

# PROSPECTING LEASE GUIDELINES

*Placer Mining Act*  
*Sections 92 - 97*

Revised August 2003



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## *Sections 92 - 97 Placer Mining Act*

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The following guidelines provide:

- A [a definition of a prospect lease, terms and conditions for issue of prospect lease;](#)
- B [staking requirements and lease applications;](#)
- C [work requirements, acceptable prospecting programs, work filing procedures, and staking leases to claims;](#)
- D [general advice to applicants;](#) and
- E [Waters Act guidelines for Prospect Leases.](#)

## A - Definition

1. Prospecting leases are dispositions of land granted under the [Placer Mining Act](#) for the purpose of testing and prospecting ground for placer deposits. **Prospecting Leases cannot be mined.**
2. Prospect leases are staked in the same manner as placer claims with reference to baselines, but cover a greater distance, up to a maximum of 5 miles. The purpose of a prospecting lease is to offer an applicant the opportunity to test a large area and the exclusive right to stake the ground to claims.

### Terms & Conditions:

3. Prospect leases are issued for one year and can be renewed twice. A testing program must be performed and filed by the anniversary date of the lease in each year. A prospect lease may be held for a maximum of three years. Prospect leases can be renewed, or staked to claims, as soon as the testing program is complete. *There is no grace period* for prospect leases to renew, or stake into claims, after the anniversary date, or beyond the expiry date in the third year.
4. Sections from the [Placer Mining Act](#) regarding staking, powers of attorney, relocation and abandonment of claims apply to prospect leases.

## B - Staking and Application Requirements

5. An individual may stake only one lease in the Yukon, in his or her name. Until that lease has lapsed, or is staked to claims or transferred to another owner, the individual cannot stake another lease.
6. Leases can be staked by Power of Attorney; the power of attorney document must be filed in the office of the Mining Recorder prior to entry on the ground for staking purposes.
7. A prospect lease is issued over open ground, at the discretion of the Mining Recorder on behalf of the Minister, provided that the applicant has the financial ability to test the ground for which he/she has applied.
8. Prospect leases must be staked on **open** ground in the manner prescribed by the [Placer Mining Act](#); it is required that **legal posts** be placed in the ground at both ends of the lease, and that a line be **well cut out** (*using hand methods only*) between the posts.

9. The lessee of a lapsed lease may not stake a lease covering the same ground for one year.
10. Applicants are required to:
  - i complete the prescribed “[Application for a Lease to Prospect](#)” form; attach a sketch showing post locations; and have the document sworn before a notary public;
  - ii complete a “[Work Program and Additional Information](#)” form, providing a detailed description of the prospecting program that he/she intends to undertake and a sketch showing the proposed test sites, (see section C for program requirements)”;
  - iii provide evidence that he/she has the financial ability to undertake the testing program indicated (regardless of its proximity to roads and access routes).

## **C - Work Requirements and Prospecting Programs**

### **Work Requirements:**

11. It is necessary to perform and file work each year, prior to the lapsing date of the prospect lease, in order to *renew a lease or to stake it into claims*. It is necessary to file work on an “[Application for Renewal of Lease to Prospect](#)” form to renew the lease and keep it in good standing past the current due date; it is necessary to file work on an “[Affidavit of Expenditure](#)” form to satisfy assessment requirements prior to staking the lease to claims. At least \$1000.00 worth of work per mile is required for either purpose.
12. It is necessary to provide a detailed work program with all *new* or *renewal* applications. The work program will be evaluated by departmental officials to ensure that:
  - i the work is valid prospecting work, i.e. that the goal of the work is to reach bedrock or the gold bearing gravels to obtain and test the samples; or to determine the depth of the bedrock in order to evaluate the feasibility of mining;
  - ii the program indicates that the lease will be thoroughly tested over the term of the lease; and
  - iii the testing will cause minimal disruption to the environment; and that activities on the lease will not contravene the [Placer Mining Act](#) and [Mining Land Use Regulation](#) or the [Waters Act](#) and [Regulation](#).

*Dimensions of excavations are kept to the minimum required to reach bedrock safely.  
Preparing the ground for mining is not permitted on Prospect Leases.*

## Prospecting Programs:

13. A prospecting program must include:
  - i methods and equipment to be used;
  - ii the amount of work to be performed in the testing, i.e. the dimension of test pits and the number of pits to be excavated, or the number of drill holes in a drill line and the number of drill lines anticipated (work performed on leases cannot be banked as excess or transferred to claims);
  - iii methods of sampling; and
  - iv a sketch showing the intended location of the test pits.
  
14. Applicants are required to:
  - i complete the prescribed "[Lease Renewal Application](#)" form detailing the testing work completed and the rates at which the work is to be calculated; attach a work location sketch and have the document sworn before a notary public;
  - ii provide a new test program proposal and proposed test site sketch;
  - iii allowable cost will be reasonable hourly cost of labour and operation of equipment for the actual prospecting or testing work; standard industry rates may be used and can be obtained at the District Mining Office;
  - iv if drilling or geochemical, geological, geophysical or evaluation surveys are used as assessment work on prospect leases actual expenditures apply in accordance with sections 92 - 97 of the [Placer Mining Act](#), (**prior approval is required for geological, geophysical, geochemical or evaluation surveys**); and
  - v If environmental, archaeological or heritage studies are requested by the department prior to conducting a testing program, the provisions of sections 29 to 40 of the "[Schedule of Representation Work & Placer Grouping Guidelines for Placer Claims](#)" apply.
  
15. Location surveys and road or airstrip construction **are not acceptable** as prospecting work on leases.
  
16. If changes to the approved program are anticipated, it is necessary to submit an amended "[Work Program and Additional Information](#)" form and sketch showing proposed test sites for prior approval.

### **Staking Leases to Claims:**

17. Claims may be staked within the boundaries of the original prospect lease provided that:
  - i the applicant has completed the approved test program, incurred the necessary expenditure, and filed an “[Affidavit of Expenditure](#)” in the District Mining Office;
  - ii the claims are staked in accordance with the provisions of sections 2(1) and 20 to 25 of the [Placer Mining Act](#);
  - iii the claims are recorded in the office of the Mining Recorder within the time allowed by section 28 of the [Placer Mining Act](#); and
  - iv claims staked from a prospect lease must be staked by the owner; you may not stake claims from a prospect lease by power of attorney.

### **D - General Advice to Applicants**

18. Applications must be submitted in duplicate to the district mining office.
19. Assignments: A lease is granted on the understanding that the applicant intends to thoroughly prospect it; there is no obligation on the part of the Mining Recorder on behalf of the Minister to consent to assignment, transfer or sublet of the rights described in the lease. Assignments of prospect leases will not be accepted prior to the completion of the first year’s testing program. (This responsibility has been delegated by the Minister to the District Mining Recorders.)
20. Due Dates: Renewal applications and affidavits of expenditure must be filed on or before the due date of the lease; there is no grace period for filing prospect lease documents.
21. Issue of Prospect Leases: Applicants must wait for lease applications to be approved by the District Mining Recorder prior to commencing their testing program.
22. Claims and leases are treated as different types of dispositions in the [Placer Mining Act](#), with respect to the following:
  - i sections of the [Placer Mining Act](#) which refer to mining the ground are not applicable to prospect leases and the rights granted to claim holders in section 48 are not conferred on the owner of a prospect lease; and
  - ii section 36 does not restrict a claim staker from staking a prospect lease in the same watershed within sixty days.

23. [Land Use Regulation](#) applies to access over lands not owned by the applicant. [Mining Land Use Regulation](#) forms *Part II* of the [Placer Mining Act](#). Notification of activity, or permits for activity, must be made or obtained prior to working the ground, depending on the amount of work being performed.

## **E - Waters Act**

24. The [Waters Act](#) and its regulations apply to testing operations conducted on the prospect lease.
25. Mining and preparing the ground for mining are not permitted on prospect leases.
26. Water use in excess of 300 cubic metres per day (66,000 imperial gallons) and deposits of waste (sediment or effluent) into ground or surface water is not permitted without a water licence. Water licences are not normally issued on prospect leases until they are staked to claims.
27. No disruption of the ground surface or vegetation is permitted within 5 metres (15 feet) of a Type IV stream, 10 metres (30 feet) for a Type III stream, 20 metres (60 feet) for a Type II stream and 30 metres (90 feet) for Type I and Type V streams as defined by the Department of Fisheries and Oceans in the Yukon Placer Authorization.
28. Disruption of the surface vegetation should be minimal and excavations should be left in a safe condition. If it has been determined that the lease will not be staked to claims and will be allowed to lapse, abandoned excavations that will not be used for assessment work purposes must be reclaimed. The use of *low impact* test methods is recommended to minimize environmental disruption in the event that mining the ground is not economically viable.

*For further advice or clarification on the Waters Act please consult the [Natural Resource Officers – Mining, Client Services and Inspections Branch](#).*

*For further advice or clarification on Part A - D of the Prospect Lease Guidelines, please consult the staff at the office of the [District Mining Recorder](#)*