

Anna North, Mining Recorder for the Nunavut Regional Office of Indian and Northern Affairs Canada, inspects a claim corner post.

(Photo Credit: Marty Sanderson, Indian and Northern Affairs Canada)

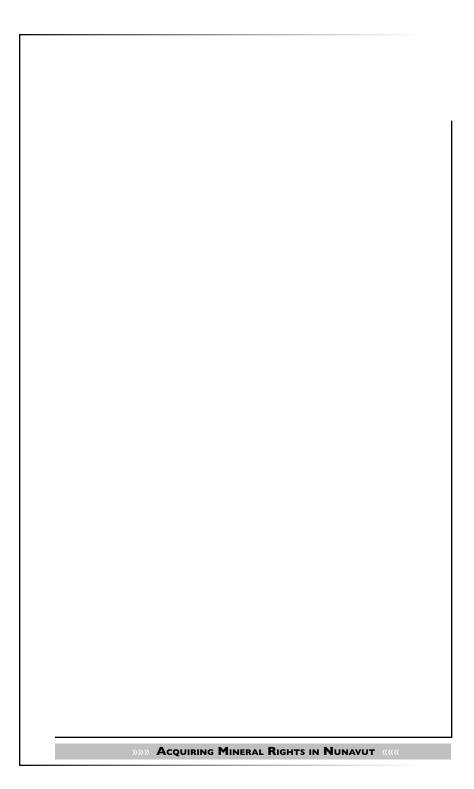
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Acquiring Mineral Rights in Nunavut



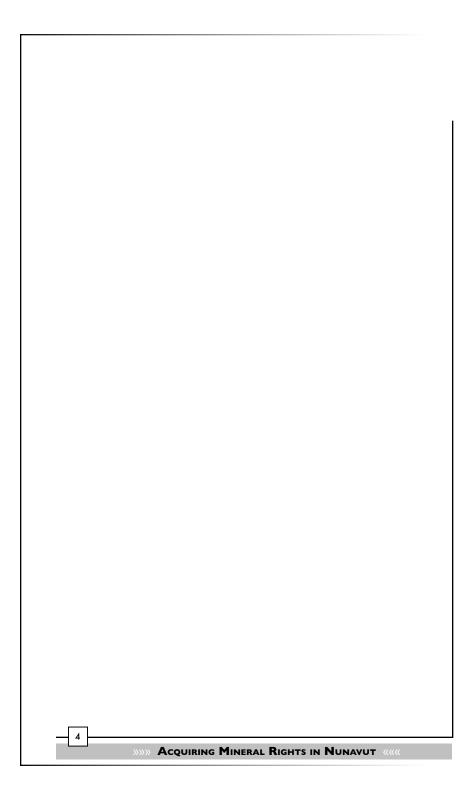




Communication is important in preventing misunderstandings between exploration crews and residents of Nunavut. Good communications helps the mineral industry (both companies and individuals) establish and maintain close contact and strong working relationships at the community level. To prevent misunderstandings, we encourage mining companies to discuss proposed exploration plans with community councils and Regional Inuit Associations in the area of their operation as early as possible. This way, companies can find out whether their operation may be impacting local land users (hunters, trappers, outfitters as well as local residents). Companies can also try to hire locally when possible. For a list of local community contacts, please phone the Government of Nunavut at (867) 975-5400.

Indian and Northern Affairs Canada (INAC) reviews, records, and administers mineral claims, and issues leases and prospecting permits on Crown land. Our office ensures compliance of the Canada Mining Regulations. We also provide general client services, such as issuing prospector's licences, maps for staking claims, forms, claim tags, etc.

There are three main types of mineral "interests" in the Canada Mining Regulations: a mineral claim or a "claim," a prospecting permit and a mineral lease. This booklet describes how to acquire and maintain these interests. It also summarizes several sections of the Canada Mining Regulations. We have tried to accurately describe the sections of the Regulation in plain language. However, you should refer to the Regulations themselves, or contact the INAC Mining Recorder's office, for a strict interpretation on any matter or for a more complete understanding of all parts of the Canada Mining Regulations.



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* PROSPECTOR'S LICENCES CES

Canada Mining Regulations - Sections 7 to 10

You must have a valid prospector's licence to prospect for minerals, record a claim or acquire a recorded claim or interest in a recorded claim by transfer.

You cannot apply for a certificate of work, or a certificate of extension, or acquire a lease of a recorded claim unless you have a valid prospector's licence.

If you are 18 years of age or older, you are eligible to acquire a prospector's licence.

Company licences are available to any registered corporation in good standing with the Government of Nunavut's Department of Justice, Legal Registry. Companies can inquire about registering by calling (867) 975-6590.

A prospector's licence is valid from April 1st to March 31st. It must be renewed yearly to be kept current.

The costs of obtaining a prospector's licence are as follows:

Company licence \$50 to issue
 Company licence \$50 to renew
 Individual licence \$5 to issue
 Individual licence \$5 to renew



Canada Mining Regulations - Sections 11 to 18

Where you can stake:

The Canada Mining Regulations apply to lands where the Crown administers the mineral rights. You can stake claims on Crown lands except where there are:

- national parks;
- cemeteries or burial grounds and archaeological sites:
- mineral claims in good standing;
- minerals that have been granted or leased;
- land withdrawal orders (which will be noted on the claim map);
- areas administered or controlled by the Minister of National Defence, the Minister of Natural Resources Canada or the Minister of Transport, unless you have written consent;
- private lands, either through a surface lease or a grant, unless the surface rights holder consents, or in the case of some settled land claims, where notification is given; and
- Inuit Owned surface/sub-surface lands.

This last point is particularly important in the Nunavut Settlement Area. You may find large areas of land that the surface rights are Inuit owned land, but the subsurface is managed by the Crown. In these areas, you must have permission to access the land before you can go and stake a claim.

If you plan to prospect or stake a mineral claim on leased land, privately owned land including Inuit owned surface land, you must include relevant authorization from the property holder concerning access, along with your applications and sketches, or your mineral claim(s) will not be recorded.

The INAC Land Administration Office has maps showing the location of national parks, Inuit owned lands, private land, land under withdrawal orders, other leased or reserved land and existing mineral rights. These maps can be purchased by phone at (867) 975-4275 or by email at landsmining@inac.gc.ca. The maps can also be viewed online through SIDViewer at: http://nwt-tno.inac-ainc.gc.ca/ism-sid

A) How You "STAKE" YOUR MINERAL CLAIM

If you have a valid prospector's licence, you can stake, or have staked for you, a mineral claim. The sketch on page 18 shows what a claim should look like on the ground.

The claim must be:

- rectangular as nearly as possible, with the sides running north, south, east and west;
- no larger than 2582.5 acres (1045.1 hectares) and no smaller than 51.65 acres (20.90 hectares);
- have right angles (90 degree angles) where possible.

The length and width of the claim must be 1500 feet (457.2 metres) or multiples of 1500 feet (457.2 metres) and the length of the claim cannot be more than five times the width (there are some exceptions listed under section 13 of the regulations).

Each corner of the claim must be marked by a legal post. The post must be firmly planted in or on the ground, upright, and be at least four feet high. It also has to be at least 1½ inches (3.81 centimetres) wide on all four sides. It can be a cut-off tree, at least four feet high, with the upper one foot squared.

When staking, the posts must be numbered in a clockwise direction:

- Ist the northeast corner post is Post NEI;
- 2nd the southeast corner post is Post SE2;
- 3rd the southwest comer post is Post SW3; and
- 4th the northwest corner post is Post NW4.

In Nunavut where there are no trees, wooden posts or mounds of earth or stone can be used. If a mound of earth or stone is used, it. must be coned-shaped, no less than 3 feet (0.91 metres) around at the bottom, and at least 3 feet (0.91 metres) high.

Claim tags (available at the Mining Recorder's Office for \$2 a set) must be attached to each corner post as a marker. If a mound is used, the tag should be put in a waterproof container and placed in the top of the mound.

All tags on corner posts must be permanently etched with:

- the name of the claim:
- the name of the claim staker:
- the name of the person recording the claim if that person is not the claim staker; and
- the date, hour and minute that the post was put up.

In addition, the tag on post "NEI" must also be marked with the licence number of the claimholder. You should permanently etch this information on the tag. Pen or marker should be avoided because they wear off quickly.

Legal posts also known as boundary posts must be put up no more than 1500 feet (457.2 metres) apart along the boundary of the claim and numbered in order, starting with number one from each corner post (see sketch). You can use either a legal size wooden post or earth, stone mounds which must be over 18 inches (45.72 centimetres) high and 3 feet (0.91 metres) around at the bottom.

Each boundary post must be marked with:

- the name of the claim;
- the number of the boundary post; and
- letters NBP, EBP, SBP, WBP to indicate the location of the claim.

When you are finished staking the mineral claim you must permanently etch on the tag or post of "NEI" the time (hour, minute, day, month and year) that you finished.

If a corner post cannot be set up because of a lake, river or other natural barrier, you must place this corner post on the boundary line as close as possible to the claim corner post, this is commonly referred to as a witness post. This tag must be marked with all of the information needed on tags for corner posts, along with:

- the letters W.P. (Witness Post); and
- the direction and distance (in feet) to where the corner post should actually have been.

If a mound of earth or stone is used as the witness post, the information listed above shall be written on paper or other durable material and put in a waterproof container and placed in the top of the mound.

B) RECORDING MINERAL CLAIMS

Canada Mining Regulations - Sections 24 to 28

Once a mineral claim has been staked, you have 60 days to submit the following information to the Mining Recorder's Office:

- a Form 3, signed by the person or company in whose name the claim was staked:
- a 1:50,000 sketch of the claim which must show any recognizable landmarks, where the claim is in relation to other claims, and the position of all posts;
- the fee of \$0.10 per acre; and
- any authorization from the surface rights holder.

Form 3 can be obtained by contacting the Mining Recorder's Office or from the Indian and Northern Affairs Canada Web site at: www.inac.gc.ca/nunavut.

* PROSPECTING PERMITS RMITS

Canada Mining Regulations - Sections 29 to 36

An individual or company can apply for a prospecting permit beginning on the first business day of December and ending on the last business day of December. If the application is approved it will come into effect on February 1st.

A prospecting permit will allow you to prospect in a large area without competition for a period of three or five years, and give the holder the exclusive rights to stake a mineral claim within that area. There are no surface rights associated with prospecting permits. If you are working north of the 68th degree latitude a permit can be held for up to five years (the work periods are as follows: first and second period are two years in length and the third period is one year, all starting February 1st and ending January 31st). If you are working south of 68th degree latitude a permit can be held for up to three years (the work periods are as follows: one year for three years starting February 1st and ending January 31st). If you have completed the required work in the permit area, mineral claims may be staked after the first work period. Once your permit has expired or been relinquished, you cannot stake a claim in that area for a period of one year.

An application for a prospecting permit costs \$25 plus a 10 cents/acre deposit for the first work period. Then 20 cents/acre deposit for the second work period and 40 cents/acre deposit for the third work period. If you do not pay the required deposit with either cash or work prior to the beginning of each of the second or third work period, your permit will be cancelled.



Canada Mining Regulations - Sections 38 to 42

A mineral claim only remains active if a certain amount of representation work is completed on the claim. The amount of work is measured by the cost per acre. Once recorded, a mineral claim is valid for a period of two years. The claim can be renewed to its third year if the holder does representation work valued at \$4/ acre during the first two year period. A claim can be held up to 10 years if you do representation work valued at, at least, \$2/acre per year for each year after the first two year period.

Representation work can include:

- stripping, drilling, trenching, sinking shafts and driving adits or drifts:
- geological, geochemical, geophysical work or other exploratory work approved by a District Geologist (refer to Schedule II of the Canada Mining Regulations for further details);
- a survey of the claim approved by the Surveyor General; and
- work done in constructing roads or airstrips to provide access to the claim.

To file work you must complete a Statement of Representation Work (Form 9), pay fees of 10 cents/acre, and report to the Mining Recorder in accordance with Schedule II of the Canada Mining Regulations. INAC District Geologists can give you more information about technical requirements concerning representation work.

These report(s) should not be confused with report(s) that are filed with the Government of Nunavut under the territorial government's grubstake program. Reports on representation work must be filed with the Mining Recorders Office within a period of 90 days from the claims anniversary date to keep the claim from lapsing.



Canada Mining Regulations - Section 37

Claims that are adjacent, on top or diagonal to each other may be grouped for the purpose of representation work as long as the total area of grouped claims is not more than 5,165 acres (2090.2 hectares). Representation work done on any claim in the group can be allocated to all the claims in the group. A claim can only be grouped once a year. If a claim is expired, cancelled, or if a lease application is received, the grouping certificate is no longer in effect.

To apply for a grouping, complete and submit Form 7 to the Mining Recorder's Office along with a \$10 fee for each group.



Canada Mining Regulations – Sections 54 to 57

Before a mineral claim can be leased it must be surveyed by a Canada Land Surveyor. This process can take some time; therefore, if you want to take your claim to lease, you should plan ahead. When the survey is completed, adjoining claim holders must be notified with a Form 14 (Notice of Survey) by registered mail. The Survey, Form 14, along with the \$2 fee are forwarded to the Mining Recorder. It will be posted for a period of 21 consecutive days and the surveyor or claim holder must supply proof that adjoining claim holders have been notified. The survey may be registered by the Mining Recorder after the 21-day posting and 30-day appeal period.



Canada Mining Regulations - Sections 58 to 61

You can apply to lease your mineral claim if you have completed representation work of at least \$10/acre on the claim and if a legal survey on the claim has been recorded with the Mining Recorder. Application is made by completing Form 15. There are fees of \$25/claim plus the first year rental of \$1/acre contained in the surveyed claim.

You must have a lease if you intend to sell or otherwise dispose of minerals or ore with a gross value of more than \$100,000 in one year. Your mineral claim will expire at the end of 10 years if you do not apply for a lease and you will not be able to re-stake the area for a period of one year.

* CONTACT INFORMATION

Any questions concerning the Canada Mining Regulations should be directed to the Mining Recorder's Office:

INAC - Mining Recorder's Office

Building 918 on Nunavut Drive

PO Box 100

Iqaluit NU X0A 0H0 Tel: (867) 975-4275 Fax: (867) 975-4286

E-mail: landsmining@inac.gc.ca

Questions concerning the overall regulatory framework for mineral development can be directed to INAC Mineral Resources:

INAC - Mineral Resources

Building 918 on Nunavut Drive PO Box 100 Iqaluit NU X0A 0H0

Tel: (867) 975-4291 Fax: (867) 975-4276

E-mail: <u>nunavutminerals@inac.gc.ca</u>

Further information on INAC Land Administration programs and services can be found at **www.inac.gc.ca/nunavut**.

Questions concerning the Government of Nunavut's mineral development programs and policy can be directed to:

Government of Nunavut

Minerals and Petroleum Resources Division PO Box 1000, Station 1560 Igaluit NU X0A 0H0

Tel: (867) 975-5999 Fax: (867) 975-5980

Questions concerning Inuit owned land mineral development can be directed to the following Regional Inuit Organizations:

Kivalliq Inuit Association

PO Box 340

Rankin Inlet NU X0C 0G0

Tel: (867) 645-2800 or (800) 220-6581

Qikiqtani Inuit Association

Building 603 PO Box 1340

Idaluit NU X0A 0H0

Tel: (867) 979-5391

Kitikmeot Inuit Association

PO Box 18

Cambridge Bay NU X0B 0C0

Tel: (867) 983-2458

Kitikmeot Inuit Association

Lands Department **PO Box 360**

Kugluktuk NU X0E 0E0

Tel: (867) 982-3310

SAMPLE CLAIM SKETCH

(Also shows typical inscriptions required on the corner and boundary posts)

Note:

Boundary Posts must be numbered and marked in the field in accordance with the Canadian Mining Regulations. However, claim sketches can be marked with the Boundary Post number as shown in this sketch, with the following written on the side of the sketch:

"All Boundary Posts are marked in the field as NBP SBP, EBP and WBP, and numbered consecutively"

or the above abbreviations must be placed inside the sketch beside each numbered Boundary Post.

North Boundary Posts - Example inscription on post - required information - Claim Name - NAS I - NBP I (means north - Boundary Post Number boundary post No. I) Lake **Northwest Corners** - Example inscription - required information on metal claim tag - NW 4 (metal tag) - NW 4 F00004 10 - Name of the claim - NAS I - Name of the staker - Staked by L. Bond for (also indicate if the Golden Way Mines claim is staked on behalf of another person or a company who will be the recorded holder) - Date and time of Post - 24-07-04 at 4:45 pm Lake Placement (Tie Ons*) 6 F00005 NAS 2 5 Existing Claim F00004 NAS I 3 **West Boundary Posts** - Example inscription on post - required information 2

Southwest Corners

- required information
- SW 3 (metal tag)
- Name of the claim
- Name of the staker (also indicate if the claim is staked on behalf of another person or a company who will be the recorded holder)

- Claim Name

- Boundary Post Number

- Date and time of Post Placement

- Example inscription on metal claim tag

- WBP 4 (means west boundary post No. 4)

- SW 3 F00004
- NAS I

- NAS I

- Staked by L. Bond for Golden Way
- 24-07-04 at 3:00 pm

South Boundary Posts

- required information
- Claim Name
- Boundary Post Number

Northeast Corners - Example inscription on metal claim tag - required information - NE I (metal tag) - NE I F00004 - Name of the claim - NAS I - Name of the staker (also indicate if the claim - Staked by L. Bond for Golden Way is staked on behalf of another person or a Mines company who will be the recorded holder) - Licence # N10009 - Licence number of the claim holder - When was the staking started (date and - Started 24-07-04 at 12:15 pm - When was it completed (date and time) - Completed 24-07-04 at 6:15 pm **East Boundary Posts** - Example inscription on post - required information River - Claim Name - NAS I - EBP I (means east - Boundary Post Number 2 boundary post No. 1) 3 4 5 **Southeast Corners** - Example inscription on metal claim tag - required information, also illustrates 6 witnessing 7 - SE 2 (metal tag) - SE 2 F00004 8 - Name of the claim - NAS I - Witnessed distance and direction - Witness Post, 1800 feet south 9 - Name of the staker (also indicate if the claim - Staked by L. Bond for Golden Way is staked on behalf of another person or a Mines 10 company who will be the recorded holder) Date and time of Post Placement - 24-07-04 at 1:20 pm Lake LEGEND STAKING SKETCH = Claim Corners MINERAL CLAIMS F00004 = Claim Boundary Post MAP AREA 76 L 5 - Example inscription on post Scale = 1:50.000*NOTE: ALL TIE ONS TO - NAS I EXISTING CLAIMS AND LEASES - SBP 2 (means south ARE REQUIRED TO BE SHOWN. boundary post No. 2) IF TIE ONS ARE NOT POSSIBLE. INDICATE THIS ON THE SKETCH.