



2. PROPERTY DESCRIPTION AND LOCATION

2.1 LOCATION

The 3,046 ha Sams Creek Project is located in the Tasman region of the South Island of New Zealand approximately 75 km northwest of Nelson (Figure 2-1). The majority of the project is situated in the Northwest Nelson Conservation Park which lies on the eastern edge of the Kahurangi National Park in the northwest Nelson area (Figure 2-2).



Figure 2-1: Sams Creek Project Location





Figure 2-2: Sams Creek Project Location and Conservation Areas





2.2 TENURE

Section 23 of the Crown Mineral Act (1991) [the Act] provides that the purpose of a Minerals Exploration Permit (EP) is to authorise the permit holder to explore minerals as specified in the permit. “Exploration” is defined in the Act as *“any activity undertaken for the purpose of identifying mineral deposits or occurrences and evaluating the feasibility of mining particular deposits or occurrences of one or more minerals; and includes any drilling, dredging, or excavations (whether surface or subsurface) that are reasonably necessary to determine the nature and size of a mineral deposit or occurrence”* (NZP&M 2013).

Section 30(2) of the Act provides that the holder of an EP also has the rights of a PP holder within the area of the permit (NZP&M 2013).

The Minister will ordinarily grant an EP if satisfied that the objective of the exploration is (NZP&M 2013):

- To identify at least an Inferred Mineral Resource or deposit in the proposed permit area, or;
- To determine the feasibility of mining particular Mineral Resources.

A work programme for an EP should consist of two distinct stages, ordinarily one three-year stage and one two-year stage. A work programme will not ordinarily have commitment deadlines at any time other than the end of each stage (NZP&M 2013).

In the case of a Tier 1 EP application, the Minister will ordinarily decline a proposed work programme for that application unless, in addition to the requirements presented above, the proposed work programme includes all the following minimum work commitments (it may also include other work commitments) (NZP&M 2013):

- Exploration targets for drilling will be finalised within the first stage of the work programme.
- Drilling and other exploration activities that are appropriate to assess the scale and prospectivity of the identified exploration targets, or that are directed at increasing the level of geological confidence of a Mineral Resource or deposit.

Ordinarily, an exploration permit will be no smaller than 150 ha (NZP&M 2013).

The Minerals Programme (4.6(2)) states that *“An exploration or mining permit will ordinarily be granted over an unbroken area, except if the exploration or mining is to be carried out in respect of both Crown-owned and privately owned minerals.”*

Section 35(5) and (6) of the Act provides that (NZP&M 2013):

- An EP expires after:
 - a first term of five years after the commencement date specified in the permit, or;
 - 10 years after the commencement date if a five-year permit extension is applied for; and
- An EP may not be extended beyond 10 years after the commencement date specified in the permit unless it is extended further under Section 35A of the Act to appraise a



discovery. Appraisal Discoveries are granted for a first term of four years with a right to apply for a second four-year term if the work programme commitments are met.

The Sams Creek Project is located within EP 40338, which was granted by NZP&M on 27 March 1998 and expires on 26 March 2025. The duration is 27 years and the minerals sought are aluminium, antimony, bentonite, bismuth, clay, copper, diamond, feldspar, garnet, gemstones, gold, ilmenite, iron, iron sand, lead, magnesium, molybdenum, nickel, phosphate, platinum group metals, quartz, rare earth elements, rutile, silica sand, silver, sulphur, talc, tantalum, tin, titanium, tungsten, zeolite, zinc, and zircon. EP 40338 is a Tier 1 permit.

The eastern neighbouring permit EP 54454 was applied for and granted by NZP&M on 26 September 2012. This covers the eastern areas of the Sams Creek Dyke over Barron's Flat into the Waitui catchment. This permit is currently under appraisal for renewal.

Table 2-1 presents the details of EP 40338 and EP 54454 and Figure 2-3 shows the location of the project tenure.

Table 2-1: Sams Creek Tenure Details

Permit Number	Location	Grant Date	Expiry Date	Duration	Status	Area (ha)
EP 40338	Tasman Region	27 Mar 1998	26 Mar 2025	27 years	Granted	3046.51
EP 54454	Tasman Region	26 Sept 2012	25 Sept 2022	10 years	Appraisal	1601.16



Figure 2-3: Sams Creek Project Tenure

