd to sample and define the full thickness of the gravel units.

Financial

You will need to demonstrate that you have sufficient funding available to undertake the obligations in the work programme. While a bank statement can show a level of available funds it does not necessarily indicate commitment to spend the funds on the proposed work programme. Further evidence of commitment of those funds e.g. agreements with equipment suppliers or previous evidence of financial commitment can strengthen the case for granting the permit application. It is important to provide independent evidence of financial capability.

Applicants with an existing permit portfolio should also factor in committed spending on other their other permits.

Refer to the [Financial Capability](#) guideline for more information, including the different types of supporting evidence that are (or are not) acceptable.

Example information

Mr Shue is financially capable of meeting all work programme obligations and payment of annual fees. As evidence of this the following attachments are provided:

- A current bank statement from ZNA Bank (dated 4 July 2014) showing a balance of \$23,485;
- Evidence of passive income from another business interest with tax statements showing income for the preceding two years;
- A schedule of equipment owned by the applicant, and that is available for use on the permit;
- A breakdown of committed expenditure on the applicant's other active permits – \$45,000 is committed over the next 5 years on Exploration Permit 21045.
- A statement from the applicant's accountant, Cash Ledger, providing a reference in support of the applicant's financial capability; and
- A letter of credit from the ZNA Bank confirming a line of credit to the amount of \$40,000.

The applicant does casual contract earthworks through the year to supplement income. This activity would be built around the proposed exploration work. In general, the applicant also has a solid history of meeting the work programme obligations and permit costs of previous mineral permits.

Compliance

Any previous history with NZP&M and minerals permits will be taken into consideration, particularly any compliance issues. These may be in regard to compliance with timely completion of work programme obligations, reporting obligations and any fees. If there are some historical compliance issues with previous permits then 'front-footing' issues with explanation and/or assurance of future compliance is important.

Example information

As discussed the applicant has previously been involved with a number of mineral permits. The compliance history on these has been pretty good overall. The applicant acknowledges the late submission of reports on MP 4321 but has gained experience since that time and would expect no repeat of those issues.

An issue with completion of the first stage of the work programme for EP 666 has been addressed previously with NZP&M with difficulties encountered after the great flood of 2009. While the applicant acknowledges he should have put in an application for a change of conditions he is now more aware of his obligations as a permit holder. The second stage work programme obligations were completed and an alluvial resource defined. The applicant does point out this project is now the successful Old Nicks mine currently operated by Louis Cypher.



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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.

Recommendation

Date: 4 September 2014
To: National Manager Minerals
From: Minerals Advisor
Application: Minerals Exploration Permit 22011, Acceptable Work Programme Offer Application 22011.01

EXAMPLE ONLY

APPLICATION SUMMARY

Permit number	Minerals Exploration Permit 22011
Date received	15 June 2014
Permit holder / Operator	Jim Shue (100%) (Operator)
Minerals	Gold and aggregate
Duration	3 years
Permit location	Paddle Valley, Southton Region
Permit area	396 ha
Sensitive Areas	The permit area does not overlie any Schedule 4 land, World Heritage sites or any other sensitive areas.
Tier Status	Tier 2
Royalty basis	2013
Recommendation	Grant
Peer Review	Senior Minerals Advisor

ASSESSMENT OF APPLICATION

Background (sections 23A, 29A and Parts 2, 3, 4, 5, 8, 9 & 10)

1. This is an application for a permit made under sections 23A and 29A of the Crown Minerals Act 1991 (the **Act**). The Minister may grant permits to such persons and on such conditions as he thinks fit. The following assessment considers the matters set out in the Act and Minerals Programme for Minerals (Excluding Petroleum) 2013 (the **Minerals Programme**) that the Minister should consider in evaluating an acceptable work programme offer application for a minerals exploration permit (in particular, Parts 2, 3, 4, 5 and 9 of the Minerals Programme). The Minister is not limited to these matters in determining the application.
2. Jim Shue (the **"applicant"**) is applying for an exploration permit over 396 ha of Paddle Valley, 20 kilometres south of Eureka Town in the Southton Region, see Figure 1. The applicant is applying for the right to explore for gold and aggregate, with the proposed work programme focused on exploring for alluvial gold.
3. The applicant has previously held a number of permits as an individual and under his company; Shue Mining Limited, see Table 1 below for the details of these permits.

Table 1: Permits related to the applicant

Permit type	Permit #	Permit holder	Permit Status	Grant date	Duration
Mining	2468	Jim Shue (50%) Bruce McGavin (50%)	Active	11 June 2004 (extension pending)	10 years
Exploration	224	Shue Mining Ltd (100%)	Surrendered	25 May 2007	5 years
Mining	4321	Jim Shue (50%) Bruce McGavin (50%)	Active	1 February 2008	10 years
Exploration	666	Jim Shue (50%) Bruce McGavin (50%)	Expired	1 February 2008	5 years
Mining	4567	Jim Shue (50%) Louis Cypher (50%)	Active	24 July 2012	10 years
Exploration	21045	Jim Shue (50%) Harry Foot (50%)	Active	3 March 2014	5 years

Availability of land area and minerals (section 28A, clauses 1.6, 3.1, 3.2, 4.2, 5.3(8), 5.3(9), 6.1(4), 6.4, 6.10 and Schedule 3)

4. The land and minerals have been assessed in accordance with the Act and Minerals Programme and are available for permitting. The land does not include any sensitive areas or overlap any existing permits.
5. The applicant has applied to explore for aggregate, a non-statute mineral. The applicant has provided a Land and Mineral Status ("LMS") report prepared by Mike Dave, who is a LINZ-accredited Crown Property Supplier and has been verified by officials. The LMS report states that non-statute minerals on the land parcels within the application area are Crown-owned.

Permit area (section 35C, clauses 4.6 and 9.4)

6. The applicant has applied for a permit over 396 ha.
7. The application covers an unbroken area of greater than 150 hectares, which is within the parameters specified in the Minerals Programme over which an exploration permit will usually be granted.

Duration (section 35(5) and clause 9.5)

8. The Minerals Programme provides that an exploration permit will usually be granted for up to 5 years after the commencement date.
9. The proposed duration of the permit is 3 years, which is consistent with the practice stated in clause 9.5 in the Minerals Programme and is considered an appropriate timeframe for completion of the work programme.

Permit tier (sections 2B and 2C, Schedule 5 and clause 1.7)

10. This is assessed to be a Tier 2 permit by virtue of section 2B(1)(c) of the Act as this is an exploration permit for a mineral specified in Schedule 5 of the Act and the total work programme expenditure for the final five years of the life of the permit is estimated to be less than \$1.25m.

The Work Programme

11. On the basis of the applicant's detailed proposed work programme that was presented in the application, officials have proposed the following minimum work programme for the permit certificate.
 1. Within 36 months of the commencement date of the permit the permit holder shall (to the satisfaction of the chief executive):
 - (a) complete a literature review of all relevant geological information to the permit area;
 - (b) complete a programme of pan sampling;
 - (c) complete a programme of test pitting and/or drilling for a minimum of 30 test pits and/or drill holes;
 - (d) estimate a mineral resource;
 - (e) complete appropriate mining studies; and
 - (f) prepare a technical report detailing all work completed during this stage of the work programme to be submitted to the chief executive in accordance with the regulations.
12. The above proposed work programme was sent to the applicant on 28 August 2014. The applicant accepted the work programme on 30 August 2014.

Work programme stages and minimum commitments (clauses 9.2(1) and (2))

13. The applicant proposed a two staged work programme, the first at 24 months and the second at 36 months. Officials have agreed with the applicant for a single staged work programme due at 36 months to enable a more flexible work programme, while still enabling the objective of the work programme to be met.
14. As the application is for a Tier 2 exploration permit, clause 9.2(2) is not considered relevant.

The geology of the permit area and exploration targets
(clauses 9.3(1)(a))

15. Paddle Valley is incised into Greenland Group meta-sediment with the potential of significant gold being sourced from mineralised quartz veins within the Greenland Group as well as from adjacent schist rocks to the north-west.
16. The Murky Mudstone unconformably overlies the basement rock. The Murky Mudstone indicates the bottom of the alluvial gold bearing sediments in the region. The Murky Mudstone is overlain by the mid-Pleistocene glacio-fluvial Midas Formation that forms the major terrace in the valley. Upshot Creek has incised into the Midas Formation and deposited recent gravels on the active river bed.
17. The target unit for alluvial gold is the Midas Formation that hosts paleo stream beds within the fluvial terrace. Glacial activity has eroded the meta-sediments and deposited the sediments in outwash channels that have subsequently been re-mobilised and deposited by Upshot Creek forming terraces and concentrating alluvial gold in paleo-channels.
18. The gravels of the Midas Formation may provide aggregate that the applicant would be looking to sell as a by-product of an alluvial gold mining operation.
19. The applicant has demonstrated knowledge of the geology of the application area that is sufficient to give effect to the proposed work programme. Officials are satisfied that the

proposed work programme is appropriate to the geology of the permit area and exploration targets described by the applicant for the reasons outlined in paragraphs 15 – 18 above.

Any relevant past prospecting, exploration and mining activities in the permit area (clause 9.3(1)(b))

20. The below information has been summarised from the applicant's application.
21. There is no known gold mining (alluvial or hard rock) that has occurred in Paddle Valley. Alluvial gold mining occurred from the early 20th century until 1939 in Silicon Valley, which is situated adjacent to Paddle Valley. Silicon Valley has the same gold-bearing source rocks (Greenland Group meta-sediments) as Paddle Valley.
22. Paddle Valley has received limited prospecting and exploration. The only recorded work was carried out by Cash Cow Pty Ltd in 1992 under exploration permit 12345. The work carried out by Cash Cow is detailed in Mineral Report 7777 which can be found in NZP&M's Exploration Database. Cash Cow was focused on the hard rock gold potential of the area carrying out a rock chip sampling programme. Cash Cow also carried out some pan samples within Upshot Creek and three test pits along the adjacent fluvial terrace within the Midas Formation. The test pits indicated the presence of alluvial gold at depth.
23. Figure 1 below shows the location of previous exploration carried out in relation to the application area.

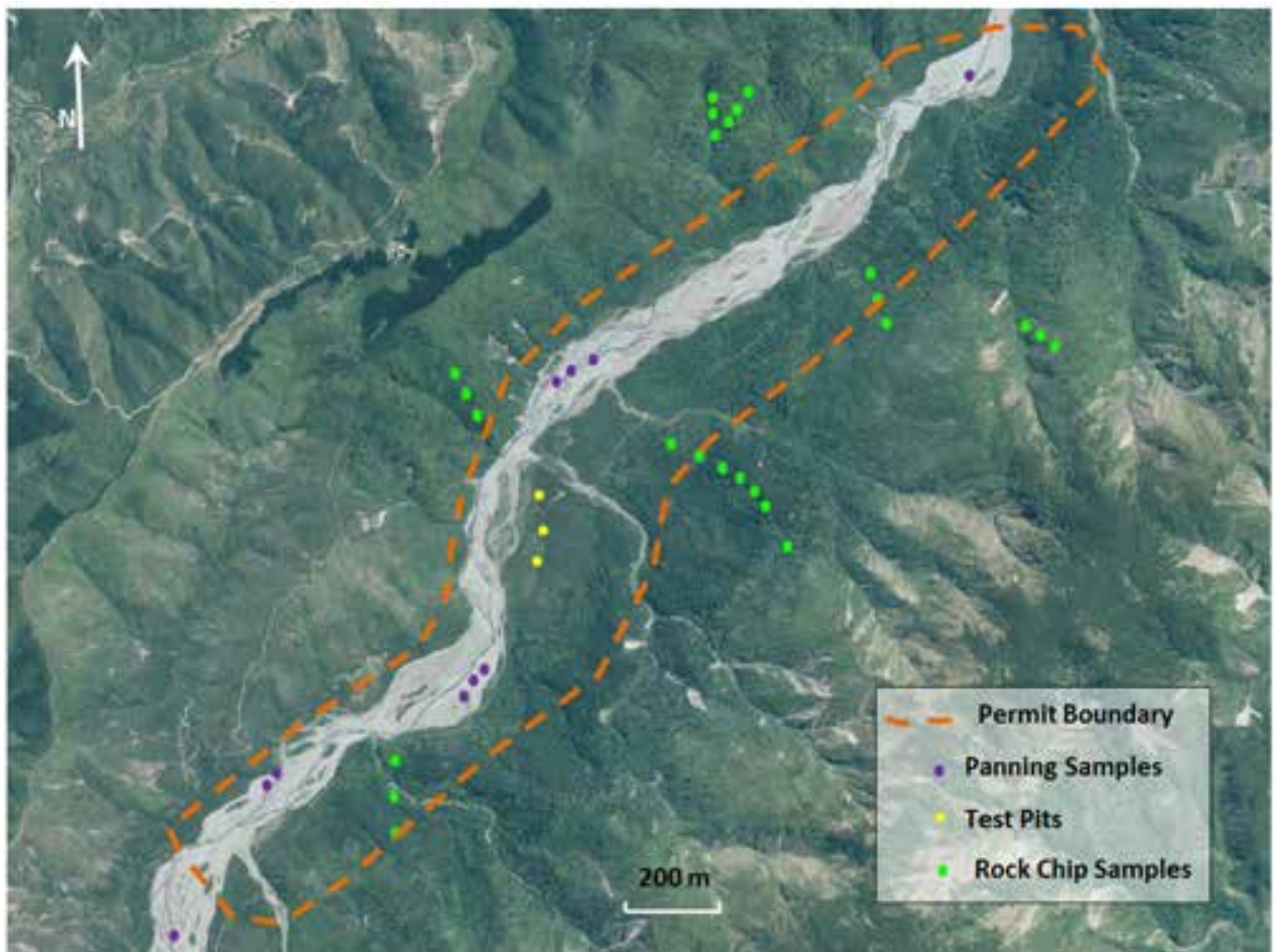


Figure 1: Location of historical exploration carried out in relation to the application area. Image provided by the applicant

24. Officials have not identified any other relevant historical prospecting, mining or exploration in the area to that outlined in the application.
25. The applicant has demonstrated knowledge of previous work associated with the application area to enable a suitable work programme to be conducted.

The technical approach proposed and consistency with good industry practice (section 29A(2)(a)(iii), clauses 1.3(10) & (11), 5.2(4) clauses 9.3(1)(c), (d), (e), (f) and (i))

26. The applicant has stated that the objective of the proposed work programme is “to determine whether there is a viable alluvial gold deposit in the mid-Pleistocene-Quaternary gravels in the Paddle Valley, and the feasibility of mining any deposit identified.” A secondary objective is to test the suitability of gravel in the area as an aggregate source for the Southton region.
27. The original work programme, as originally proposed by the applicant, follows. The two phased work programme has been consolidated to a single staged work programme (Paragraph 11).

Phase one

28. The applicant will initially do a full review of all geological information and previous exploration in the area.
29. Work will then focus on the known terraces where the applicant proposes to carry out a minimum of 30 test pits.

The test pits are designed to test gold concentration in the Midas Formation gravels where the applicant hopes to identify a mineral resource. From the test pits the applicant will also determine the sediment profile of the terraces and depth of overburden. This information will be used in any mining studies the applicant carries out if an economic resource is identified.

30. The applicant has stated that if the bottom of the gravels are too deep for their excavator to reach then the applicant will carry out drilling to enable the full depth of the gravels to be explored.

31. Test pitting will initially be focused where historical test pitting has taken place as this terrace is known to contain gold at depth. Testing will then be carried out on other known terraces on Upshot Creek that are formed of the Midas Formation.

Phase two

32. The applicant has stated that the second stage will be dependent on the results of the first stage. Notably, if a resource is identified in the first stage then work will be carried out to validate those results by twinning some test pits or carrying out in-fill test pitting. This work would refine the resource model.
33. Figure 2 below shows the indicative location of test pits the applicant is proposing to carry out in the first stage of exploration.

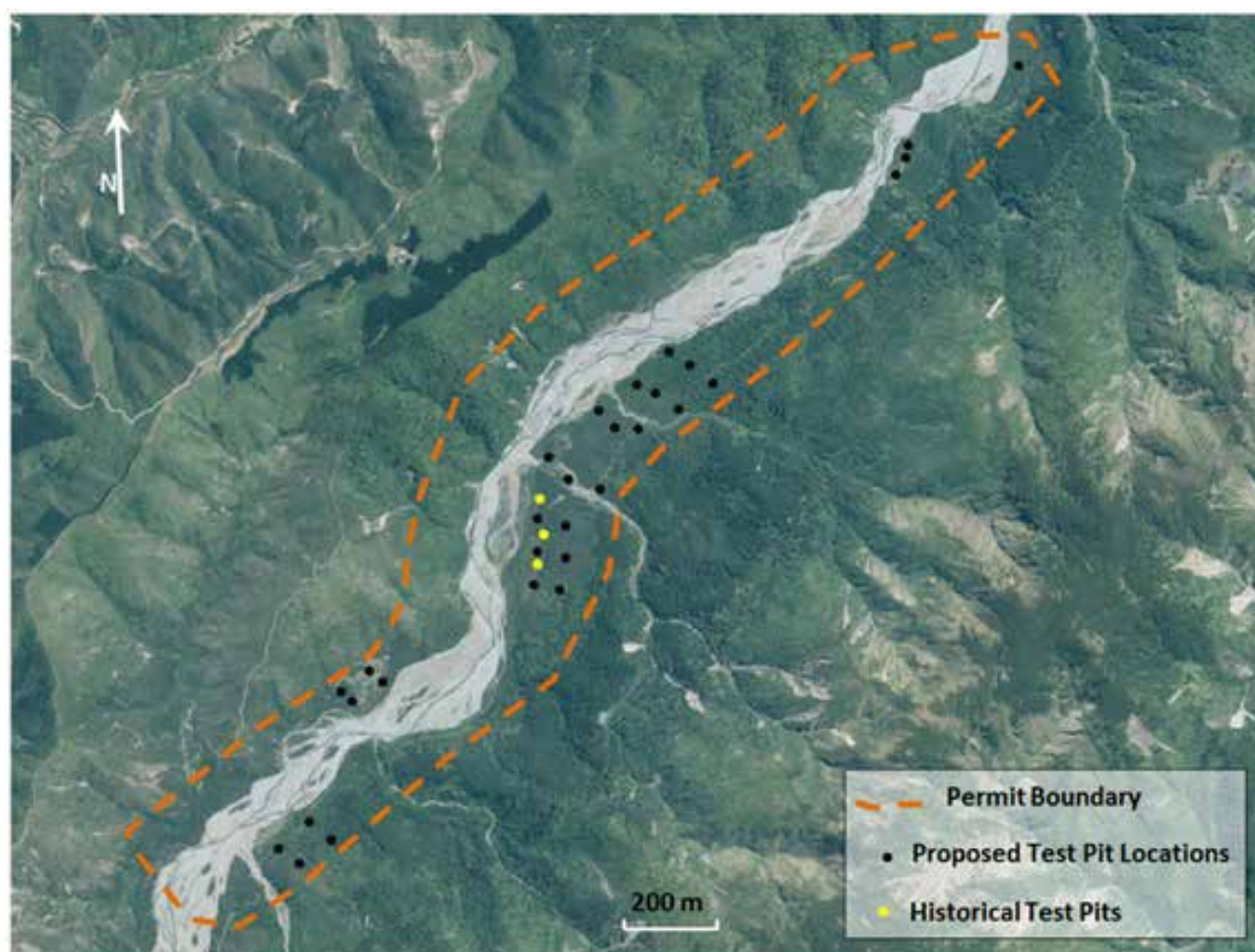


Figure 2: Indicative locations of proposed test pits

34. Based on the indicative location of test pits and the other sampling work proposed to be carried out, officials are satisfied that the proposed work programme provides for exploration over the full extent of the land to which the application relates.

35. The applicant has outlined the steps they intend to take when carrying out the test pitting to ensure high quality data is obtained for estimating the resource. These steps include:

- All sample areas and test pits/drill holes will be 'picked up' using a GPS to ensure accurate spatial locations;
- All test pits, where conditions suit, will be 'mapped' where stratigraphic features will be observed and recorded with depth e.g. size fraction (silt/mud, sand, gravel, boulders) and degree of sorting. Where collapse or water inflow might be a problem the digger bucket sample will be laid out in a way that will allow as much information to be gained as possible;
- Test pits, or drill holes will be to the base of terrace material to the maximum depth possible to ensure the full profile is mapped and sampled; and
- Test pit samples will be taken at 1m to 2m intervals, with the volume of sample recorded, or discrete to thinner horizons where practicable. These samples will be put through the trommel screen with residual sample sent over a Wiffley table with recovered gold measured by weight. This will also be done for digger bucket samples recovered from the stream.

36. Considering the steps outlined by the applicant above, officials are satisfied with the technical approach to be taken and that the work will be carried out in accordance with good industry practice.

37. Having considered the factors set out in the Act and the Minerals Programme and in particular the matters discussed above, officials are satisfied that the proposed work programme is;

- consistent with good industry practice;
- provides adequate time for the applicant to undertake committed and contingent exploration work and process and analyses the results;
- the suitability of the proposed committed work to the geology of the area and knowledge of the existing resource; and
- should enable the permit holder to make a commercially justifiable decision on development of a mineral deposit before the permit expires.

Minimum expenditure indicated for each stage (clause 9.3(1)(g))

38. Table 2 below outlines the estimated expenditure for the proposed work programme and by activity.

Table 2: Estimated minimum work programme expenditure provided by the applicant

Stage	Activity	Unit	Unit Cost	Total Cost	Basis
1	Land access	1	\$5,000	\$5,000	Land owner discussion
	Labour	640 hours	\$25	\$16,000	2 workers for 40 days @ 8 hours/day
	Equipment	35 days	\$300	\$10,500	Fuel & sundries
	Total			\$31,500	
2	Land access	1	\$2,000	\$2,000	
	Labour	80 hours	\$25	\$2,000	2 workers for 5 days @ 8 hours/day
	Equipment	5 days	\$300	\$1,500	Fuel & sundries; 5 follow-up test pits
	Total			\$5,500	
	Grand total			\$37,000	
	Contingency	20%		7400	Over run; drilling

39. The first stage is committed expenditure and is based on 30 test pits as well as pan sampling 30. The second stage expenditure is contingent on results from the first stage.

40. The proposed expenditure is considered appropriate for the nature and extent of the activities proposed.

Consistency with the purpose of the Act and the purpose of a minerals exploration permit (sections 1A, 29A(2)(a)(i), (ii) and clauses 1.2, 1.3, 5.2, 9.1, 9.2 and 9.3)

41. Officials are satisfied that the objective of the proposed exploration is to identify an inferred mineral resource; determine the feasibility of mining the specified mineral resources; and that the proposed work programme is consistent with the purpose of the Act and the permit for reasons outlined above.

Capability

Likelihood of complying with and giving proper effect to the proposed work programme (section 29A(2)(b) and clause 5.3)

Financial Capability

42. The applicant has provided the following evidence of financial capability;

- A current bank statement from ZNA Bank (dated 4 July 2014) showing a balance of \$23,485;
- Evidence of passive income from another business interest with tax statements showing income for the preceding two years;
- A list of equipment owned by the applicant and is available for use during the proposed work programme;

- A statement from the applicant's accountant, Cash Ledger, providing a reference in support of the applicant's financial capability; and
- A letter of credit from the ZNA Bank confirming a line of credit to the amount of \$40,000.

43. Table 3 below shows the estimated minimum expenditure for the proposed work programme and other expenditure on related exploration permit 21045 held by the applicant and Harry Foot.

Table 3: Exploration expenditure across permit portfolios

Permit	2014	2015	2016	2017	2018
EP 21045	10,000	30,000	10,000	30,000	10,000
EP 22011.01	n/a	32,100	5,500	n/a	n/a
Total	10,000	62,100	15,500	30,000	10,000
Accumulative Total	10,000	72,100	87,600	117,600	127,600

44. The accumulative expenditure across the two exploration permits to the end of the proposed work programme is \$87,600 over three years (which is up to the first stage of the work programme on EP 21045). The applicant is covering half of the expenditure of EP 21045, this is stated in the application for EP 21045. As such the applicant has committed expenditure of \$62,600 over the next three years. MP's 2468, 4321 and 4567 all have operating mines that are generating revenue to cover their operating costs, as such no additional capital is required to carry out work on these permits.

45. As the applicant has \$23,485 available; capital access for a further \$40,000; and passive income from the applicant's other mining operations, officials are satisfied that the applicant is likely to have the financial capability to undertake the proposed work programme and give proper effect to the permit.

Technical Capability

46. The applicant has stated that they hold a B-Grade Mine Managers certificate and has had previous experience in exploration and mining of alluvial deposits. The applicant has worked in a partnership with Bruce McGavin on EP 666 and MP 4321 and 2468 conducting exploration including geochemical sampling, test pits and working on alluvial mining operations that include a hobby operation on MP 2468 and a conventional alluvial gold mining operation on MP 4321.
47. The applicant has stated that should they need to carry out drilling than they would contract Drills R Us Ltd. Drills R Us Ltd is a well-known drilling company that specialise in alluvial gold exploration.

Work Programme Compliance History

48. Table 1, in the "Background" section above, shows permits that the applicant and related company, Shue Mining Ltd currently hold and have held. See Appendix 1 for the compliance history of each permit.

49. There are two instances of work programme non-compliance on MP 2468 and EP 666. Despite this non-compliance officials are satisfied that overall the applicant has a satisfactory compliance history that does not demonstrate that the applicant is unlikely to comply with the proposed work programme. Officials are satisfied due to;

- Clause 5.3(4) provides that previous non-compliance will normally count against, but not necessarily preclude the granting of a permit;
- The non-compliance on MP 2468 is considered to be low level non-compliance as the applicant has overall given effect to the permit with the non-compliance relating to not meeting the minimum production rate for one year; and
- Despite the non-compliance on EP 666, the applicant did largely complete the work programme and has acknowledged the non-compliance and has actively worked the permit to comply with the next stage of the work programme, and defined a resource that is now being mined on MP 4567; and
- Aside from the two instances of non-compliance, the applicant is compliant on all other related permit's work programmes.

Summary

50. Having considered the applicant's financial and technical capability and the compliance history of the applicant in relation to work programme obligations, officials are satisfied that the applicant is likely to comply with and give proper effect to the proposed work programme.

Likelihood of complying with reporting obligations and the payment of fees and royalties (section 29A(2)(c) and clause 5.3)

51. See Appendix 1 for the compliance history of the applicant and related parties in relation to reporting and payment of fees and royalties.

52. The applicant has largely been compliant with reporting obligations and the payment of fees and royalties, except on MP4567 where Shue Mining Ltd was late on submitting two annual summary reports. As there are only three instances of lateness across six permits going back to 2007, officials do not consider this non-compliance to be material. As such officials are satisfied that the applicant is likely to comply with reporting obligations and the payment of fees and royalties to the Crown.

Consultation with iwi and hapu (section 4, clauses 2.2, 2.3, 2.5, 2.7 and 2.8)

NZP&M will consult with relevant iwi and hapu during the course of the evaluation. An example is not considered appropriate in this case.

For the purposes of this example it is assumed no issues arose from the consultation.

NZP&M would always encourage the permit applicant to proactively engage with relevant iwi and hapu to help address any concerns that may arise and help build a positive relationship.

Any other relevant factors

53. None identified.

CONCLUSION

54. Having considered the relevant provisions in the Act and the Minerals Programme and for the reasons outlined above, it is considered appropriate to grant the application.

RECOMMENDATION

55. It is recommended that you:

- (a) grant the application and sign the attached Certificate of Permit Grant; and
- (b) determine that the permit status will be Tier 2.

Reviewed by:

[Name]

[Position]

Appendix 1 – Relevant compliance history to Jim Shue

Jim Shue and Bruce McGavin

Mining permit 2468

56. The permit holder acquired the permit in 2008. The permit was in a state of non-compliance as mining had not commenced within the required time frame (24 months of the commencement date) and at a minimum rate of 20,000 cubic metres per year. The previous permit holder is liable for the non-compliance up to when the permit was transferred. The applicant commenced mining on the permit in late 2009 following gaining land access and has continually mined the permit since. The permit holder did not meet the minimum mining rate in 2011 due to the applicant having to wait for exotic trees to be felled. Mining re-commenced in 2012 where the applicant has since met the minimum production rate.
57. Although the applicant did not meet the minimum production rate for one year, officials consider this to be a low level of non-compliance as the applicant has largely given effect to the permit since acquiring it in 2008.
58. The applicant is compliant on reporting, payment of annual fees and royalty obligations in relation to the permit.

Mining permit 4321

59. The applicant is compliant with the permit's conditions. The permit is for a hobby/recreational operation as such does not have a deliverable work programme.
60. The permit holder was late on submitting two annual summary reports (2007 and 2008 calendar years) in relation to the permit. The permit holder is compliant with annual fee payments in relation to the permit. As the permit is for a hobby operation, the permit holder has not produced sufficient gold for a royalty to be payable.

Exploration permit 666

61. The permit consists of a two staged work programme, the first due on 31 January 2010 and the second stage due by 31 January 2013.
62. The permit holder did not fully comply with the first stage of the work programme that included a programme of mapping, pan sampling and reconnaissance test pitting.

The applicant did complete a literature review, geological mapping and completed 7 of minimum of 10 test pits. This was reported to NZP&M under MR 9456. The final three test pits were not carried out due to the great flood in 2009 that flooded most of the permit area that resulted in work not being able to be completed. The applicant did not apply for a change of conditions to address this non-compliance.

63. The applicant then carried out an exploration programme on the permit in the summer of 2011/2012 that defined an alluvial gold resource that resulted in subsequent mining permit 4567 being granted in June 2012. The work was sufficient to meet the obligations under the second stage of the work programme and was reported under MR 9765.
64. The applicant is compliant on reporting and payment of annual fee obligations in relation to the permit.

Jim Shue and Louis Cypher

Mining permit 4567

65. The permit was originally held by the applicant and Bruce McGavin. Mr McGavin transferred his interest and changed the operator to Louis Cypher on 14 December 2012. The permit holder is compliant with the permit's work programme that required mining to commence within 12 months and at a minimum rate of 30,000 cubic metres per year.
66. The applicant is compliant on reporting, payment of annual fee and royalty obligations in relation to the permit.

Shue Mining Ltd

Exploration permit 224

67. The permit holder surrendered the permit before any work programme obligations were due as the permit holder was unable to get land access.
68. The applicant is compliant on reporting and payment of annual fee obligations in relation to the permit.

Jim Shue and Harry Foot

Exploration permit 21045

69. No work programme obligations have yet to fall due on the permit as it was only granted in March 2014.
70. The applicant is compliant on reporting and payment of annual fee obligations in relation to the permit.



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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.