## Appraisal extension of duration

**This form should only be used to support an application for an extension of duration of an exploration permit to appraise a discovery.** For more information, including how to apply for a general extension of duration to an exploration permit, refer to the [Minerals – Change a Permit (APP-02) webpage](https://www.nzpam.govt.nz/permits/minerals/change-permit/app-02) on the NZP&M website.

An application for an appraisal extension of duration is made under section 35A of the [Crown Minerals Act 1991](https://www.legislation.govt.nz/act/public/1991/0070/latest/DLM242536.html) (the Act). An appraisal extension of duration will only be granted for the purpose of appraising the extent and characteristics of an existing discovery. Before granting an appraisal extension of duration, the Minister must be satisfied that:

* The permit holder has made a discovery that has the potential to lead to the granting of a mining permit,
* The current specified duration of the exploration permit does not allow sufficient time to appraise the discovery, and
* The proposed work programme in relation to the appraisal work is adequate.

**An application for an appraisal extension of duration will not be granted for the purposes of ‘general exploration’.**

## How to use this document

Use this template to provide the supporting information required to accompany an application for an appraisal extension of duration for an exploration permit under the [Crown Minerals (Minerals Other than Petroleum) Regulations 2007](https://www.legislation.govt.nz/regulation/public/2007/0399/latest/DLM1120013.html) (the Regulations) and the Act.

Filling out all the required information in this template will help us make a timely decision on your application.

What you need to do:

1. **Download this template and fill it out on a computer.** Provide the requested information under the headings to the best of your ability. Type your answers into the input boxes and fields or check the tick boxes when applicable. You can insert tables and pictures into the boxes if needed. Expand the boxes if you need more room for your answers. The notes under each heading give guidance, tips and reminders of what you need to provide.
2. **Fill out the application form (APP-02)** by using the [online permitting system (OPS)](https://www.nzpam.govt.nz/permits/online-permitting-system/) or by downloading it: [Application to change a permit [PDF 514KB]](https://www.nzpam.govt.nz/assets/Uploads/permits/permit-forms/minerals-app-02-application-form.pdf)
3. **Send us your filled out template** by uploading it to your application through OPS or by emailing it to us at [nzpam@mbie.govt.nz](mailto:nzpam@mbie.govt.nz).
4. **Attach all other supporting information to your application form.** This could include maps, or other documents that you think would support your application.

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| 1 | Permit details | | |
| Permit number: | |  |
| Name of permit holder: | |  |

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| 2 | Application timeframe |

An application for an appraisal extension of duration for an exploration permit needs to be submitted at least 6 months before the expiry date of the permit in accordance with section 36(4) of the Act. If the application is submitted with less than 6 months before the expiry date you must provide compelling reasons why the application is being submitted late, and a decision will be made on whether the application will be accepted.

Please indicate below whether your application has been made within the required timeframe.

The application is being made 6 months or more before the permit expires.

The application is being made less than 6 months before the permit expires. If so, provide reasons in the space below why the 6-month timeframe could not be met:

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| 3 | Area |

Provide a map of the exiting permit area showing the land within it to which the proposed extension of duration relates (in hectares or square kilometres).

You can upload to your application through the online permitting system (OPS) or email it into us. If you are making any changes to the existing permit area, you should use the mapping standards to help you plot your permit area.

[Mapping standards for minerals permit applications](https://www.nzpam.govt.nz/assets/Uploads/permits/minerals-guidelines/mapping-standards-for-minerals-permit-applications.pdf)

The area of an appraisal extension will be restricted to the land in the permit where it is determined likely that the discovery relates.

In considering whether the area of an appraisal extension is appropriate, we will take into account that it may be difficult to be precise about the actual limits of actual mineral deposit before the appraisal work is completed. The objective will be to allow the permit holder a reasonably adequate area of land to enable it to appraise the discovery.

If there is more than one discovery, the inclusion of both or all discoveries in the area of the appraisal extension will be considered if appropriate.

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| 4 | Duration |

**Indicate the extension period that you are applying for. An appraisal extension may have a duration up to 4 years.**

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| 5 | Evaluation of the discovery |

Provide a discussion and preliminary evaluation of the discovery or discoveries that the permit holder has made in the permit area. This needs to be supported by a detailed report and plans indicating the location, extent, and geology of the discovery.

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Provide the permit holder’s estimated total in-ground mineral resource, and a resource and reserve estimate. For Tier 1 permits, estimates must be made in accordance with the Canadian National Instrument, the JORC Code, or the South African Code.

Estimates for Tier 1 permits must also be supported by:

* A spatial definition of the areas to which the figures in the estimates apply
* A statement of the criteria used to determine the estimates
* A statement of whether the estimates are made on the basis of scoping, pre-feasibility, or feasibility study, or on some other specified basis

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| 6 | Proposed work programme for the appraisal extension period |

Propose a work programme for the appraisal extension period, that gives details of any proposed stages of work.

An example of an appraisal extension work programme for a Tier 1 exploration permit is provided below. A work programme for a Tier 2 exploration permit may include the same or similar activities, but at a smaller scale.

A work programme for an appraisal extension of duration:

* should include appraisal work that is necessary and sufficient to advance knowledge of the discovery or resource to allow determination of whether an economically mineable mineral resource or deposit is present, and
* should **not** include activities for the purpose of general exploration.

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| **Example work programme:**  *5. Within 144 months of the commencement date of the permit, the permit holder shall (to the satisfaction of the chief executive):*   1. *complete a programme of infill drilling for a minimum of 2,500 m;* 2. *update the database and geological model;* 3. *produce a resource model to a standard where it can be independently verified;* 4. *commence mine scoping studies, if appropriate; and* 5. *prepare a technical report detailing all work completed during this stage of the work programme, including QAQC information and data sufficient to demonstrate levels of accuracy and precision, to be submitted to the chief executive in accordance with the regulations.*   *6. Within 168 months of the commencement date of the permit, the permit holder shall (to the satisfaction of the chief executive):*   1. *complete a further programme of infill drilling for a minimum of 2,500m* 2. *update the resource estimate to JORC code or equivalent* 3. *complete metallurgical, geotechnical and hydrogeological sampling and analysis* 4. *complete mining and processing technical studies and designs* 5. *complete scoping studies including comprehensive capital and operating cost estimates* 6. *prepare a technical report detailing all work completed during this stage of the work programme, including QAQC information and data sufficient to demonstrate levels of accuracy and precision, to be submitted to the chief executive in accordance with the regulations* |

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| **Use this space to propose the work programme for the appraisal extension of duration of the permit:** |

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| 7 | Objectives of the work programme |

Provide details on the objectives of the appraisal work programme with sufficient information to satisfy the Minister that:

* reasonable efforts are being made to carry out the appraisal work programme
* the proposed appraisal work programme is sufficient to carry out the required appraisal work
* the current duration of the permit is insufficient to carry out the appraisal work.

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| 8 | Expenditure for the appraisal extension period |

Provide an estimate for the amount of money you expect to spend for each stage of the appraisal work programme for the extension period, and estimate the overall minimum expenditure for the appraisal extension. When doing this you should include a breakdown of the costs for each work programme obligation (refer to section 6).

Below is an example of a cost breakdown for an exploration permit based on the work programme example given above:

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| ***Stage*** | ***Work programme obligation*** | ***Estimated cost*** |
| ***5*** | *Infill drilling for a minimum of 2,500m* | *$1,250,000* |
| *Updating database and geological model* | *$30,000* |
| *Produce a resource model* | *$40,000* |
| *Commence mine scoping studies* | *$72,000* |
| *Technical reporting* | *$10,000* |
| ***Subtotal (stage 5)*** | ***$1,402,000*** |
| ***6*** | *Infill drilling for a minimum of 2,500m* | *$1,250,000* |
| *Update resource model in accordance with JORC* | *$30,000* |
| *Complete metallurgical, geotechnical, and hydrogeological sampling and analysis* | *$250,000* |
| *Complete scoping studies* | *$120,000* |
| *Technical reporting* | *$10,000* |
| ***Subtotal*** | ***$1,660,000*** |
|  | ***Total (appraisal duration)*** | ***$3,062,000*** |

Use the blank table below to estimate the cost of your minimum work programme.

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| ***Stage*** | ***Work programme obligation*** | ***Estimated cost*** |
| ***5*** |  |  |
| ***Subtotal (stage 5)*** | ***$*** |
| ***6*** |  |  |
| ***Subtotal (stage 6)*** | ***$*** |
|  | ***Total (appraisal duration)*** | ***$*** |

Use this space to explain how you came to the estimated costs (i.e., if based on quotes or known rates).

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| 9 | Compliance with the permit |

Before granting an appraisal extension of duration, we must consider whether the permit holder has complied with the conditions of the permit, the Regulations, and the Act. This includes:

* compliance with the payment of annual fees and royalties
* completion of annual summary reports and technical reporting
* compliance with permit work programme obligations
* revocation of a permit/licence.

You should also provide details of any non-compliance, and provide an explanation for why these instances occurred and how you intend to prevent these instances from occurring during the extension period.

A previous history of non-compliance will not necessarily prevent you from being granted an appraisal extension of duration. However, failing to disclose non-compliance may delay a decision on your application.

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| Provide details of any non-compliance with the permit, the Regulations, or the Act: |

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| 10 | Any other matters |

Provide a statement of any other matters that you consider relevant to support the application having regard to sections 9.3 and 12.6 of the Minerals Programme for Minerals (Excluding Petroleum) 2013.

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