

Guidance on making applications for Newly Available Acreage (NAA)

Newly Available Acreage (“**NAA**”) is one of four methods¹ that can be used for allocating minerals permits. NAA applications, for Tier 1 and/or Tier 2 permits, are subject to a time-bound, competitive allocation process. NAA may be offered when land ceases to be subject to a permit in respect of a particular mineral group, generally because a permit has expired or been relinquished, surrendered or revoked.

Note that “Newly Available Acreage” is a technical term referring to a particular allocation mechanism and does not simply refer to ‘acreage which is newly available’.

PURPOSE

This guideline explains how the NAA process works. It describes the NAA process at a general level but is not intended to give detailed instructions on how to make an application for a permit or how applications are assessed. Applicants should refer to the Crown Minerals Act 1991, the Crown Minerals (Minerals Other than Petroleum) Regulations 2007 and the Minerals Programme for Minerals (Excluding Petroleum) 2013 for more detailed information.

LEGISLATIVE CONTEXT

The Crown Minerals Act 1991 (the “**Act**”) provides for the grant of permits either under section 23A (upon application by a person for a permit) or section 24 (by public tender). The Minerals Programme for Minerals (Excluding Petroleum) 2013 (the “**Minerals Programme**”) provides that when land ceases to be subject to a permit in respect of a particular mineral group, the Minister will determine which allocation method will apply to the land.

The Minerals Programme provides two allocation methods for section 23A applications:

- › Acceptable work programme offer (“**AWPO**”)
- › Newly Available Acreage (“**NAA**”)

Differences between NAA and AWPO

NAA may be offered when land becomes available because a permit has expired or been relinquished, surrendered or revoked. NAA is preferred over AWPO when there is likely to be competitive interest in the area.

AWPO applications can be received at any time over unpermitted areas other than those designated as reserved for public tender or NAA or excluded from permitting under Schedule 3 of the Minerals Programme.

The first AWPO application received over the area will be assessed and, provided the application meets the requirements of the Act and Minerals Programme in respect of the type of permit sought, the applicant will be granted a permit. However if multiple applications are received on the same day they are assessed with equal priority as per clause 5.5(4) of the Minerals Programme.

NAA applications for Tier 1 and/or Tier 2 permits are subject to a time-bound competitive allocation process. This competitive element means that there are some key differences in the way

¹ That is, (1) Acceptable Work Programme Offer, (2) Competitive tender allocation: staged work programme, (3) Competitive tender allocation: cash bonus bidding, (4) Newly Available Acreage.

that NAA applications are received and processed. These are set out in **Appendix 1**. An important difference is that work programmes cannot be changed as part of the evaluation process, as is commonly the case for AWPO applications, because of the nature of a competitive process.

Unlike AWPO applications, applications for NAA are not visible on the Online Permitting System or Webmaps during the assessment process.

Differences between NAA and competitive tender allocation

The key difference between NAA and competitive tender allocation is that a minerals competitive tender is a public tender pursuant to section 24 of the Act. The Minerals Programme provides that the tender process will be used where the Minister considers there is likely to be significant competitive interest in the land and has previously reserved the land for that purpose.

Competitive tenders are usually over much larger areas than NAA, encompassing ground that is open to multiple applications, with data packs included to assist potential applicants. The application process and assessment criteria for competitive tenders and the conditions of any permit to be awarded by this method are set out in a public notice. Iwi consultation is carried out in respect of the proposed blocks in the tender area prior to the opening of the tender.

Competitive tenders are only for new permits whereas NAA can be for both new permits *and/or* extensions of land.

Under the Minerals Programme, competitive tendering is not used for allocating Tier 2 permits.

OVERVIEW OF THE NAA PROCESS

Below is a summary of the key steps in the NAA process.

Notification of NAA

When a permit has expired or been relinquished, surrendered or revoked, the land may become open to AWPO, or the website will show the land as decision pending. NZP&M will then normally wait at least 40 working days before posting the land as NAA, however it can take up to 60 working days to make a decision on the allocation method. This is to allow time for relinquishment reports to become available. No AWPO applications will be accepted in the meantime.

NAA application window

An area offered for permitting by NAA is open to applications from the time it is notified on the NZP&M website until 4.30pm on the day 40 working days after that date.

During this window, as applications are received the fees will be processed but no other steps will be taken in the processing of the applications.

Acceptance or rejection of applications

Applications are reviewed for compliance with the regulations (see check lists in **Appendix 2** and **Appendix 3**). Valid applications

are accepted and plotted and applicants are advised whether or not their application is an equal priority application. Applications that do not meet the requirements of the regulations are rejected and the applicant is advised accordingly.

Clause 6.7(4) of the Minerals Programme means the holder of a terminated permit can only apply for minerals available under an NAA if the permit holder complied with regulations concerning reporting requirements.

Assessment of applications

Applications are assessed in accordance with the Minerals Programme, either as if they were acceptable work programme offer applications (non-competing applications) or as equal priority applications (competing applications).

Ranking of applications

Equal priority applications are ranked in accordance with Chapter 7 of the Minerals Programme.

Capability assessment

The successful applicants of equal priority applications are assessed for capability in accordance with section 29A/B of the Act and Chapter 5 of the Minerals Programme. Rankings of equal priority applications are revised if required as a result of capability assessment. Further capability assessments are carried out as required until preferred applications (if any) are identified.

Iwi consultation

Iwi consultation is initiated when an AWPO application is accepted or once the Minister has decided to consider granting an NAA application. All applicants who submitted valid applications will be advised that a preferred applicant has been selected and iwi consultation has commenced. Where required, a Land and Minerals Status report (LMS report) is requested from the top-ranked applicant to confirm mineral ownership. This will be required for Tier 2 exploration and mining permit applications or extension of land applications in respect of exploration and mining permits where an LMS report was not required to be submitted with the application.

Permit area finalised

The top-ranked applicant will be notified of any proposed changes to the permit area arising from iwi consultation. Note that it is for the Minister to make a determination on any change to the permit area arising from iwi consultation but the applicant may choose to reject the revised permit area offered.

Permit granted

Any permit granted in respect of the NAA is notified on the NZP&M website only when a new permit is granted.

Fees for unsuccessful applications

Fees for unsuccessful applications will not be refunded.

MAKING AN APPLICATION FOR NAA

Before making an application

Before making an application for NAA it is important to be familiar with the application requirements and evaluation criteria for the particular permit being sought. Chapters 2, 3, 4 and 5 of the Minerals Programme set out criteria applicable to all permit applications and chapters 8, 9 and 10 provide additional criteria for prospecting permits, exploration permits and mining permits respectively. If the application is for an extension of land to an existing permit, chapter 12 provides additional considerations.

An application must be made on the relevant form [APP-01], be properly signed, and accompanied by the fee or evidence of the fee having been paid. The application fees are set out in **Crown Minerals (Minerals Fees) Regulations 2006**.

See Appendix 2 – NAA permit application acceptance checklist for applying for a new prospecting, exploration or mining permit.

See Appendix 3 – NAA extension of land application acceptance checklist for applying for an extension of land of an existing prospecting, exploration or mining permit.

It is important to note that:

- › An application will be rejected if it does not meet the requirements of the Crown Minerals (Minerals other than Petroleum) Regulations 2007.
- › There is no opportunity to provide further information once the NAA application window has closed, so as much information as possible should be provided to enable the Minister to make an assessment of the application. However clause 7.1(2) of the Minerals Programme provides for the Minister to ask for clarification of information relating to the area of focus of the work programme or the rationale for the work programme. Clause 5.4(7) of the Minerals Programme allows the Minister to raise concerns with respect to the applicant's ability to meet expected health, safety and environmental requirements and consider any comments the applicant makes.
- › NAA is a competitive allocation method based mainly on proposed work programme commitments. Chapter 7 of the Minerals Programme explains how competing applications are assessed.

Determining the tier status of the permit being sought

The application must indicate whether it is for a Tier 1 or a Tier 2 permit.

See **Appendix 4 – Determining tier status** for guidance on how to determine the permit tier status.

Information to provide in support of the capability assessment of a Tier 1 operator of an exploration or mining permit

An application for a Tier 1 exploration or mining permit should provide sufficient information for the health, safety and environmental capabilities of the proposed Operator to be assessed².

If the proposed Operator is not currently undertaking similar activities in New Zealand or comparable jurisdictions, it will be important to include with the application evidence to demonstrate the matters set out in clause 5.4(6)(b) of the Minerals Programme.

If the proposed Operator is not currently undertaking similar activities in New Zealand but is undertaking similar activities in comparable jurisdictions, the application should include details of those other jurisdictions and the reasons they are comparable to New Zealand.

Information to provide in support of the financial capability assessment

Refer to the separate guideline on financial capability.

² See separate guideline on Tier 1 health, safety and environment capability assessment.

APPENDICES

Appendix 1 – Differences between AWPO and NAA

	AWPO	NAA	COMMENTS
Timeframe	Can be received at any time.	Must be received in the timeframe specified on the NZP&M website.	NAA applications received outside of the specified timeframe cannot be accepted.
Iwi consultation	Is initiated when the application is accepted.	Is initiated once the applications have been assessed and ranked (after the capability assessment), in respect of an NAA application that the Minister is considering granting.	As numerous competing applications may be received with very different proposed work programmes (e.g. applications for new prospecting, exploration and mining permits or extensions of land of existing permits may all be received in respect of an NAA area), consulting only on the preferred NAA application avoids unduly burdening iwi groups in consultation on applications that will not be granted.
Communications	NZP&M personnel can engage with the applicant in the usual manner when processing the application.	NZP&M personnel will apply similar disciplines as with a competitive tender process in communicating with applicants to avoid any suggestion of unfair advantage or bias to a particular applicant.	As NAA is a competitive process, no communications will be entered into that could be perceived as giving a particular applicant or potential applicant an unfair advantage in the process. In particular, NZP&M personnel will not make any statements or provide any information to an applicant or potential applicant that is not made generally available to all applicants and potential applicants. Applicants or potential applicants must not solicit (including seeking to influence or offer inducements of any kind) or engage with any person at NZP&M that could give rise to a perception of bias or influence.
Amendments	The applicant may seek an amendment to the land, minerals or applicant's identity and contact details in accordance with clause 4.8 of the Minerals Programme.	Amendments other than minor or inconsequential corrections will not be accepted.	As NAA is a competitive process, an applicant cannot seek to change the application after it has been submitted. Discretion may be exercised where there is a minor correction (for example, an applicant's name has been misspelled, versus a change to the legal entity making the application). No amendments to the proposed land, minerals, applicant, work programme or expenditure will be accepted except where it is clear there has been a manifest error in the application and no other applicant will be prejudiced by allowing the correction.
Capability assessment	Is initiated when the application is accepted.	Is initiated once the applications have been assessed and ranked, in respect of an applicant to whom the Minister is considering granting a permit.	As numerous competing applications may be received, capability assessment only on the preferred applicant(s) avoids unduly burdening NZP&M and other agencies' resources in assessing capability of applicants that will not be granted a permit.

Appendix 2 – NAA permit application acceptance checklist

APPLICATION REQUIREMENTS (CROWN MINERALS (MINERALS OTHER THAN PETROLEUM) REGULATIONS 2007)	MINERALS PROSPECTING PERMIT (MPP)	MINERALS EXPLORATION PERMIT (MEP)	MINERALS MINING PERMIT (MMP)
Prescribed fee or evidence of the fee having been paid	✓	✓	✓
Correct form and required signatures	✓	✓	✓
Particulars of person responsible for the application	✓	✓	✓
Statement of technical qualifications of the applicant	✓	✓	✓
Statement of financial resources of the applicant	✓	✓	✓
If the application is on behalf of 2 or more persons an explanation of each person's interest in the permit (including the percentage share of the permit each person will hold)	✓	✓	✓
If the application is on behalf of 2 or more persons, the proposed permit operator	✓	✓	✓
The area of land to which the application relates (in hectares or square kilometres)	✓	✓	✓
A map of the permit area	✓	✓	✓
A Land and Mineral Status (LMS) report	✗	✓ Tier 1 only (not required if application area is wholly offshore or if minerals are only gold and/or silver)	✓ Tier 1 only (not required if application area is wholly offshore or if minerals are only gold and/or silver)
A summary of the geology of the permit area	✓	✓	✗
A summary of the potential mineralisation of the permit area	✓	✗	✗
A summary of the past prospecting, exploration, or mining activities that may be relevant to the land covered by the permit	✗	✓	✗
A summary of the exploration and mining history of the permit area	✓	✗	✗
A statement as to whether the land contains any defined exploration targets or is contiguous with any defined exploration targets	✗	✓	✗
A map showing the size and location of the resource or deposit	✗	✗	✓
A description of the geology of the resource or deposit	✗	✗	✓

APPLICATION REQUIREMENTS (CROWN MINERALS (MINERALS OTHER THAN PETROLEUM) REGULATIONS 2007)	MINERALS PROSPECTING PERMIT (MPP)	MINERALS EXPLORATION PERMIT (MEP)	MINERALS MINING PERMIT (MMP)
If applicable a description of the type of coal and its properties	x	x	✓
Estimates of total in-ground resources	x	x	✓
A report that sets out the evidence for a mineable mineral resource or exploitable mineral deposit sufficient to support a mining permit that includes estimates of the mineable mineral resource or exploitable mineral deposit, which may include inferred, indicated and measured resources or deposits and probably and proved resources or deposits	x	x	✓ (for Tier 1 estimates must be made in accordance with the Canadian National Instrument, the JORC Code or the South African Code and must be accompanied by a) documentation on input data, methodology, quality control, and validation of the resource or deposit; and b) a spatial definition of the areas to which the figures in the estimates apply; and c) a statement of the criteria used to determine the estimates; and d) a statement of whether the estimates are made on the basis of a scoping, pre-feasibility, or feasibility study, or on some other specified basis)
Mining feasibility studies, which include mine design, scheduling and production, resource recovery, and economic viability	x	x	✓
A report on the project economics of the operation, including financial viability, technical constraints, and proposed level of expenditure in relation to the scale and extent of the proposed operations	x	x	✓
Propose a minimum work programme	✓	✓	✓
A statement as to the objectives of the proposed minimum work programme	✓	✓	x
Identification of the area to which the proposed work programme relates	✓	x	x
A statement as to the technical rationale of the proposed work programme	✓	✓	x
A statement as to the milestones of the proposed work programme	✓	✓	x
A statement as to the deliverables of the proposed work programme	✓	✓	x
A statement identifying ongoing work commitment options	✓	✓	x

APPLICATION REQUIREMENTS (CROWN MINERALS (MINERALS OTHER THAN PETROLEUM) REGULATIONS 2007)	MINERALS PROSPECTING PERMIT (MPP)	MINERALS EXPLORATION PERMIT (MEP)	MINERALS MINING PERMIT (MMP)
A statement that indicates review or decision points in the programme that may lead to the exploration continuing; the permit holder applying for an extension of duration of the permit to appraise a discovery; or surrender of the permit	x	✓	x
If the programme depends on results from review or decision points, provide an outline of the likely course of exploration	x	✓	x
A report on any mine development plans that have been identified, which must include details of the projected ultimate recovery of the resource under each plan and a statement as to why these options have not been pursued	x	x	✓ Tier 1 only
An overview of the size, nature, extent, and siting of the proposed mining operation	x	x	✓
An overview of the mining methods to be used	x	x	✓
An overview of the proposed mining and production schedule	x	x	✓
An overview of the expected production and long-term mining scheme for the mineable resource	x	x	✓
The proposed start date for production	x	x	✓
An overview of any proposed prospecting or exploration work in relation to the permit area	x	x	✓
A statement as to whether the proposed exploration / mining operations is in accordance with good industry practice	x	✓	✓
A statement as to the minimum expenditure for each stage	✓	✓ (a stage can be no more than 36 months)	x
A statement as to the minimum expenditure for the proposed duration of the permit	✓	✓	x
An overview of the proposed expenditure under the permit	x	x	✓
If applicable, an overview of the point of valuation for royalty purposes	x	x	✓
If the application is over a broken area of land as statement of the reasons why the application is necessary for a broken area	✓	✓	x

APPLICATION REQUIREMENTS (CROWN MINERALS (MINERALS OTHER THAN PETROLEUM) REGULATIONS 2007)	MINERALS PROSPECTING PERMIT (MPP)	MINERALS EXPLORATION PERMIT (MEP)	MINERALS MINING PERMIT (MMP)
A statement that allows the Minister to form a view as to whether the proposed permit operator has, or is likely to have, by the time the relevant work in any granted work in any granted permit is undertaken, the capability and systems that are likely to be required to meet the health and safety and environmental requirements of all specified Acts for the types of activities proposed under the permit	x	✓ Tier 1 only	✓ Tier 1 only
A statement of any permit held by the applicant in an overseas jurisdiction that has been revoked in the past 10 years and the reasons for the revocation	x	✓	x

Appendix 3 – NAA extension of land application acceptance checklist

APPLICATION REQUIREMENTS (CROWN MINERALS (MINERALS OTHER THAN PETROLEUM) REGULATIONS 2007)	EXTENSION OF LAND OF A MPP	EXTENSION OF LAND OF A MEP	EXTENSION OF LAND OF A MMP
Prescribed fee or evidence of the fee having been paid	✓	✓	✓
Correct form and required signatures	✓	✓	✓
The reference number of the permit concerned	✓	✓	✓
Particulars of person responsible for the application	✓	✓	✓
The area of land to which the proposed extension would apply (in hectares or square kilometres)	✓	✓	✓
A map showing the land for which the proposed extension is sought in relation to the existing permit.	✓	✓	✓
A statement of the reasons why, in the permit holder's opinion, the Minister should extend the land to which the permit relates, including— (a) geological evidence that supports the application; and (b) details of how the permit holder proposes to prospect or explore the additional land; and (c) a discussion of any proposed amendments to the current minimum work programme for the permit or the expenditure for it; and (d) the results of prospecting, exploration, or mining work undertaken under the permit up to the date of the application; and (e) a discussion of how extending the land to which the permit relates will enable the permit holder to more effectively prospect or explore; and (f) a discussion of how the prospecting or exploration to be undertaken over the additional land relates to that undertaken or planned under the existing permit.	✓	✓	✗
Estimates of total in-ground resources for the land to which the extension is sought.	✗	✗	✓

APPLICATION REQUIREMENTS (CROWN MINERALS (MINERALS OTHER THAN PETROLEUM) REGULATIONS 2007)	EXTENSION OF LAND OF A MPP	EXTENSION OF LAND OF A MEP	EXTENSION OF LAND OF A MMP
A statement of the reasons why, in the permit holder's opinion, the Minister should extend the land to which the permit relates, including— (a) geological evidence that there is a deposit capable of being mined in the area for which the proposed extension is sought (including maps, diagrams, cross-sections, and any other supporting evidence that indicates the location and extent of the identified deposit in that area); and (b) estimates of the mineable mineral resource of the deposit in the land for which the extension is sought,— (i) which may include inferred, indicated, and measured resources or deposits and probable and proved resources or deposits; and (ii) which, for an application in relation to a Tier 1 mining permit, must be made in accordance with the Canadian National Instrument, the JORC Code, or the South African Code and accompanied by (a) a spatial definition of the areas to which the figures in the estimates apply; and (b) a statement of the criteria used to determine the estimates; and (c) a statement of whether the estimates are made on the basis of a scoping, pre-feasibility, or feasibility study, or on some other specified basis; and (c) details of how the permit holder proposes to mine the additional land; and (d) a discussion of any proposed amendments to the current work programme for the permit and a summary of any other complementary requests to change the permit or permit conditions; and (e) a discussion of any proposed change to the point of valuation for royalties payable under the permit; and (f) the results of prospecting, exploration, or mining work undertaken under the permit up to the date of the application; and (g) a statement of how the mining to be undertaken over the additional land relates to that undertaken or planned under the existing permit; and (h) geological evidence that the mineral resource of the deposit in the land for which the extension is sought is generally contiguous with the mineral resource to which the mining permit applies.	x	x	✓

Appendix 4 – Determining tier status

How to determine tier status

TIER 1 PERMITS

PROSPECTING PERMITS	EXPLORATION PERMITS	MINING PERMITS								
Petroleum OR Gold, Silver, Coal, Platinum group metals, Ironsand or any other metallic mineral (excluding alluvial gold)	Petroleum OR Gold, Silver, Coal, Platinum group metals, Ironsand or any other metallic mineral UNLESS The expected total work programme expenditure in relation to the permit for the final 5 years of its life, or for the entire duration (if the permit is less than 5 years) is (in the Minister’s opinion) estimated to be less than \$1,250,000	Petroleum OR Gold, Silver, Platinum group metals, Coal, Ironsand or any other metallic mineral IF Gold/Silver/Platinum group metals in any one permit year in the next 5 years of its life, the annual royalty will be equal to or more than \$50,000 OR Coal/Ironsand/any other metallic mineral in any one permit year in the next 5 years of its life, the annual production will be equal to or more than: <table><tr><th>MINERAL</th><th>ESTIMATED ANNUAL PRODUCTION</th></tr><tr><td>Coal</td><td>200,000</td></tr><tr><td>Ironsand</td><td>500,000</td></tr><tr><td>Metallic mineral</td><td>500,000 of ore</td></tr></table>	MINERAL	ESTIMATED ANNUAL PRODUCTION	Coal	200,000	Ironsand	500,000	Metallic mineral	500,000 of ore
MINERAL	ESTIMATED ANNUAL PRODUCTION									
Coal	200,000									
Ironsand	500,000									
Metallic mineral	500,000 of ore									

OR any permit – Irrespective of mineral type, the year of permit’s life, or any threshold amounts that:
Relates to an underground operation **OR**
Relates to an operation that is wholly or partially 50m or more beyond the seaward side of the mean high water mark **AND**
Is not for a special purpose mining activity.

TIER 2 PERMITS

PROSPECTING PERMITS	EXPLORATION PERMITS	MINING PERMITS
Any other permit that does not fall under the Tier 1 definition.		

Disclaimer

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

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



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

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

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