

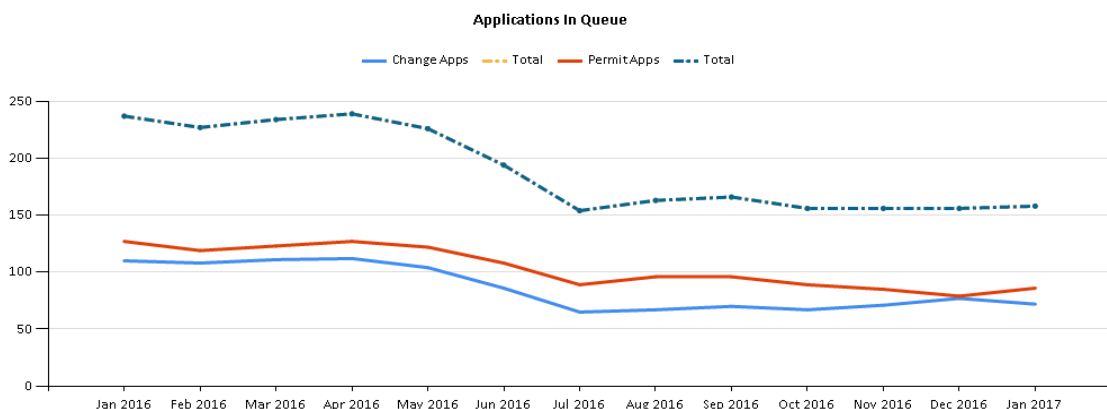
MINERALS PERMIT PROCESSING PERFORMANCE REPORT - FOURTH QUARTER (OCTOBER-DECEMBER) 2016

Welcome to our fourth quarter 2016 Minerals Permit Processing Performance Report. For the continued development of the resources sector we need an efficient and timely permitting process for mining projects. We have committed to publishing our performance for processing permit applications against the target timeframes to provide transparency for the sector.

This quarter our processing times slipped back a bit with 55 per cent of applications being processed within the target timelines, compared to 61 per cent last quarter and 41 per cent in the quarter prior. This was due to two factors. The first was our focus on a number of changes of operator, transfers and consent to dealings applications resulting from the sale of Solid Energy assets. The second was our continued effort to get the oldest of our backlog of applications processed. The nature of these applications meant the focus of our work was more challenging.

During this quarter we received 119 applications and we resolved 110 applications. This meant that our backlog increased by 9 from last quarter to 168. Contributing to this was a busy December with 20 new permit applications received compared to only 4 in December 2015.

It's important to note that the application queue will never get to zero. We estimate the natural balance point is around 100-150 in queue at any one time. We aim to have 80 per cent of applications within the target timelines in 2017.



The percentage of applications received by our Online Permitting System (OPS) decreased this quarter with only 29% of applications received on-line. This was down from last quarter's 31% but is a reflection of the number of paper based licence applications related to the Solid Energy asset sale. The licences relating to these activities were issued under previous legislation for which our Online Permitting System was not designed for.

NZP&M will continue to improve the transparency, certainty and timeliness of our approvals process. Feedback on the usefulness of this report is welcome.

The table below provides information on minerals applications received and processed in the fourth quarter of 2016. It also shows how permit processing measures against our timeline targets. The timeline targets apply to NZP&M's processing time and do not include the time taken where the assessment process is put on hold while additional information is sought from applicants.

Application types	Applications carried over from previous quarter	New applications received this quarter	Applications rejected or withdrawn	Accepted applications approved or declined	Total resolved applications	Applications carried over to next quarter	Timeline target (business days)	% decision made on accepted applications within timeline target this quarter *
All hobby permit applications	11	7	1	8	9	9	60	75%
New Permit applications	80	36	13	26	39	77		35%
Prospecting Permits	21	2	3	8	11	12	80	25%
Tier 1 Exploration Permits	5	1	0	2	2	4	80	0%
Tier 2 Exploration Permits	24	21	3	8	11	34	80	25%
Tier 1 Mining Permits	2	0	0	0	0	2	120	N/A
Tier 2 Mining Permits	28	12	7	8	15	25	120	63%
Change applications	68	76	21	41	62	82		63%
Change of Conditions	19	5	3	7	10	14	60	57%
Transfers, Change of Operator & Consent to dealings	6	39	12	7	19	26	40	43%
Notification of Change of Control	2	1	0	1	1	2	40	100%
Extension of Duration to a Prospecting or Exploration Permit	8	3	0	2	2	9	60	0%
Change of Minerals to a Prospecting or Exploration Permit	0	0	0	0	0	0	60	N/A
Extension of Land to a Prospecting or Exploration Permit	1	1	0	1	1	1	60	100%
Extension of Duration for Appraisal to an Exploration Permit	3	2	0	2	2	3	120	50%
Extension of Duration to a Mining Permit	12	3	1	3	4	11	120	100%
Extension of Land to a Mining Permit	10	8	3	3	6	12	120	67%
Change of Minerals to a Mining Permit	2	1	0	0	0	3	120	N/A
Partial Surrenders	3	4	0	6	6	1	20	67%
Full Surrenders	2	9	2	9	11	0	10	78%
Totals	159	119	35	75	110	168		55%

* "N/A" means no applications were finalised in the quarter; 0% means that none of the applications finalised met the timeline target.