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# DIGEST

of the

# MINING LAWS OF CANADA

*Fifth Edition*  
 by  
**H. A. GRAVES**  
 and  
**G. R. L. POTTER**

**DEPARTMENT OF  
 MINES AND TECHNICAL  
 SURVEYS, OTTAWA**

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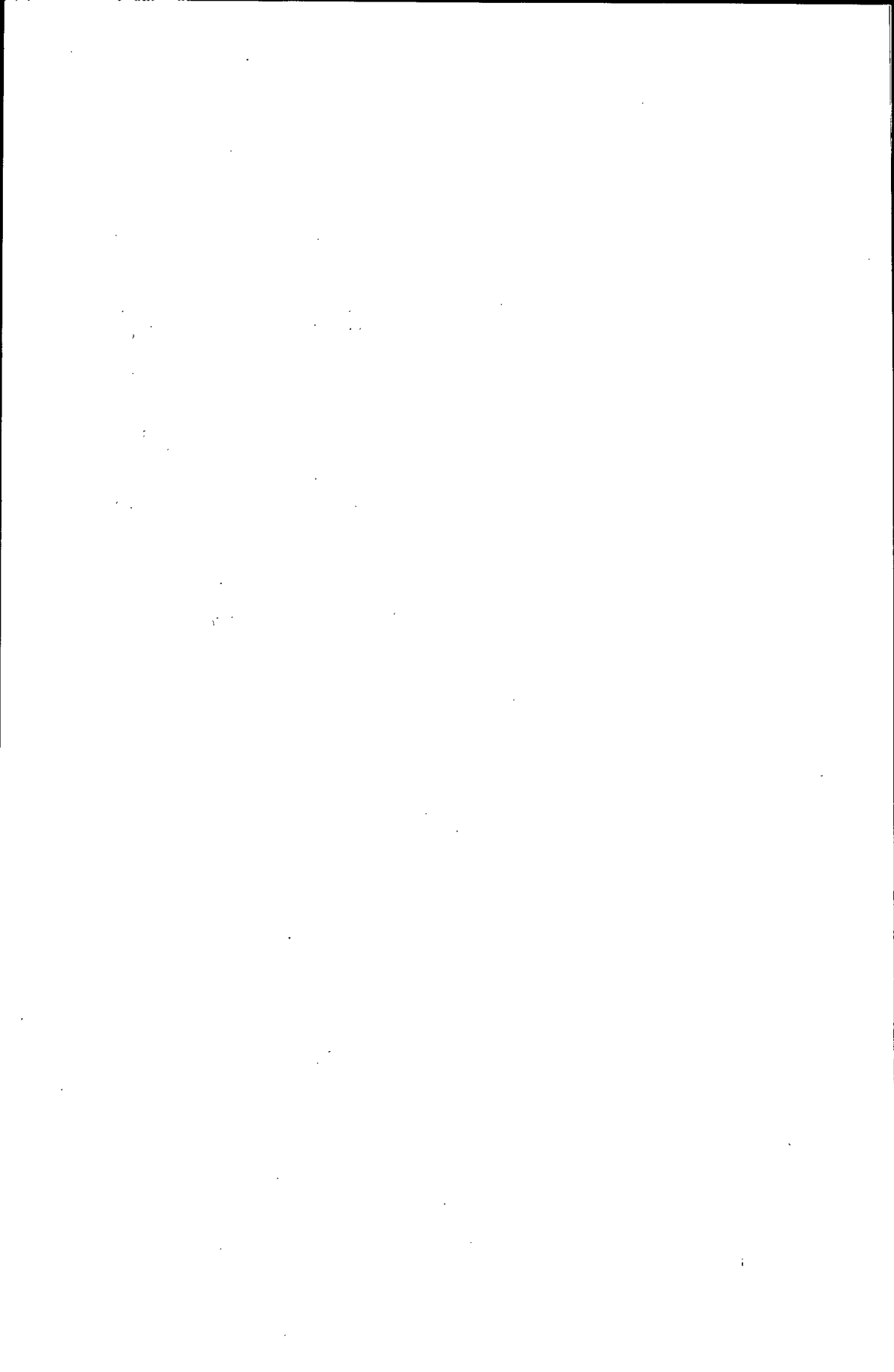
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## PREFACE

The first edition of *Mining Laws of Canada* was prepared by John McLeish and published in 1924. The second edition, prepared by A. Buisson, Mines Branch, appeared in 1931; the third and fourth editions (1938 and 1950) were revised by the same author. The present edition has been brought up to date by H. A. Graves and G. R. L. Potter.

It is most important to bear in mind that this publication is a *digest* only, and is intended merely as a general guide to the mining laws and regulations in effect at the time the text was prepared. In case of doubt or difficulty, reference should be made to the text of the various acts and regulations, as amended from time to time.

JOHN CONVEY,  
*Director, Mines Branch*



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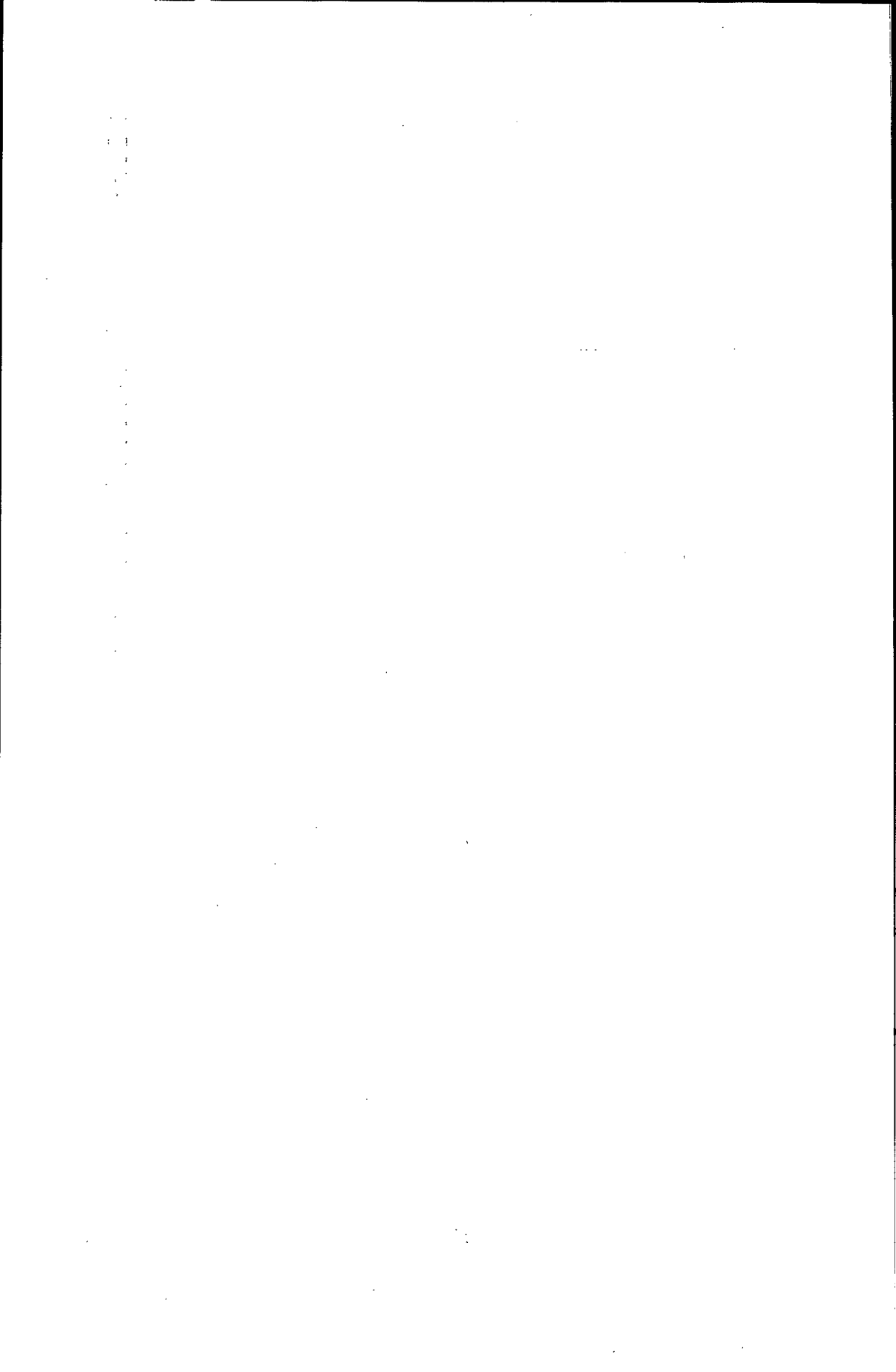
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# INTRODUCTION

In Canada, title to public (Crown) lands is vested in the federal and provincial governments.

Lands vested in the federal government comprise all public lands in Northwest Territories and Yukon, national parks, and Indian reserves; to these must be added certain other areas such as ordnance and admiralty lands, but these are of minor importance as to extent, and, moreover, are not open to prospecting, drilling for oil, or other mining activities.

Apart from the above, all public lands in the provinces are vested in the provincial governments, which have administrative control of all natural resources within their boundaries.

## Federal Lands

Crown lands in Northwest Territories and Yukon are officially designated 'Territorial Lands' since the enactment of the Territorial Lands Act, Chap. 22, Statutes of Canada 1950. The Act provides that when grants of Territorial Lands are made the mines and minerals (including coal, petroleum, and natural gas), together with the right to work them, are reserved to the Crown. In the case of Indian reserves, minerals may be worked only by consent of the band.

Prospecting or mining are not generally permitted in national or provincial parks, although exceptions have sometimes been made in special circumstances. National parks are administered by the National Parks Branch of the Department of Northern Affairs and National Resources. Provincial parks are, of course, administered by the provincial authorities.

## Provincial Lands

In general, minerals (including coal, oil, and natural gas) lying on or under public lands are vested in the Crown in right of the province. In certain cases, title to minerals is reserved by the Crown when a deed is issued for the surface rights (e.g. Newfoundland), while in others (e.g. Ontario since 1908) the deed includes the under-rights unless express reservation of these is made.

The Atlantic Provinces, Quebec, Ontario, and British Columbia, having been separate colonies before entering Confederation, have always had full control of their natural resources (apart from parks, Indian reserves, etc., as cited above). In the case of British Columbia, the Railway Belt (a tract of land 40 miles wide on either side of the route of the transcontinental railway) and the Peace River Block, an area of some 3,500,000 acres lying around the upper reaches of the river, were transferred by the province, on entering Confederation, to the administration of the federal government by way of aiding the construction of the vital railway link with the east. In the cases of Manitoba, Saskatchewan,

## **Introduction**

and Alberta, the first created in 1870, and the two last in 1905, administration of the natural resources was left with the federal government until such time as the provinces felt able to undertake the responsibility. This stage was reached in 1930, when full control was taken over by these provinces, and the Railway Belt and Peace River Block were returned to provincial administration.

While provincial administration of mineral resources tends to follow certain general principles, there is naturally considerable difference in matters of detail. The essential aspects of such legislation are therefore considered individually below, following the section dealing with lands under federal administration.

Speaking generally, any person 18 years of age or over, including aliens, may obtain a prospecting licence, the fee for which may be \$5 or \$10. On staking a claim, the staker's rights are protected for a period of 5 years, provided certain specified work is performed each year; in most cases, such things as geological and geophysical surveys are acceptable for assessment purposes. Final title is usually in the form of a long-term lease, which is renewable. Royalties on output are payable in almost all cases.

This digest is designed to cover the basic or normal conditions governing the securing of mining rights in the various jurisdictions of Canada. It does not attempt to cover such matters as the administration of the estates of insane or deceased miners; such procedural points as address for service, recording of documents, trust agreements and trustees; or to define the duties of various officials and the right of the Crown to take lands required for public purposes.

It has not been considered necessary to detail, in each case, the actual procedure to be followed in staking, as this is fairly well standardized: the main difference is that while in some cases two posts are sufficient, most provinces require four, one at each corner of the claim. The following are typical samples of four-post and two-post staking procedures.

### **Four Posts**

A mining claim is staked out by planting or erecting a post at each of the four corners of the claim, beginning with and marking that at the northeast corner "No. 1", that at the southeast corner "No. 2", etc., and by connecting the posts with blazed lines if in forest country or by mounds of earth or rock where the land is bare. (Ontario).

### **Two Posts**

A mineral claim is located by erecting two "legal posts", which are stakes having a height of not less than 4 feet above ground and squared 4 inches at least on each face for not less than 1 foot from the top. A tree-stump so cut and squared also constitutes a legal post. A cairn of stones not less than 4 feet high and not less than 1 foot in diameter 4 feet above the ground may also be used as a legal post. Upon each of these posts must be written the

## Introduction

name of the claim, the name of the locator, and the date of location. On No. 1 post, in addition, the following must be written: "Initial post. Direction of Post No. 2 [*approximate compass-bearing*] ..... feet of this claim lie on the right and ..... feet on the left of the line from No. 1 to No. 2 posts." Numbered metal identification tags must be attached to both posts at the time of staking.

The location-line between Nos. 1 and 2 posts must be distinctly marked in a timbered locality by blazing trees and cutting underbrush, and in bare country by monuments of earth or rock not less than 2 feet in diameter at the base, and at least 2 feet high, so that the line can be distinctly seen. (British Columbia).

## THE FEDERAL GOVERNMENT

### MINING LAWS AND REGULATIONS PERTAINING TO INDIAN RESERVES

*(Administered by the Federal Government)*

In this summary, 'Minister' means the Minister of Citizenship and Immigration, and 'Director' means the Director, Indian Affairs Branch of that Department. Application should be made to the latter for more detailed information or for copies of the regulations.

The mineral regulations summarized below apply to all Indian reserves except those in British Columbia. In that province, surrendered minerals on Indian reserves are administered by the provincial Department of Mines.

#### **Petroleum and Natural Gas**

The regulations respecting petroleum and natural gas on Indian reserves were established by Order in Council P.C. 1954-2060, dated Dec. 31, 1954.

Permits to explore for petroleum and natural gas are issued on areas of not less than 2,560 acres, when that acreage is available, for a period of one year. The permits may be extended initially for one further year and thereafter for further periods not exceeding one year. Rent for the first year is 20 cents an acre; for the first extension, 30 cents an acre; for all further extensions 7 cents an acre monthly for the term granted.

A permittee who has complied with the terms of his permit may secure a 21-year lease, renewable for a further 21 years, for an area or areas not exceeding 50 per cent of his permit area. No lease may exceed 2,560 acres or, except with the consent of the Minister, be for less than 160 acres. Rent is \$1 per acre annually with a minimum of \$100. The lease does not include oil shale or bituminous sands or oil extracted from them, or helium rights. Royalties are computed on a monthly production basis, with a maximum of 15 per cent of the saleable value of the output.

Drilling must begin within one year of the date of the lease. A lessee who ceases to carry on drilling operations for a period of more than 3 months may have his lease cancelled. No well may be drilled within 300 feet of any road allowance, surveyed road, railway right of way, dwelling, school, or church, or within 300 feet of the boundary of the lease, without the written consent of the Director.



## Mining Laws

Necessary rights may be leased at an annual rent of not less than \$20 an acre, with a minimum of \$60 a year, and such lease must be concurrent with the oil and gas lease.

## Minerals

The regulations respecting mining on Indian reserves were established by Order in Council P.C. 1954-1366 dated September 17, 1954.

Reserves may be declared by the Minister to be open for prospecting and staking after the minerals have been surrendered by the Indians, and permits to prospect may then be granted by the Director to holders of a provincial miner's licence. The mode of staking and the size and number of mineral claims must conform to the mining laws of the province in which the reserve is situated.

Mineral claims must be recorded within 30 days from the date of staking and holders must perform specified work within 5 years from the date of recording. If such work is done within the first two years no rent is charged, otherwise rent at an annual rate of 50 cents an acre must be paid during the last three years.

Upon completion of assessment work and a proper survey of the claim, the holder may be granted a 21-year lease, the annual rent for which shall be \$1 an acre for the first five years, \$1.50 for the second five, and \$2 for the remaining 11 years, with the right of renewal for further periods of 10 years on conditions to be determined by the Minister. Royalty is payable in proportion to the annual net profits at rates ranging from 3 per cent up to a profit of \$10,000 to 9 per cent up to \$700,000: anything over \$700,000 pays at a rate of 10 per cent.

### SCHEDULE OF FEES

#### *Petroleum and Natural Gas*

Grant of permit or lease .....	\$20.00
Each extension of permit or renewal of lease .....	20.00
Recording each assignment of a lease .....	10.00

#### *Quartz Mining*

Permit to prospect or renewal thereof .....	\$ 5.00
Recording each claim .....	10.00
Transfer or agreement to sell or transfer the whole or part of a mineral claim .....	2.00
Recording extension of time for performing assessment work and survey .....	3.00
Application for lease of mineral claim .....	5.00
Certificate for relieving from disqualification under Sect. 14 .....	20.00
Abstract or copy of entries in record book respecting any mineral claim, per folio (100 words) .....	.10
Minimum charge per claim for abstracts .....	.25

## OTHER FEDERAL LEGISLATION AFFECTING MINING

### The Income Tax Act

This Act is administered by the Taxation Division of the Department of National Revenue: the sections that particularly affect mining enterprises are summarized hereunder.

The Income Tax Act applies to both personal and corporate incomes. The corporation tax rate, in respect of income earned on and after January 1st, 1955, is 18 per cent if the amount taxable does not exceed \$20,000 and 45 per cent on the excess over \$20,000. An additional tax of 2 per cent is imposed under the provisions of the Old Age Security Act.

Mining and oil companies, however, are allowed a special deduction for depletion in the calculation of their taxable profits. This allowance is granted in view of the fact that production involves exhaustion of a non-renewable resource. An operator of a metal mine (except a gold mine), an oil or gas well, an industrial mineral mine working a non-bedded deposit, or a sylvite (potash) mine may deduct  $33\frac{1}{3}$  per cent of the profits reasonably attributable to the production from such mine or well.

An operator of a gold mine may, in certain circumstances, deduct:

- (a) \$4.00 per ounce of gold produced in the year or
- (b) 40 per cent of the profits reasonably attributable to the production from the mine.

The deduction allowed in respect of a coal mine is 10 cents for each ton of coal mined in the year.

Industrial mineral mines in bedded deposits are allowed a deduction at a rate based on the estimated life of the mine.

The depletion allowance is calculated after allowing for depreciation and all operating expenses, including an allowance to cover the taxpayer's pre-production development expenses, but no depletion is allowed on income from sources such as dividends, interest, rentals, etc. However, where a person, other than an operator, has an interest in the proceeds from the sale of products or receives a rental or royalty computed by reference to the amount or value of the production from a well or mine, a deduction of 25 per cent is allowed. The depletion allowance is continuous as long as production continues, regardless of the cost of the properties involved.

In computing their taxable income, shareholders resident in Canada who receive dividends from a corporation carrying on business in Canada may make a deduction if 25 per cent or more of the corporation's gross income is derived from mineral profits. The rate of deduction is dependent on the ratio of the income from mineral profits to the total income of the corporation, and varies from 10 to 20 per cent. If the corporation is not carrying on business in

## Mining Laws

Canada, shareholders are entitled to a deduction of 15 per cent of the dividend if the mineral profits are equal to not less than 50 per cent of the total income of the corporation.

To stimulate exploration and development of Canada's mineral resources certain mines are granted a period of exemption from Federal income tax following the commencement of production. Section 83 (5) of the Income Tax Act authorizes the exemption from tax of the profits derived from the operation of a mine for a period of 36 continuous months commencing with the day on which the mine came into production in reasonable commercial quantities. For purposes of this provision, the term "mine" includes the operation of a deposit of oil shale or bituminous sand, but does not include an oil or gas well, a brine well, a sand, gravel, clay, or shale pit, or a stone quarry. The date on which the mine came into production is determined on the basis of all relevant information available at the time the application for exemption is made.

To further encourage the search for minerals, petroleum, and natural gas in Canada special tax concessions are given for exploration, drilling, and development expenses. *Bona fide* prospectors and grubstakers are also given special benefits.

It should be realized that the Income Tax Act is a lengthy and complex piece of legislation. Specific and detailed information on the application of the Act and Regulations may be obtained from any federal District Taxation Office.

### **The Emergency Gold Mining Assistance Act (EGMAA)**

This Act was enacted in 1948 for an initial period of three years to help the gold mining industry to meet the greatly increased costs of production, for which there has been no compensating increase in the selling price; this is based on the Royal Canadian Mint price of \$35.00 per ounce, United States funds.

The Act was designed primarily to assist the high-cost or marginal mines to continue in operation during the difficult period following the war, thus maintaining their labour force, and so continuing to contribute to the support of their dependent communities.

To qualify as a gold mine under the Act, gold production in any year must amount to at least 70 per cent of the value of the mine's output for that year.

The Act has been extended from time to time, as the conditions it was designed to alleviate still continued: the latest extension covers the years 1957-58.

The original formula was based on two factors—the rate of assistance and the part of production to which it applied. These factors have been modified from time to time to meet changing conditions. The number of assistance ounces was formerly dependent on the number of ounces produced in a base year as defined by the Act. This factor is omitted from the present formula in order to simplify calculation and to ensure an equitable distribution of payments to those receiving assistance.

The rate of assistance for 1955 and 1956 was two-thirds of the amount by which the average cost of producing an ounce of gold exceeded \$26.50, up to a maximum of \$12.33. The number of assistance ounces was two-thirds of the number of ounces produced and sold in the calendar year. These factors apply to the 1957-58 extension.

### **Disposal of Gold Produced in Canada**

Canadian gold producers now have two alternatives in disposing of their product:

1. They may qualify for assistance under the Emergency Gold Mining Assistance Act, in which case all sales must be made to the Royal Canadian Mint at the official price.
2. They may sell their gold on the free market, either within or without Canada. No licence is required for exports, but certain formalities still have to be observed, under the Mint Custom Refining and Storing Regulations, 1956. These involve an undertaking to forego all assistance under EGMAA, to apply to the Mint for assaying, melting, and refining of the gold, and to provide the Minister of Finance with a monthly report of inventory and sales. Copies of the above Regulations, and of the Gold Bullion Regulations, may be obtained from the Department of Finance, Ottawa.

### **Atomic Energy Control Act**

This Act gives the Atomic Energy Control Board wide powers over the production, manufacture, sale, and use of radioactive materials. Under the Atomic Energy Regulations no person may produce, buy, sell, import, export, or use radioactive materials or special equipment which can be used for the release of atomic energy except in accordance with the Regulations, or with the permission of the Board.

Any person who finds a mineral deposit containing uranium or thorium must report his findings to the Geological Survey of Canada, Department of Mines and Technical Surveys, Ottawa, which in this connection acts as agent for the Atomic Energy Control Board. These findings and other information on deposits that have not reached the production stage may be made public. Exploration (beyond the stage of prospecting) and mining of a radioactive mineral deposit may be undertaken only with the permission of the Board. Under arrangements expiring 31 March, 1962, uranium in the form of acceptable ores or concentrates will be purchased by the Canadian government through Eldorado Mining and Refining Limited. Further information may be obtained on application to the Director, Geological Survey of Canada, Department of Mines and Technical Surveys, Ottawa.

### **The Dominion Coal Board Act**

This Act, which came into force on October 21, 1947, constituted the Dominion Coal Board as a department of government to advise on all matters relating to the production, importation, distribution, and use of coal in Canada. The Board also advises as to the administration of transportation subventions: these have been applicable during the last twenty-five years with a view to aiding the movement of Canadian coal to Central Canada by equalizing as far as possible the laid-down costs of Canadian and United States coal. Current regulations governing the subventions are contained in the following Orders in Council of March 18, 1955: Nova Scotia—P.C. 1955-367, as amended; New Brunswick—P.C. 1955-368; Saskatchewan—P.C. 1955-369; Alberta and B.C. Crownsnest—P.C. 1955-370. In addition, Order in Council P.C. 1955-371 of March 18, 1955 provides assistance on coal mined in Alberta and British Columbia when it is exported or sold for ships' stores.

The Board has been given the responsibility of handling applications for loans under the Maritime Coal Production Assistance Act (*see below*) and of administering such loans. The Board also administers payments under an Act to place Canadian coal used in the manufacture of iron or steel on a basis of equality with imported coal (*see below*).

The Dominion Coal Board Act gives the Board authority, in the case of a national fuel emergency, to take such measures as are considered necessary to ensure that adequate supplies of fuel are made available.

### **The Maritime Coal Production Assistance Act**

This Act, which came into force on January 7, 1950, provides for government loans to coal producers in the Atlantic provinces for undertakings designed to increase the efficiency of their operations by mechanization. The Act provides that no loan shall exceed two-thirds of the cost of the project in respect of which it is made and that such loans shall be granted only if the Minister of Mines and Technical Surveys is satisfied that the project is in the public interest, is properly planned, and will substantially improve the efficiency of production, also that the recipient is responsible in both the administrative and the financial senses.

### **The Canadian Coal Equality Act**

This Act, formerly referred to as the Coke Bounty Act, provides that, so long as the provisions in Schedule B of the Customs Tariff, permitting a 99 per cent drawback on imported coal used for making steel, remains in effect, the Government will pay to the manufacturers of iron and steel 49.5 cents a ton on

bituminous coal mined in Canada and converted into coke and used by the manufacturer in the smelting in Canada of iron from ore, or in manufacture in Canada of steel ingots and steel castings.

This legislation, which implemented one of the recommendations by the Royal Commission on Maritime Claims, was designed to assist those iron and steel producers unable, because of their geographical position, to take advantage of the customs treatment accorded imported coal for coking. It thus tends to equalize the cost differential between the various producers concerned.

### **Exportation of Power and Fluids and Importation of Gas Act**

This Act controls the export of electricity, petroleum, and natural gas produced in Canada, and the import of natural gas. It was proclaimed in force on June 20, 1955, replacing the Electricity and Fluid Exportation Act enacted in 1907. The Act is administered by the Standards Division, Department of Trade and Commerce, from which any information desired may be obtained.

### **The Explosives Act, 1946**

This Act regulates the manufacture, testing, sale, storage, packing, handling, transportation, and importation of explosives, with certain exceptions relating to those used for military purposes. Only explosives which, after testing, have been declared authorized by the Minister of Mines and Technical Surveys may be manufactured, imported, sold, or offered for sale. Manufacturers, by regulations made under the Act, are required to disclose the composition of each explosive, and all explosives when authorized must be made to conform within narrow limits to the formula then approved.

The distribution of buildings in explosives factories, the quantity of explosives in each, the conduct of operations and other factors bearing on the safety of personnel and the public are controlled by licences issued under the authority of the Act. Compliance with the terms of licence is checked by frequent inspection.

The establishment of magazines for use in construction work, logging, etc., is subject to like licensing and inspection, but the storage of explosives at and for the use of mines and quarries in a province in which provision is made by law for efficient inspection of mines and quarries is not controlled by regulations under the Explosives Act. Provision is made by regulation for the sale of explosives by a mine operator, for use in the mine, to miners or contract workers. Sales are also permitted, without licence, to *bona fide* prospectors. Storekeepers carrying small stocks of explosives for sale are required under the Act to have their premises certified and such premises are subject to periodic inspection.

LISTS OF ACTS

The Income Tax Act  
The Emergency Gold Mining Assistance Act  
Atomic Energy Control Act  
The Dominion Coal Board Act  
The Maritime Coal Production Assistance Act  
The Canadian Coal Equality Act  
Exportation of Power and Fluids and Importation of Gas Act  
Explosives Act

**FEDERAL LANDS**

The State now known as Canada came into being in 1867, when the British North America Act created a federal union of the provinces of Canada, New Brunswick, and Nova Scotia. At this time, the great area stretching from Ontario to the Rocky Mountains, and taking in also the northern portion of the country, was virtually unsettled and largely unknown. Such administration as existed was carried on by the Hudson's Bay Company, under a charter of Charles II.

The Rupert's Land Act of 1868 authorized the acquisition of 'Rupert's Land and the North-Western Territory' by the Federal Government, but the actual transfer of the Hudson's Bay Company lands did not take place until 1871, and it was only in 1880 that an Order in Council of the Imperial Government formally declared to be part of Canada '... all British territories and possessions in North America, not already included within the Dominion of Canada, and all islands adjacent to any of such territories or possessions ... with the exception of the Colony of Newfoundland and its dependencies ...'

British Columbia entered Confederation in 1871, and Prince Edward Island in 1873.

Manitoba was created from lands in the Northwest Territories in 1870, and Alberta and Saskatchewan in 1905. A portion of the Territories was in 1897 designated the Yukon Territory: the remainder is what is today known as the Northwest Territories.

In 1930, the Federal Government transferred to Alberta, Manitoba, and Saskatchewan the ownership and administration of their natural resources. The Railway Belt and the Peace River Block, parts of British Columbia that had been administered by the Federal Government, were transferred to provincial administration at the same time. On March 31, 1949, Newfoundland became the tenth Canadian province.

The lands that come under the federal acts and regulations controlling mining are those in Northwest Territories and Yukon,\* Indian lands, except in British Columbia, and national parks. The title issued for territorial lands in Yukon and Northwest Territories, reserves to the Crown the mines and minerals that may be found on or under such lands, together with the right of operation. Minerals on certain other federal lands may be acquired by lease for a period usually of 21 years, renewable for further periods of like duration, on the terms and conditions specified in the various acts and regulations relating to territorial lands.

### Yukon Territory

In this digest, 'Department' means the Department of Northern Affairs and National Resources, and 'Minister' means the Minister of that department. 'Commissioner' means the Commissioner of the Yukon Territory or his official representative.

Numbers in the margin refer to the relevant sections of the acts or regulations. Rights or interests acquired prior to July 19, 1924 are not affected unless express provision to this effect is made.

#### LIST OF ACTS

- The Territorial Lands Act. Chap. 22, Statutes of Canada 1950.  
An Act Respecting Quartz Mining in the Yukon Territory. Chap. 301, Revised Statutes of Canada 1952.  
An Act Respecting Placer Mining in the Yukon Territory. Chap. 300, Revised Statutes of Canada 1952.

#### LIST OF REGULATIONS

- Territorial Dredging Regulations. P.C. 1954-1920. Dec. 8, 1954 (applies to both Yukon and Northwest Territories).  
Territorial Coal Regulations, P.C. 1954-1979. (Y.T. and N.W.T.).  
Territorial Oil and Gas Regulations. P.C. 1954-1740. Nov. 18, 1954. (Y.T. and N.W.T.).  
Regulations Governing the Disposal of Territorial Lands Containing Limestone, Granite, Slate, Marble, Gypsum, Marl, Gravel, Sand, Clay, Volcanic Ash, or Stone in the Northwest Territories and Yukon Territories. P.C. 1954-435. March 25, 1954.

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\* By the Territorial Lands Act, Chapter 22, Statutes of Canada 1950, federal lands in these regions are officially designated 'territorial lands'.



**Quartz Mining**

(Chap. 301, R.S.C. 1952)

*Miner's Licence*

No miner's licence is required in Yukon Territory.

*Staking Privileges*

*Section* Anyone 18 years of age or over may locate, prospect, and mine for the minerals defined in the Act upon any vacant territorial lands in Yukon Territory. Claims may be located either personally or by an agent. There is no limit to the number that may be staked, provided that not more than seven claims may, within any 12-month period, be located within a distance of 10 miles from any other claim. Claims must be recorded within 15 days if within 10 miles of the mining recorder's office; an additional day is allowed for each additional 10 miles or fraction thereof. Powers of attorney must be filed with the recorder before any work is undertaken. Locations not exceeding 160 acres may be granted for mining iron and mica.

*Lands Open for Staking*

Any vacant territorial lands and any such lands where the mineral rights have been reserved to the Crown are open for staking. No person shall, however, enter upon lands privately owned or lawfully occupied until he has given adequate security for the full compensation of the owner or occupier for any loss or damaged caused.

SUMMARY OF REGULATIONS RELATING TO MINING CLAIMS  
IN YUKON TERRITORY

- Cost of licence .....—No licence required.
- Size and form of claims ....—One location line; 1,500 ft. square, 51.65 acres.
- Number of claims per year—No limit, provided there are not more than 7 within a distance of 10 miles from any other claim.
- Time to record after staking—15 days if within 10 miles from M.R. office, and an additional day for each 10 additional miles or part thereof.
- Assessment period .....—One year from recording date.
- Number of claims grouped—16 adjoining claims may be grouped for the performance of scheduled work.

- Assessment requirements ..—Work to the value of \$100 per claim per year. Work in excess of \$100 during any one year up to a value of \$400 may be credited to succeeding years. \$500 in 5 years.
- Payment in lieu of work....—\$100 per claim per year.
- Rental .....—None.
- Final title .....—Lease for 21 years, renewable.
- Geological and geophysical surveys .....—Accepted as representation work at the discretion of the Commissioner if performed during the first three years following recording of claim.
- Royalties .....—Payable annually on any profits over \$10,000 on an ascending scale beginning at 3 per cent.

The following categories of land are not open for location, prospecting, or mining:—land occupied by church or cemetery; land lawfully occupied for mining purposes; lands reserved for defence, quarantine, or other like purposes; Indian reserves and national parks. Section  
13

Lands occupied by any building or attached to a dwelling-house, under cultivation, or valuable for water-power purposes may be located, prospected, or mined only when the written consent of the owner or lessee has been obtained.

*Size of Claim*

A claim must be a rectangular plot of ground not exceeding 1,500 feet in length by 1,500 feet in width. Every claim must be marked on the ground by two posts, one at each end of the location line, and known as location post No. 1 and location post No. 2. The line may have any bearing or direction, but must be a straight line measured horizontally between the posts, which must not be more than 1,500 feet apart, but may be less. The sides of a mineral claim located as of the full size shall be parallel to the location line of such claim, and the ends shall be at right angles to the location line, subject in each case, however, to interference with claims already located. The location line may form one of the sides of a mineral claim, or the claim may lie on both sides of such line, but the number of feet lying to the right and left of the location line shall not exceed 1,500. 15  
20  
29

Specific instructions as to the method to be used in staking are contained in the Yukon Quartz Mining Act.

## Mining Laws

### *Section Metal Tags*

- 45 Metal tags bearing the claim number, obtainable free of charge from the mining recorder at the time of recording, must be affixed securely to the location posts as soon as reasonably possible after recording. Failure to do so may result in cancellation of the entry by the mining recorder on the application of anyone misled by the lack of such tags.

### *Representation Work*

- 53 Claims may be held for one year from the date of recording and thence from year to year, provided that during such year and each succeeding year, work to the value of \$100 is performed on each claim, and that within 14 days after the expiration of the year the mining recorder is satisfied that such work has been done. The work may be done in a shorter period if desired, but at the end of five years work to the value of \$500 must have been done on each claim or group of claims as defined below.

- 54 The holder of a mineral claim may, in lieu of the work required to be done in any one year, pay to the mining recorder the sum of \$100. A maximum of \$400 excess credit may be applied to a mineral claim in any one year.

### *Grouping*

- 52 Adjoining claims not exceeding 16 in number may be grouped for the performance of representation work by the owner or owners thereof. The work may be concentrated on one or more claims and shall apply to all claims in the group.

### *Disputes*

- 59 In case of dispute as to the location of a mineral claim, title shall be recognized according to priority, subject to validity of the record and to due compliance with the terms of the Act.

- 60 In case of dispute as to title, no irregularity preceding the date of the last certificate of work affects the title, save that the Attorney General of Canada may bring suit based upon fraud.

### *Title*

- 63 Whenever the recorded owner of a claim has completed representation work to the value of \$500 or made payment to the mining recorder in lieu thereof on a claim of the ordinary size, has found a vein or lode within the limits of such claim, has had the claim surveyed, and has complied with all the requirements of the Act, he shall be entitled to receive from the mining recorder a certificate of improvements.

The holder of a mineral claim for which a certificate of improvements has been granted and recorded shall be entitled to a lease of such claim upon payment of the prescribed rental and fee being made within three months. Section  
68

**Leases**

Mining Leases—Leases of mineral claims and of iron and mica claims are issued for a term of 21 years, renewable for a like period if the Minister is satisfied that all legal requirements have been fulfilled; further 21-year renewals may be granted on conditions prescribed by the Governor in Council. Fees for the leases and for the first renewal are set out in Schedule of Fees, 15, 16. 96-7

Surface Leases—Leases of surface rights in connection with mining leases may be issued at an annual rent of one dollar an acre. The rights under such lease may not be assigned, transferred, or sublet without the written consent of the Minister. 72

**Inspection and Penalties**

The Commissioner, mining recorder, or mining recorder's agent may enter upon mining property at any time to make an inspection. 95 (14)

A holder of a mining claim found guilty of swearing falsely to any statement under this Act, or of destroying, defacing, or removing any legal post, stake, or other similar mark may be debarred from entering a claim or securing a certificate of work in connection with a claim for any time the mining recorder deems advisable. 53 (6)

**Forfeiture**

Claims may be forfeited for any of the following reasons:

- Failure to record within prescribed period (38-5)
- Failure to affix tags within reasonable period (45-1)
- Failure to perform prescribed work (52-2 : 55-1)
- Failure to report work within prescribed time (55-2, 4)
- Failure to have survey made within prescribed time (79-3)
- Failure to apply and pay for lease within prescribed time (98)

**Timber Rights**

The holder, by entry or lease, of a claim on vacant territorial lands is entitled to cut, free of dues, such timber thereon as is necessary for working it, unless the timber has already been disposed of.

Owners of other claims may be granted like rights when such timber is not otherwise obtainable within a reasonable distance, but may not take timber required by the claim holder for mining purposes. 72 (1, 2)

## Mining Laws

### Surveys

*Section* 79 The recorded holder of a mineral claim must have it surveyed by a Dominion Land Surveyor under instructions of the Surveyor General. This survey may be made at any time after record is obtained, but must be made within one year following notification by the Minister; such notification shall not be given until one year from the date of recording has elapsed.

80 The cost of a survey may be accepted in lieu of representation work on the claim, for the year in which the survey is made.

### Water Rights

121 The holder of a mineral claim or millsite may obtain a grant to a water right of any unappropriated water for any mining or milling purposes under the provisions of the Yukon Placer Mining Act, or under the provisions of the regulations for the disposal of water for power purposes, according to the purpose for which the water is to be used.

### Royalties

*Coal.* At such rate as may be prescribed under the Territorial Coal Regulations (at present, 25 cents per 2,000 lb.).

*Oil and Gas.* For the first three years, 10 per cent of value of sales, and thereafter 12½ per cent.

*Quartz Mining.* From 3 per cent on profits of \$10,000 to \$1,000,000 to 6 per cent on \$5,000,000 to \$10,000,000. Over ten million, one per cent for each additional \$5,000,000.

*Placer Mining.* Two and one-half per cent on gold shipped from Yukon Territory, with gold valued for royalty purposes at \$15 an ounce.

### SCHEDULE OF FEES

1. Recording mineral claim .....	\$10.00
2. For a substitutional record .....	10.00
3. Application for a lease and issue of same .....	10.00
4. For certificate of work—	
For one year .....	5.00
For two years .....	10.00
For three years .....	15.00
For four years .....	20.00
For five years .....	25.00

**The Federal Government**

5. For certificate of improvements .....	5.00
6. For a grouping certificate .....	5.00
7. Recording assignments, abandonments, affidavits, or any other document .....	2.50
If document affects more than one claim, for each additional claim	1.00
8. For an abstract of the record of a claim—	
For first entry .....	1.00
For each additional entry .....	0.10
9. For copies of any documents recorded—	
Up to three folios .....	3.00
For each additional folio .....	0.50
10. For recording a power of attorney to stake from one person .....	4.00
11. For recording a power of attorney to stake from two persons .....	8.00
12. For recording an assignment of a quartz mining lease .....	3.00
13. Rental for whole or fractional mineral claim granted under lease for term of twenty-one years:	
If acreage is 51.65 acres or less .....	50.00
Add for each acre or fraction thereof over 51.65 acres .....	5.00
14. Rental for renewal term of twenty-one years—	
If acreage is 51.65 acres or less .....	200.00
Add for each acre or fraction thereof over 51.65 acres .....	20.00
15. Rental for iron and mica claim as defined by Section 17 .....	150.00
16. Rental for renewal term of 21 years for iron and mica claim .....	600.00

PRINCIPAL OFFICIALS

Minister of Northern Affairs and National Resources  
 Deputy Minister of Northern Affairs and National Resources  
 Director, Northern Administration and Lands Branch  
 Chief, Lands Division  
 Head, Mining and Oil Section  
 Mining Inspector  
 Mining Recorders, Whitehorse, Mayo, and Dawson, Y.T.

**Northwest Territories**

*Digest of Laws Relating to Prospecting and Staking*

In this digest, 'Department' means the Department of Northern Affairs and National Resources, and 'Minister' means the Minister of that department. 'Director' means the Director of the Northern Administration and Lands Branch.

The governing legislation is contained in the following:

Regulations for the Disposal of Quartz Mining Claims on Territorial Lands in the Northwest Territories, P.C. 1954-1852, December 1, 1954.

## Mining Laws

Northwest Territories Placer Mining Regulations. P.C. 1954-1919, December 8, 1954.

Territorial Oil and Gas Regulations, P.C. 1954-1740, November 18, 1954.

Territorial Dredging Regulations, P.C. 1954-1920, December 8, 1954.

Territorial Coal Regulations, P.C. 1954-1979, December 16, 1954.

Territorial Quarrying Regulations, P.C. 1954-435, March 25, 1954.

Numbers quoted in margin (or text) have reference to the relevant sections of the Regulations.

### Quartz Mining Regulations

#### Section *Miner's Licences*

12 Any person over 18 years of age, and any joint stock company incorporated to do business in Canada may secure a non-transferable miner's licence. Individual licences may be secured for a fee of \$5 from the Director or from any mining recorder appointed by the Minister. Company licences are issued by the Director, the fee being based on the total value of all authorized shares of the company. All licences expire on the 31st day of March following issue, but may be renewed on production of original licence or renewal thereof.

15 A licence entitles the holder to enter, locate, prospect, and mine, except as noted below, upon any vacant territorial lands and upon any lands of which the mineral rights are reserved to the Crown.

17 The holder of a licence may not enter on lands owned or lawfully occupied without written permission of the mining recorder, to whom also satisfactory security for any loss or damage must be given.

#### *Lands not Open for Staking*

15 The following categories of land are not open for location, prospecting, or mining:—land occupied by a church or cemetery; land lawfully occupied for mining purposes; land reserved for defence, quarantine, or other like purposes; Indian reserves and national parks.

Lands occupied by any building or attached to a dwelling-house, under cultivation, or valuable for water-power purposes may be located, prospected, or mined only when the written consent of the owner or lessee has been obtained.

16 Natural deposits of soluble salts of sodium, potassium, and magnesium, whether in a solid state or in solution, the property of the Crown, are withdrawn from disposal under these regulations.

#### *Size, Number, and Recording of Claims*

18 A claim shall be 1,500 feet in length by 1,500 feet in breadth, measured horizontally, with boundary lines running north-south and east-west and all angles right angles, as nearly as possible.

A licensee may in any one licence year stake a maximum of 90 claims. The claims must be staked in groups of not more than nine claims, and no claim may be within ten miles of a claim in any other group. Section  
20\*

If a licensee has staked a claim for another licensee on or before Dec. 31, 1956, he may apply for such claim during January 1957 in accordance with the regulations in effect prior to January 1, 1957.

SUMMARY OF REGULATIONS RELATING TO MINING CLAIMS  
IN NORTHWEST TERRITORIES

- Cost of licence .....—\$5.00.
- Size and form of claims .....—Four line astronomic up to 1,500 ft. square.
- Number of claims per licence year—90 claims in groups up to nine; no claim may be within ten miles of a claim in any other group.
- Time to record after staking .....—15 days for 10 miles from M.R. office and an additional day for each additional 10 miles travelled route.
- Assessment period .....—One year from recording date.
- Number of claims grouped .....—36 adjoining claims may be grouped.
- Assessment requirements .....—Work to the value of \$100 per claim per year. Work in excess of \$100 credited to succeeding years with no limit.
- Payment in lieu of work .....—None.
- Extensions of time .....—\$5.00 per claim up to one year.
- Final title .....—Lease for 21 years, renewable.
- Rental .....—\$50 per claim for 21-year lease period, plus excess acreage rental.
- Geological and geophysical surveys—Such work performed prior to the termination of the first three years from date of record is acceptable in the discretion of the Director.

In the case of a licensee making application for the purpose of mining iron and mica, the Director may grant a location not exceeding 160 acres, the length and breadth being equal and the sides running north-south or east-west. If the holder of such a grant discovers other minerals of value thereon, his right thereto is limited to the area prescribed for other minerals. 21

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\* As amended by P.C. 1956-1846 of Dec. 13, 1956.



## Mining Laws

Section 37 Claims must be recorded within 15 days of staking if located within 10 miles of the mining recorder's office; if over 10 miles, one additional day is allowed for each 10 miles or fraction thereof. Special provisions are made for claims distant more than 100 miles.

45\* Numbered tags, which may be obtained free of charge from the mining recorder, must, at the time of staking, be securely affixed to the corner posts of the claim.

### *Grouping of Claims*

50 Adjoining claims up to a total of 36 may be grouped for the purposes of prescribed work. Such work may be done on any one or more claims, and shall entitle the owner or owners of all claims in the group to a certificate of work for each claim.

### *Disputes*

69 The mining recorder has the power to hear disputes as to the validity of a mining claim and to decide all such cases within his district previous to the issue of a lease, subject to appeal by either party to a stipendiary magistrate, whose decision shall be final.

### *Certificate of Improvements*

61 Whenever the recorded owner of a mineral claim has completed work to the value of \$500, has found valuable mineral within the limits of such claim, has had the claim surveyed, and has complied with the regulations, he shall be entitled to receive from the mining recorder a certificate of improvements which, when issued, shall be final unless it was procured by fraud.

67 The recorded owner of a mineral claim for which a certificate of improvements has been granted and recorded shall be entitled to a lease of such claim upon payment, within three months after the date on which the certificate was issued, of the prescribed rental and fee.

### *Leases and Rentals*

95 The lease shall be for a term of 21 years, renewable for a like term; further 21-year renewals shall be granted on such terms and conditions as may be prescribed by the Governor in Council.

The rental of a mineral claim granted under a lease shall be \$50, provided the claim does not exceed 51.65 acres. If the total area does not exceed 60 acres, rental on the excess acreage shall be \$5 an acre. If the total exceeds 60 acres, the excess area may

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\* As amended by P.C. 1956-1846 of Dec. 13, 1956.

be included in the claim, subject to certain penalty clauses, may be granted to the highest bidder at public auction, or may be declared vacant and available territorial lands. Section  
79 (4)

The rentals of iron and mica claims granted under Section 21 shall be \$150 for a claim not exceeding 160 acres. This applies to the first term only. Increased rentals are charged for renewals, and for these the regulations should be consulted. 96

Lessees shall not assign, transfer, or sublet the rights described in the lease, or any interest therein, without the written consent of the Minister.

**Inspection of Claims**

The mining recorder, mining inspector, or any officer appointed by the Minister may inspect a claim at any time. If the inspection discloses that the work reported has not been done, or that the claim is improperly staked, it may be cancelled forthwith. 55

**Causes of Forfeiture**

- Failure to renew licence (14:5)
- Failure to record claim within prescribed period (37)
- Failure to perform work as prescribed (52:2)
- Failure to apply for lease, or to pay rental therefor, or to renew same within prescribed period (97)
- Failure to have material refined or treated in Canada (101)

**Timber Rights**

The holder, by entry or lease, of a claim on vacant territorial lands is entitled to cut, free of dues, such timber thereon as is necessary for working it, unless the timber has already been disposed of. 71-1

Owners of other claims may be granted like rights when such timber is not otherwise obtainable within a reasonable distance, but may not take timber required by the claim holder for mining purposes.

**Surveys**

The recorded owner of a mineral claim shall have it surveyed at his own expense by a Dominion Land Surveyor within one year after notification by the mining recorder. Such notification shall not be given until at least one year after the date the claim was recorded. 76

**Treatment of Ores in Canada**

All grants and leases issued under the provisions of the regulations stipulate that all ores or minerals shall be treated in Canada so as to yield refined metal or other product suitable for direct use in the arts without further treatment, with the exception of iron ores produced in excess of smelter requirements from locations on the islands of Hudson Bay. 101

## Northwest Territories and Yukon Territory

### *Digest of Regulations Respecting the Administration and Leasing of Oil and Gas Rights—(P.C. 1954-1740, Nov. 18, 1954)*

*Section* In this digest, the expression 'territorial lands' means lands in the Northwest Territories and Yukon Territory that are vested in the Crown or of which the Crown has power to dispose. 'Minister' means the Minister of the Department of Northern Affairs and National Resources. The term 'grid area' means an area of territorial land contained within a rectilinear quadrilateral bounded on the north and south by chords to successive parallels of astronomic north latitude of the series 60° 00' 00", 60° 10' 00", 60° 20' 00", and bounded on the east and west by successive meridians of astronomic west longitude of the series 110° 00' 00", 110° 15' 00", 110° 30' 00", and the said series may be extended as required.

#### *Exploratory Licences*

4-7 Anyone 21 years of age or over and any corporation incorporated or licensed to do business in Canada may secure an exploratory licence on payment of a fee of \$25. Such licences may not be transferred or assigned. Licences expire on the 31 March following issue and may be renewed yearly for a fee of \$25.

The licence entitles the holder to carry out geological and geophysical examinations and aerial mapping, and to carry on subsurface investigations of territorial lands, including lands under permit or lease issued under these regulations, to a depth not exceeding 200 feet. To go below this depth, permission of the permittee or lessee, or of the Crown, as the case may be, must be first obtained.

#### *Permits*

8, 9 The Minister, if satisfied that exploratory work of value will be undertaken, may issue to any licensee a permit to explore for oil and gas. Application for such a permit must be made in person by the applicant or his authorized agent to the Chief of the Lands Division, Department of Northern Affairs and National Resources, Ottawa. The application must be accompanied by the fee of \$250, a deposit of money or bonds at a rate of 5 cents an acre as a guarantee of expenditures during the first 18 months, and full details of the area to be included and the work proposed. A permit shall include a grid area or the east, west, north, or south half of such an area.

10, 11 No one may secure permits for a total area exceeding eight grid areas in any one year, except that areas of less than half a grid area may be granted at the discretion of the Minister.

Permits are issued for a term of three years and shall be renewable for a like term if there has been expended in development work in each year an amount equal to the amount of the deposit. Failing such expenditures, renewal lies in the discretion of the Minister. Section  
15

No part of a permit may be alienated without the consent of the Minister. 16

**Deposits**

Before expiration of the first 18 months of the permit, the holder shall deposit cash or bonds to the value of 25 cents for each acre retained, as a guarantee of expenditure on development of a sum at least equal thereto. Excess expenditures may be credited to subsequent periods. 17, 18  
20

**Grouping of Permits**

A permittee may, for exploratory work, group an area equivalent to twenty permits of maximum size if the permit areas or any part thereof lie within a circle of radius not exceeding 50 miles or are contiguous. Expenditures made on any permit or permits in the group may be applied to any or all permits in the group, but once applied may not be transferred in case of regrouping. 22

If, in the sixth year of a permit, a well is being drilled, and it appears it may not be completed before the expiry date, the Minister may grant an extension of 90 days for that permit or any others in the group on the permittee making a deposit of 10 cents for each acre included in the extension. Work during such extension shall be classed as exploratory work. 24

**Inspection**

The Minister or any person authorized by him may inspect the operation at any time, and shall have full access to plant and records for this purpose. 31

**Leases**

A permittee in good standing may secure a lease or leases covering up to 35 per cent of the permit area. Such leases may be secured during the first period of the permit if, during that period, exploratory expenditures are at least equal to the deposit, and at any other time if such expenditures amount to at least 30 cents for each acre included in the permit. 32

If oil or gas in commercial quantity is located, the Minister may require that a lease be applied for within one year of discovery or such further period as he may determine.

## Mining Laws

*Section* Leases are issued for a term of 21 years, renewable for like periods but subject to change as to conditions.

33 Except by consent of the Minister, a lease may not be less than 640 acres in area. No lease may be for more than one-half a grid area. Leases must be rectangular, with boundaries running north-south and east-west and dimensions adaptable so far as is practicable to a 40-acre spacing pattern, unless other arrangements are approved by the Minister.

36 The terms of the lease become effective from the date the application is endorsed, but the lease will not be issued until it has been surveyed at the applicant's expense by a Dominion Land Surveyor under instructions of the Surveyor General of Canada. Such a survey must be made within one year of the date of application unless an extension has been granted.

37 Rent for the first year is 50 cents an acre, and thereafter one dollar an acre annually.

40 Excess expenditures on exploratory work during the term of a permit may be applied on lease rent up to a maximum of 50 per cent until commercial exploitation begins.

Unless the Minister grants an extension, a lessee must begin drilling within three years of the date of the lease.

41 When a well is completed, or is found not commercially productive, a second well must be started within one year unless the Minister grants an extension of time: such extension may be related to the excess expenditures on exploratory work, if any, made on the permit area involved.

42 Leases include only the oil, gas, bitumen, and associated substances obtainable by the usual drilling and production practices; they do not include oil shale, bituminous sands, or the oil that may be extracted from them, or helium.

56 None of the rights under a lease may be alienated without the Minister's consent. A fee of \$10 is payable for each such consent.

57 Only companies incorporated under Canadian law or licensed under such law may acquire a licence, permit, or lease under these regulations.

### *Grouping of Leases*

43 A lessee holding more than one lease may group them for the purposes of Section 42. The maximum area in a group is 22,400 acres, and some portion of each lease must be within 12 miles of the projected drilling site. If the provisions of Section 42 are carried out on one lease in a group, the lessee shall be deemed to have fulfilled the requirements for all leases in the group.

A group will terminate as soon as oil or gas is discovered in commercial quantity. On such termination, drilling must be undertaken on all other leases in the group within two years, but the lessee may re-group all or any such leases. The Minister may grant extensions of the drilling time. Section

A lessee obtaining commercial production of oil or gas may be required to conduct such further drilling as the Minister deems necessary for the proper conservation and marketing of such oil or gas, and also to continue production so long as a commercial yield is available. 44

The Minister may grant a lease of the necessary surface rights for a term of 21 years, renewable for like periods so long as commercial production is secured. Annual rent of one dollar an acre is payable for the first term: renewals will be subject to the regulations in force at the time. 45

*Permission to Enter on Leased Lands*

If the surface rights of an oil or gas permit or lease are included in a timber licence, grazing or coal mining lease, mining claim, or other terminable grant, the holder may enter thereon only by permission of the Minister, who will lay down such conditions as to compensation as he deems fitting. 46

*Entry on Patented Lands*

Where the surface rights of an oil or gas permit or lease are patented or subject to the earning of patent, and the holder of the oil or gas rights cannot reach agreement with the holder of the surface rights, he may apply to the Minister to have the matter settled by arbitration. 47

*Royalty*

Royalty for the first three years following production shall be 10 per cent of the production, and thereafter 12½ per cent. These rates may be reduced by the Governor in Council if such action is deemed necessary to keep the well in operation. 58

*Causes of Forfeiture*

If a permittee fails to pay the required deposit within 90 days of the due date, his permit shall be cancelled without notice. 90

If a lessee fails to pay the required rent within 30 days of the due date, written notice shall be given and if payment is not received within 30 days of the date of the notice the Minister may cancel the lease.

## Mining Laws

Failure of a permittee, licensee, or lessee to comply with other terms of the regulations shall be the subject of a written notice, and unless the defect is remedied within 90 days of the date of such notice the Minister may cancel the licence, permit, or lease.

### Royalties

*Coal*—Twenty-five cents a ton, or at such rate as may be prescribed by the Minister with the approval of the Governor in Council.

*Petroleum and Natural Gas*—For the first three years, 10 per cent of the value of the product, and thereafter 12½ per cent.

*Quartz Mining*—On annual profits above \$10,000 up to one million, 3 per cent; \$1,000,000 to \$5,000,000 5 per cent; \$5,000,000 to \$10,000,000 6 per cent; over \$10,000,000 1 per cent for each additional \$5,000,000.

*Placer Mining*—One and one-quarter per cent on gold and 2½ per cent on all other minerals, including silver.

### Bounties

*Coal*—Payment from Consolidated Revenue Fund of 49½ cents a ton of bituminous coal mined in Canada and converted to coke for use in making iron or steel.

### SCHEDULE OF FEES

Applications for all leases .....	\$10.00
<i>Rentals</i>	
Quartz, for first period of 21 years .....	50.00
For renewal of period .....	200.00
Surface leases, per acre, per annum .....	1.00
Coal and quarrying leases per acre, per annum .....	1.00
Petroleum and gas permits, 50 cents per acre for first year and \$1 per acre for subsequent years.	
Dredging, \$100 per mile for first year, and \$10 per mile for subsequent years.	
<i>Placer Mining</i>	
For grant of a claim for one year .....	10.00
For renewal of grant of claim .....	10.00
Recording an abandonment .....	2.00
Registration of any document .....	3.00
If it affects more than one claim, for each additional claim ....	.50
For filing any document .....	1.00
Extension of time .....	5.00

For grant of water—	
Of 50 inches or less .....	5.00
From 50 to 200 inches .....	10.00
From 200 to 1,000 inches .....	20.00
For each additional 1,000 inches or fraction thereof .....	20.00

*Quartz Mining*

1. For a miner's licence or renewal thereof for an individual .....	5.00
2. For an individual miner's licence issued on or after the 1st October in any year .....	3.00
3. For renewal of a miner's licence of a mining partnership having not more than two partners .....	5.00
4. For renewal of a miner's licence of a mining partnership having more than two but not more than five partners .....	10.00
5. For renewal of a miner's licence of a mining partnership having more than five partners .....	20.00
6. The fee for issue or renewal of a mining licence in the case of an incorporated company is based on the value of its authorized shares, rising from \$25 where the value does not exceed \$40,000 to \$100 where the value exceeds \$500,000 but does not exceed \$1,000,000. For each additional million or part thereof up to \$10,000,000 an additional \$100 is charged. Where value exceeds \$10,000,000 the fee is \$1,000.	
7. Whenever a miner's licence for a company is issued on or after the 1st October in any year, the fee shall be only one-half the amount above specified.	
8 (1). For recording first nine claims, per claim .....	\$ 5.00
(2). For recording claims over nine, per claim .....	\$10.00
9. (no longer applicable)	
10. For an examination of the record book, per claim .....	.10
11. For inspecting any document filed with a mining recorder .....	.10
12. For application for a certificate of work .....	2.50
13. For recording with the mining recorder a transfer, agreement of sale, option, power of attorney or revocation thereof, copy of a writ of execution, discharge of execution, or any other instrument affecting any recorded claim, right, or interest, for each claim .....	2.00
14. For a substitutional miner's licence .....	1.00
15. For a special renewal licence under section 68 to save forfeiture, twice the prescribed licence fee.	
16. For filing report of work under section 68 to save forfeiture....	10.00
17. For application for a lease of surface or mineral rights .....	10.00



**Mining Laws**

18. For recording a certificate of revocation of agent and appointment of a new agent for a mining partnership .....	1.00
19. For recording a transfer of a share or shares in a mining partnership .....	1.00
20. For copies or certified copies of any document or record obtained from any officer per folio of 100 words .....	.30
21. For an abstract of the records of a claim, for first entry .....	1.00
For each additional entry .....	.10
22. For a grouping certificate .....	5.00
23. Rentals of claim, for the first period of 21 years .....	50.00
24. Rental of excess area, for first period, per acre .....	5.00
25. Rental for renewal period .....	200.00
26. Rental of excess area for renewal period, per acre .....	20.00
27. Rental for fractional claim .....	25.00
28. Rental for surface lease, for each acre, per annum .....	1.00
29. Registration of an assignment of a lease .....	3.00
30. For a substitutional record of entry .....	10.00
31. For application for a certificate of improvements .....	2.50

**PRINCIPAL OFFICIALS**

Minister, Department of Northern Affairs and National Resources  
Deputy Minister, Department of Northern Affairs and National Resources  
Director, Northern Administration and Lands Branch  
Chief, Lands Division  
Head, Mining and Oil Section  
Mining Inspector, Yellowknife, N.W.T.  
Mining Recorders, Yellowknife, N.W.T. for Yellowknife and Mackenzie  
Mining Districts; Ottawa, Ont., for Arctic and Hudson Bay Mining  
Districts.

## CHAPTER II

### BRITISH COLUMBIA

British Columbia entered Confederation July 20, 1871. Before Confederation, as a Crown Colony, various proclamations and ordinances affecting mining were established. First proclamations were based on Australian law and later ordinances adopted, in part, American regulations. The Gold Mining Ordinance of 1867, with various amendments, was in effect until 1882, when an Act was passed to consolidate and amend the laws relating to gold and other minerals except coal.

In 1872 full extralateral rights were incorporated into the 1867 ordinance and they remained in effect until 1892.

In 1877 a short Act relating to minerals, other than coal, occurring in veins and lodes was passed and also a "Coal-mines Regulations Act".

The "Coal Prospecting Act" was passed in 1883 and the "Coal Mines Act" in 1888.

In 1890 a commission was appointed to amend and consolidate the provincial mining laws, and in 1891 a new "Mineral Act" and a new "Placer-mining Act" were passed. In 1892 extensive revisions were made to these Acts and the extralateral rights were abolished. The "Metalliferous Mines Regulation Act" was passed in 1897. The "Mineral Act", "Placer-mining Act", "Coal-mines Regulation Act" and "Metalliferous Mines Regulation Act" have been amended from time to time and the last two Acts were rearranged and rewritten in 1948. Various other Acts and Regulations relating to mining are in force.

Titles acquired under some of the earlier ordinances and acts are still in effect.

The "Department of Mines Act" (1948, Chap. 211) empowers the Minister of Mines to organize the Department or to reorganize it from time to time to meet changing conditions in the mining industry. It provides for the right of entry on any mining property by an official authorized by the Minister; for the collection of information relating to mining; for the examination and certification of assayers; and for the expenditure of public monies for the construction, reconstruction, or repair of trails, roads, and bridges to facilitate the exploration of the mineral resources of any mining district, and in the operation and development of any mining property.

**SUMMARY OF REGULATIONS RELATING TO MINING CLAIMS**

- Cost of licence .....—\$5.00.
- Size and form of claims .....—One line; 1,500 ft. square; 51.65 acres.
- Number of claims per year .....—No limit except not more than 7 within 10 miles of any other claim, within any twelve-month period.
- Time to record after staking .....—15 days for 10 miles from M.R. office plus one day for each additional 10 miles.
- Assessment period .....—One year from recording date.
- Number of claims grouped .....—8 contiguous.
- Assessment requirements .....—Work to value of \$100 per claim per year. Work in excess of \$100 credited to succeeding years in amounts of \$100. \$500 in five years.
- Payment in lieu of work .....—\$100 per claim per year.
- Rental .....—None.
- Final title .....—Crown grant.
- Geological and geophysical surveys—Work on the ground may be done by geologist, geophysicist, or consulting engineer who must have adequate qualifications.

Allowance also made for specially qualified workers and for service of others.

Examination counts for the year in which made, but not for more than one year in five consecutive years.

If grouped, examination must be made of every claim in group unless other assessment work is done or payment in lieu thereof. (In case of geological examination, not more than one claim in four to be devoid of outcrops).

Evidence of expenditure must be submitted.

**PROSPECTING AND STAKING LAWS**

*Section*

4

In this summary, the word 'Act' means the Mineral Act and Regulations, R.S.B.C. 1948, Chap. 213; 1953, 2nd Sess. Chap. 17; 1955, Chap. 49. 'Department' means the Department of Mines, and 'Minister' the Minister of that Department.

In British Columbia, the term 'Free Miner's Certificate' is used for what is usually called a miner's licence. In this summary, the word 'certificate' means a Free Miner's Certificate, and the words 'free miner' mean the holder of a valid certificate. Such a certificate must be obtained before anyone may prospect for minerals or locate and record mineral claims in the province. Any person 18 years of age or over may obtain a certificate by making application to any gold commissioner or mining recorder not later than the first day of June and paying the fee of \$5.00. All certificates expire on May 31 following date of issue, or on some subsequent May 31 if the certificate has been taken out in advance for more than one year. Certificates may be obtained for any part of a year terminating on May 31 for a lower fee.

If a holder allows his certificate to lapse, he may, at any time within six months from the expiry date, obtain a special certificate reviving title to mining property depending on the lapsed certificate: for this certificate, the fee is \$15 for an individual and \$300 for a company. If a certificate is lost or destroyed, the owner may secure a copy for \$1.00.

8

Certificates are available to any corporation incorporated or registered in British Columbia under the Companies, Trust Companies, and Insurance Acts, and to any chartered bank; the fee is based on the capitalization of the applicant. A certificate is not transferable.

#### *Privileges of a Licensee*

A free miner may, during any period of twelve months, stake and record any number of mineral claims, provided that he shall not stake and record more than seven mineral claims within ten miles of any other claim staked and recorded by him within that period. He may purchase other mineral claims anywhere.

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Claims must be recorded, and the fee of \$2.50 paid, within 15 days after location if within 10 miles of the recorder's office. One additional day is allowed for each additional 10 miles or part thereof. An agent may not prospect for, locate, or record any mineral claim on behalf of his principal unless the agent is a free miner.

40

20

#### *Lands Open for Staking*

A free miner may enter, locate, prospect, or mine all minerals upon any vacant Crown lands and upon any lands where mineral rights are reserved to the Crown, with the exception of lands occupied by any building, immediately attached to a dwelling-house, under cultivation, lawfully occupied for mining purposes other than placer-mining, or included in military or naval reservations.

14

## Mining Laws

*Section* If entry is made on lands lawfully occupied for other than mining purposes, the free miner may be required to give adequate security for any loss or damage caused thereby.

23 The Crown grant to a mineral claim conveys only such surface rights, including the use of the timber thereon, as are necessary for mining the deposit, and the use of such surface rights may be restricted by the Minister.

### *Size of Claim*

29 A full-sized mineral claim is a piece of land not exceeding 51.65 acres in area, and in shape a square with 1,500-ft. sides. All angles must be right angles unless the boundaries, or one of them, are the same as those of a previously recorded claim.

### *Metal Tags*

33 Metal identification tags in serially numbered pairs, furnished by the recorder free of charge with certificate, must be affixed to the legal posts numbered 1 and 2 at the time of locating the claim. No certificate of work shall be granted until an affidavit that this has been done has been filed.

### *Assessment Work Requirements*

49 A free miner is entitled to hold a duly located and recorded mineral claim for a period of one year from the date of recording, and thence from year to year, provided that in the first and each succeeding year work in the nature of exploratory or mining operations to a value of  
51 \$100 is performed. If such work is performed in any one year to a value of \$100 or more in excess of the required amount, such excess may be credited to succeeding years.

53 Payment of \$100 in lieu of work may be made for any year up to a total of \$500.

49 (1 b) Adjoining mineral claims not exceeding eight, owned by one free miner or by two or more in partnership, may be grouped for the purpose of assessment work, and work done on any one or more of the group shall entitle each of the parties concerned to a certificate of work for all claims in the group.

Geological, geophysical, or geochemical surveys are acceptable as assessment work in certain circumstances.

57 When the holder of a mineral claim has performed the required assessment work, or has made payment in lieu thereof, he is entitled to a Crown grant under certain conditions, of which the principal are:  
58 that a mineral deposit must have been located on the claim, that the claim has been properly surveyed and that such survey has been filed

with the mining recorder, and that notice of intention to apply for a certificate of improvements has been posted on the ground and properly advertised. Application for the grant must be made within three months of the date of the certificate of improvement. Section

The Crown grant conveys the rights to all mineral deposits in the case of vacant Crown lands. In the case of lawfully occupied lands where mineral rights, except coal, have been reserved to the Crown, the grant conveys rights to all minerals as defined in the Act, but expressly reserves the rights of the prior occupant: a similar provision governs cases where the Crown reservation covered gold and silver. Where the land is in a timber lease, the grant expressly reserves the timber. 67  
68  
69  
68-2

**Disputes**

In case of dispute as to location of a mineral claim, title shall be based on priority, subject to the validity of the record and compliance with the terms of the Act. 79

In case of dispute as to title, no irregularity prior to the date of the last certificate of work shall affect the title, provided such certificate was not wrongfully or improperly obtained. 80

**Timber**

If a mineral claim is on land lying in a timber lease, the Crown grant shall convey all minerals and the right to use the surface as may be necessary to mine them, but shall reserve the timber. If not alienated or encumbered at the time of location, timber may be used by the holder of the claim for mining purposes only. 68 (2)

**Causes of Forfeiture**

- Claims may be forfeited for failure to:
- renew certificate within prescribed period (13-2),
- record claim within prescribed period (45),
- record certificate of work within prescribed period (50),
- apply and pay for Crown grant within prescribed time (60, 62),
- affix metal tags as prescribed (33-1, 2; 49-2).

The moving or defacing of any stake or post may lead to forfeiture of a claim (170).

**Claim Inspection**

The Gold Commissioner and mining recorder for the district, or any officer of the Department authorized by the Minister, shall have the right to examine any mining property at any time. 165

**PLACER-MINING ACT**

(R.S.B.C. 1948, Chapter 214; 1953, 2nd. sess. Chap. 18)

Section        Section 27 of this Act specifies that a free miner shall have all the rights and privileges granted by the Mineral Act.

                 The Act, however, differs from the Mineral Act with respect to claims. The dimensions laid down for these are:

37              Creek Diggings: 250 ft. along stream bed and 500 ft. on either side of centre of stream.

                 Bar Diggings: a piece of land 250 ft. square or a strip of land 250 ft. long extending from high to low water.

                 Dry Diggings: a piece of land 250 ft. square.

                 In the case of discovery of a new placer-mining locality, the following special provisions apply:

38              One discovery claim: a claim 600 ft. in length.

                 Party of two: two claims each 500 ft. long.

                 Parties over two: one claim of standard size to each.

                 In all cases, the width of the claims shall be as for standard claims of the same class.

52              Except during the close season, lay-over, leave of absence, absence on account of sickness, or other acceptable reason, claims must be worked continuously during normal working hours, and cessation of work for a period of seven days shall cause the claim to be forfeited.

105             The Gold Commissioner may grant to a free miner a placer-mining lease for a term not exceeding 20 years, subject to extension on the original terms. Such leases shall extend an aggregate width of 1,320 ft. on either side of the location line, which shall have a length of 2,640 ft.; the location line may not change direction more than once.

115 (1)        Such leases shall be subject to an annual rent of \$30 and to an annual expenditure of \$250 on development. Failure in either respect shall cause the lease to be forfeited, but a period of grace of thirty days, in which the lease may be reinstated, is provided.

115 (8, 9)     Work to the value of \$250 in any one year in excess of the required amount may be credited to a subsequent year, and payment of \$250 will be accepted in lieu of one year's work.

118 (1)        Non-performance of conditions of the lease shall be ground for forfeiture.

121             Adjoining leaseholds not exceeding eight may be grouped for purposes of assessment work, and such work on one or more shall apply to all.

The Regulations under the Act make provision for granting special placer-mining leases of  $1\frac{1}{2}$  sq. mi. and more. Rent is at a rate of \$80 per sq. mi. for first year, \$120 for second, and \$160 for third and subsequent years. The corresponding rates for development work are \$650, \$1,000, and \$1,300. Section

## COAL ACT

(R.S.B.C. 1948, Chapter 209)

Available Crown coal may be disposed of by the Lieutenant-Governor in Council only. Where output does not exceed 10,000 tons a year, mining rights are in the form of a licence, renewable annually. A licensee has prior right to a lease over the same ground.	
Where the applicant undertakes to produce 10,000 tons or more a year, a 20-year lease may be granted. Such a lease may be renewed for such periods as may be necessary for full recovery of the coal.	4, 5
The following paragraphs apply equally whether a licence or a lease is involved.	
Where the location is on Crown land, the operator is entitled to such surface rights as are necessary for the efficient conduct of his operations, and shall enjoy reasonable priority in this regard. Where the location is lawfully occupied for purposes other than coal-mining, the operator must, before starting mining operations, give adequate security for any loss or damage that may be caused.	6
A location shall generally be one square mile in area, square in form, and conforming either to astronomic north-south and east-west bearings or to surveyed boundaries of sections and their subdivisions.	9
An operator may acquire as many licences or leases as are commensurate with the size of the operation planned and available markets. Any number of adjacent locations may be grouped, and all required work may be done on any one or more of them.	8
An operator must comply with all provisions of the Forest Act and Regulations.	7
Royalty is payable monthly at a rate of not less than 25 cents a ton.	10
	14

## PETROLEUM AND NATURAL GAS

The governing legislation is contained in Chapter 31, 1954 and Chapter 59, 1955, of the Statutes of British Columbia. As this digest has been adapted from the official synopsis, no section numbers are quoted.

An operator's licence must be obtained before application for a petroleum or natural gas permit or lease can be made. Such a licence must also be held



## **Mining Laws**

by anyone performing such work as geological or geophysical surveying, drilling, or servicing in connection with exploration, development, or production in connection with oil or natural gas.

Title to petroleum and natural gas may be by permit or lease. Permit areas vary from 125,336 acres in the south to 96,368 acres in the north. Permits may be held for five years by payment of \$250 as a yearly fee, rent on an acreage basis (5 cents first three years, 10 cents last two) and the performance of development work each year at the following rates per acre: first year 10 cents, second 20 cents, third 40 cents, fourth 50 cents; cash payments may be made in lieu of work at corresponding rates of 15, 25, 50, and 60 cents. No work or payment in lieu is specified for the fifth year.

The permittee may, at any time during the term of the permit, apply for a lease of up to 50 per cent of the total area on a checkerboard basis, the remaining lands becoming Crown reserve. Leases granted without a prior permit are subject to the full permit work requirements; those granted during a permit provide for such work as still remains to be done. A fee of \$25 is charged for issuing a lease, plus a yearly rent of \$1 an acre for oil and gas and 40 cents for gas alone.

### **PROSPECTORS' GRUB-STAKE ACT**

*(R.S.B.C. 1944, Chap. 42)*

In this Act, 'grub-stake' means money, food supplies, clothing, powder, tools, or any other thing necessary to the business of prospecting. 'Prospector' means any person who is a British subject and who is the holder of a valid free miner's certificate who has been honourably discharged from any of Her Majesty's Services or has been resident in the province during the year preceding any application for a grub-stake.

No grub-stake granted to one applicant shall exceed \$300 in value in any one year, but the grub-stake may be increased, if an applicant is required to travel to or from the area in which he is to prospect, by an amount sufficient to cover such travelling expenses. The total in no case shall exceed \$500 in any year. Applicants are required to identify some of the commoner rocks and minerals.

Information regarding grub-stakes may be obtained from the Department of Mines, Victoria, B.C.

### **INDIAN RESERVES MINERAL RESOURCES ACT**

*(R.S.B.C. 1948, Chap. 212)*

This Act validates an agreement between the Federal Government and the province whereby mineral rights on Indian reserves, upon surrender by the Indians, shall be administered by the province, subject to the laws of the province.

A free miner wishing to prospect on Indian reserves must obtain the approval of the Gold Commissioner for the mining division in which the reserve is situated and also of the Indian Agent for such reserve.

## ROYALTIES

All minerals mined from lands covered by records of mineral claims and placer claims and by placer-mining leases issued after the 1st day of May 1948, are subject to payment of such royalties as may be fixed by regulation made by the Lieutenant-Governor in Council from time to time.

### LIST OF ACTS

- Department of Mines Act, R.S.B.C. 1948, Chap. 211.
- \*Mineral Act, R.S.B.C. 1948, Chap. 213.
- \*Placer-Mining Act, R.S.B.C. 1948, Chap. 214.
- Metalliferous Mines Regulations Act, R.S.B.C. 1948, Chap. 218.
- Coal-Mines Regulation Act, R.S.B.C. 1948, Chap. 217.
- Mines Right-of-Way Act, R.S.B.C. 1948, Chap. 216.
- Iron and Steel Bounties Act, R.S.B.C. 1948, Chap. 32.
- \*Prospectors Grub-Stake Act, R.S.B.C. 1944, Chap. 42.
- Taxation Act, R.S.B.C. 1948, Chap. 332.
- Forest Act, R.S.B.C. 1948, Chap. 128.
- \*Coal Act, R.S.B.C. 1944, Chap. 209.
- \*Petroleum and Natural Gas Act, R.S.B.C. 1954, Chap. 31.
- \*Indian Reserves Mineral Resources Act, R.S.B.C. 1948, Chap. 212.

Land Act, R.S.B.C. 1948, Chap. 175 (re Limestone, etc.).

Only those Acts marked with an asterisk have been summarized. The remainder, while they affect mining, are not mining laws in the strict sense, and are quoted here for record purposes only.

### PRINCIPAL OFFICIALS

Minister, Department of Mines  
Deputy Minister, Department of Mines  
Chief Gold Commissioner  
Chief Inspector of Mines  
Chief Petroleum Engineer

**Mining Laws**

**SCHEDULE OF FEES**

Free Miner's certificate (individual), annual fee .....	\$ 5.00
Free miner's certificate (company, capital \$100,000 or less), annual fee .....	50.00
Free miner's certificate (company, capital over \$100,000), annual fee....	100.00
Recording mineral claim .....	2.50
Recording certificate of work, mineral claim .....	2.50
Recording certificate of work, placer-mining lease .....	2.50
Grouping notices, Mineral Act .....	.25
Consolidations, Placer Mining Act .....	1.00
Recording abandonment, mineral claim .....	10.00
Recording abandonment, placer claim .....	2.50
Recording any affidavit .....	2.50
Records in 'Records of Conveyances' (for one claim or lease) .....	2.00
For each mineral claim or lease in excess of one .....	.50
Copies of extracts from records, not exceeding three folios, per copy .....	2.50
Every folio over three, per folio .....	.30
Abstract of title for each mineral claim or placer-mining lease .....	2.50
Filing documents, Mineral Act .....	.25
Filing documents, Placer-Mining Act .....	1.00
For Crown grant of mineral rights under Mineral Act .....	25.00
For Crown grant of surface rights of mineral claim under Mineral Act.....	10.00
For every lease under Placer-Mining Act .....	5.00
Search of free miner's certificates records from one to three years, each name .....	.25
For each additional three years, each name .....	.25
Certificate regarding a free miner's certificate, up to and including three years, each name .....	.50
For each additional three years, each name .....	.25

## CHAPTER III

### ALBERTA

The province of Alberta was created by an Act of the Federal Government that came into force on October 1, 1905. Administration of the natural resources remained with the Federal authorities until October 1, 1930, when they were transferred to provincial control. Regulations for the leasing and disposal of mining lands and rights were established under the Provincial Lands Act on June 18, 1931.

In 1949, the Department of Lands and Mines was reorganized into the Department of Lands and Forests and the Department of Mines and Minerals.

The principal instrument governing mining is the Mines and Minerals Act, 1949, Chapter 66, as amended. The summary below has reference to this Act. In this summary, 'Act' means the Mines and Minerals Act, 'Minister' means the Minister of Mines and Minerals, 'Department' the Department of Mines and Minerals, 'Recorder' an officer of the Department appointed to perform the duties of a Mining Recorder, and 'Registrar' a Registrar of Land Titles within the meaning of the Land Titles Act. Numbers in the margin refer to sections of the Act.

#### SUMMARY OF REGULATIONS RELATING TO QUARTZ MINING CLAIMS

Cost of licence .....	—None.
Size and form of claims .....	—One line, any astronomical bearing; not exceeding 1,500 feet square; 51.65 acres.
Number of claims per year .....	—15 in own name and 3 claims each for not more than two other persons in any one mining district.
Time to record after staking .....	—15 days for 50 miles from mining recorder, and additional day for each additional 10 miles.
Assessment period .....	—One year from recording date.
Number of claims grouped .....	—Not exceeding 42, situated within a radius of five miles.
Assessment requirements .....	—Work to value of \$150 per claim per year. \$750 in 5 years.
Payment in lieu of work .....	—\$150 per claim per year.

**Mining Laws**

- Rental .....—Following the granting of certificate of improvements, the rental is \$50 for the first lease period of 21 years, and \$200 for 21 years subsequently.
- Final title .....—Lease for 21 years, renewable.
- Geological and geophysical surveys—Not specifically stated. Licence required to do geophysical work.

**MINES AND MINERALS ACT — Summary of Prospecting and Staking Laws**

**Quartz Mining — Application of Part**

*Section* This part of the Act applies to all naturally occurring useful  
58 minerals that are the property of the Crown other than placer deposits, salt, sulphur, coal, petroleum, natural gas, bitumen, and oil shales.

It does not apply to limestone, marble, clay, gypsum, any building stone when mined for building purposes, earth, ash, marl, gravel, sand, or any element that, in the opinion of the Minister, forms a portion of the surface of the land.

*Acquisition of Claims*

59 (1) A miner's licence is not required in Alberta. Any person 18 years of age or over, personally, but not through another except as provided in section 87, may enter, locate and prospect upon any vacant Crown lands for any mineral to which this part applies and upon all other lands on which the right to enter is reserved to the Crown.

62 Any person may stake out and apply for not more than 21 claims in a calendar year in any one mining district as under:

- 87 a. Not more than 15 in his own name  
b. Not more than 3 each for two other persons.

81 Claims must be recorded within 15 days of staking if within 50 miles of a recorder's office. One additional day is allowed for every 10 miles or part thereof in excess of 50.

86 A locator, having recorded a claim, may obtain a certificate of record valid for one year.

*Lands not Open for Staking*

59 Lands occupied by any building, church, or cemetery immediately attached to a dwelling-house; under cultivation; suitable for water-power or upon which any spring, artificial reservoir, or dam is located; lawfully occupied for mining purposes.

No persons may enter, locate, and prospect for minerals or stake a claim on any land owned or occupied by any person without the written consent of such owner or occupant. Section  
25

**Size of Claim**

A full-sized claim is a tract of land 1,500 feet square, based on a line between two location posts; such line may have any bearing and may not exceed 1,500 feet measured horizontally in a direct line. 60  
 Fractional claims may adopt the boundaries of existing claims. 61

**Grouping**

The owner or owners of not more than 42 claims lying within a five-mile radius may group the claims for the purpose of assessment work, and such work done on any one or more of the claims shall entitle the owners to certificates of work for all claims in the group. 96

**Assessment Work**

The holder of a valid certificate of record may hold the claim from year to year provided that work to the value of \$150 is done each year on the claim or that payment of \$150 is made in lieu thereof. 97  
98

In the case of fractional claims of less than 25 acres, required work or payment in lieu thereof shall be at the rate of one-half that required for a full claim. 100

**Certificate of Improvements**

The holder of a claim is entitled to a certificate of improvements when he has completed the required assessment work or made payment in lieu thereof, has found a vein or lode on the claim, has had the claim surveyed by an authorized Alberta land surveyor, has posted on the claim a certified copy of the plan and also a notice of intention to apply for a certificate of improvements, has advertised such notice of intention in an approved newspaper on two occasions, and has filed with the recorder the surveyor's certified plan and an affidavit in the form prescribed by the Minister. 106  
107

A certificate of improvements may be impeached on the ground of fraud only. 109

**Leases**

The holder of a certificate of improvements is entitled to a lease of the claim. Such lease shall be for 21 years, with right of renewal for one like term, on the authority of the Minister. Further renewals shall be on terms and conditions prescribed by the Lieutenant-Governor in Council. 111  
133

## **Mining Laws**

- Section*        Rental for the first term shall be \$50 and for the second \$200.  
134                The lessee may not assign, transfer, or sublet any part of his  
136                rights under the lease without the written consent of the Minister.

### ***Royalties***

- 132                The Lieutenant-Governor in Council may from time to time determine the royalty to be paid on the sales of all minerals produced from mineral claims.

### ***Inspection***

- 42                The Minister, or anyone authorized by him, may enter upon any mining operation, including recovery, processing, or treating plants, at any time.

### ***Disputes***

- 102                In case of dispute as to location, the person first staking and complying with recording requirements shall be entitled to the certificate of record.

- 103                In case of dispute as to title, no irregularity prior to the date of record of the last certificate of work shall affect the title, except upon suit by the Attorney General of Alberta brought on a basis of fraud.

### ***Surveys***

- 117                The recorded owner of a mineral claim shall have it surveyed by an Alberta land surveyor within one year from date of notification by the Department, but such notification shall not be given until the expiration of at least one year from the date of recording. The owner may have the survey made at any time after the certificate of record is issued, without awaiting notification.

### ***Causes for Forfeiture***

Forfeiture may take place in case of failure to:

- reimburse expenses incurred in connection with an inspection that disclosed defaults in operating mine (43-3)
- record claim within prescribed period (81-4);
- perform assessment work or to make payment in lieu thereof (96-3: 99-1);
- furnish evidence of expenditure on claim within six months after expiration of the year (99-5);
- have survey performed and returns made as required (117-3);
- pay rental and fee for lease, or rental for renewal thereof within 3 months of due date (135);
- have all ores or minerals treated and refined in Canada (142-2);
- notify intention to begin mining operations (154-1).

**Placer Mining**

*Application*

This digest applies to all natural strata, beds, or deposits of earth, soil, clay, gravel, sand, or cement carrying gold or other precious minerals or stones that are the property of the Crown. It does not apply to the working of rock in place.

*Section*

162

*Acquisition of Claims*

Anyone 18 years of age or over may personally enter, locate, and prospect on any vacant Crown lands and on any lands on which the right to enter is reserved to the Crown for minerals as defined in the preceding clause.

163

*Lands not Open for Staking*

Lands occupied by any building, church, or cemetery; immediately attached to a dwelling-house; under cultivation; suitable for water-power or upon which any spring, artificial reservoir, or dam is located; lawfully occupied for mining purposes.

163

Lands granted by the Crown for the exploration or development of a mineral, or on which a mineral has been reserved, are not open unless the written consent of the Minister is first obtained.

*Size and Nature of Claims*

*Creek Claims*

Shall not exceed 500 feet in length measured along the base line of the creek; rear boundaries to be parallel to base line and 1,000 feet distant from it; claim to be as nearly as possible rectangular.

*River Claims*

Shall not exceed 1,000 feet in length measured in general direction of river; rear boundary to be defined by measuring off a distance of 1,000 feet from low water mark; claim to be as nearly rectangular as possible and situated on one side of river only.

165

*Inland Claims*

To be as nearly rectangular as possible and may not exceed 1,000 feet in length and 1,000 feet in breadth: if fronting a creek or river they must be staked as nearly as possible in the general direction of the valley of such creek or river.



## Mining Laws

*Section* Special provisions apply to the discovery of new placer deposits, as under:

171 Creek claims: one locator, one claim 1,500 feet long: two locators, two claims each 1,250 feet long: party of more than two locators, one claim for each member, two 1,000 feet in length, the remainder of ordinary size.

171 River or Inland Claims: one locator, one claim 3,000 feet long: two locators, two claims each 2,500 feet long: party of more than two locators, one claim for each member, two of which may be 2,000 feet long, the remainder of ordinary size.

174 Claims must be recorded within fifteen days after location, if situated within fifty miles of the Recorder's office. An extra day is allowed for each additional ten miles or fraction thereof. Once a claim has been recorded, the owner may obtain a certificate of record good for one year.

178 Claims must generally be staked personally. If, however, a *bona fide* prospector files with the Recorder in advance a power of attorney from not more than two persons authorizing him to stake claims for them in consideration of their having made it possible for him to make the journey, he may stake one claim of ordinary size for each such person within the valley or basin of any creek or river on which he makes a discovery.

180 Except as provided in the preceding paragraph, no one, having located a claim, shall have the right to locate another within the valley or basin of the same creek or river within sixty days.

### *Disputes*

181 a If two or more persons lay claim to the same tract, the right to a certificate of record shall be based on priority of staking in the prescribed manner and in compliance with the recording requirements.

### *Assessment Work*

182 The holder of a certificate of record and renewals thereof is entitled to hold a claim from year to year provided that during each year work to the value of \$150 is done on the claim and that an affidavit to this effect is filed with the Recorder within 14 days of the close of the year.

### *Grouping*

190 Owners of adjoining claims, not exceeding ten in number, may be granted permission for a term not exceeding ten years to do on any one or more of such claims the work necessary for renewal, and such work shall entitle each claim owner to such renewal.

**Surveys**

Section

In case of a dispute as to boundaries or measurements, or where the Minister deems it advisable to establish the definite location of a claim, he may employ an Alberta land surveyor to do the necessary work at the expense of the claim holder. 195

**Causes for Forfeiture**

- Claims may be forfeited for failure to:
  - record claim within prescribed time (174-5)
  - perform work as prescribed (183)
  - pay cost of survey within prescribed time (195-2)

**Coal Mining**

Coal-mining rights may be leased at an annual rent, payable in advance, of one dollar an acre. The lease is for a term of 21 years, renewable for one further such term by the Minister. Renewals for further 21-year terms may be made by the Lieutenant-Governor in Council on such terms as he may prescribe. 197

Rights under the lease may not be assigned, transferred, or sublet without written consent of the Minister. 210

The minimum area is 40 acres and the maximum 2,560 acres. Larger areas may be secured by assignment only. 198

If in surveyed territory, the tract must consist of sections or legal fractions thereof; all parcels must be adjoining, and the length of the tract must not exceed four times the breadth. 200

If in unsurveyed territory, and if it adjoins a surveyed line, the tract may be a square not exceeding 640 acres in extent. 200

In unsurveyed territory, the tract must be described by metes and bounds and must, on the plan, be related to some prominent topographical feature or some known point. It must be rectangular in form, except where the boundary of a previously located tract is adopted as common to both, and the length must not exceed four times the breadth. 201

Application for a lease must be filed with the Recorder within 30 days, if the tract is within 200 miles of his office; one extra day is allowed for each additional 25 miles or part thereof. 201 (4)

**Disputes**

In case two or more persons lay claim to the same tract in unsurveyed territory, the one proving to the satisfaction of the Minister that he was the first to stake the tract and apply for a lease shall be entitled to the lease. 205

## Mining Laws

### Section Surveys

- 206 If the Minister deems it necessary, he may have the tract surveyed by an Alberta land surveyor, and may charge the cost of the survey, wholly or in part, to the applicant.

### Assessment Work

- 209 The lessee must begin active operations within one year from the date of notification to that effect by the Minister. Such notification shall not be given until the expiration of at least one year from the date of the lease, and shall specify the quantity of coal to be mined. This quantity may be increased from time to time, but shall not exceed ten tons annually per acre.

### Royalties

The Lieutenant-Governor in Council may prescribe the royalty payable from time to time. The present rate for leased areas is 10 cents a ton for the original lease and 5 cents a ton for the first renewal.

## Petroleum and Natural Gas

*Leases*

- 231 Petroleum and natural gas rights may be leased for 21-year terms, renewable for like periods, so long as the location is capable of commercial production, at an annual rent of one dollar an acre.

- 232 Locations must be of square or rectangular shape, the maximum area for a square being 5,760 acres, and of a rectangle 5,120 acres. The maximum length is four miles, and may never exceed twice the breadth. Unless where expressly provided, the minimum area of a location is a quarter-section.

- 233 If the tract is in surveyed territory, it must consist of sections or quarter-sections. In certain circumstances, however, a legal subdivision or portion thereof may be included.

- 234 In unsurveyed territory the boundaries must run astronomically north-south and east-west; the length and breadth must be 2,640 feet each or multiples thereof.

- 237 Tracts in unsurveyed territory must be described by metes and bounds; the application must be accompanied by a plan in duplicate showing the position of the tract in relation to some survey monument and to locations in the vicinity, as well as any adjacent Crown reserves. Applications must be filed within thirty days from staking if the tract is less than 200 miles from the Recorder's office; one extra day is allowed for each additional 25 miles or part thereof.

<p>If any dispute arises with respect to the same tract in unsurveyed territory, the person satisfying the Minister that he was first to stake and that he applied for a lease within the specified time shall be entitled to the lease.</p>	<p><i>Section</i> 242</p>
<p>The Minister may have any tract or location surveyed or resurveyed by an Alberta land surveyor and may charge the cost either in whole or in part to the applicant.</p>	<p>243</p>
<p>A lessee must begin drilling within one year from the date of the lease. If the first well is abandoned, another must be begun within six months unless written consent of the Minister to suspend operations is secured.</p>	<p>248</p>
<p>On completion of a well, another must be begun within ninety days unless written consent of the Minister to suspend operations is secured.</p>	<p>249</p>
<p>The Lieutenant-Governor in Council may at any time require additional drilling to be done, with due regard to market requirements and maintenance of adequate reserves.</p>	<p>250</p>
<p>If a lessee drilling for petroleum discovers he is drilling a natural gas field, and by the drilling of wells properly spaced delimits the field to the satisfaction of the Minister, the annual rent shall be reduced to 50 cents an acre so long as the area is capable of producing natural gas. Before such reduction becomes effective, the Minister may require the lessee to drill for oil at a point and to a formation to be fixed by him. If an adequate market is not available, the Minister may further reduce the rent to twenty-five cents, and during the year such reduction is in force the lessee shall be relieved from the development requirements of the lease.</p>	<p>251</p>
<p>If subsequently petroleum is found, the lease shall revert to its original status.</p>	
<p>If a producing petroleum well is brought in on free-hold land adjoining a location and in proximity to it, the lessee shall within ninety days of such well coming into production begin drilling a well on his lease to offset the producing well, and shall drill until the strata where the petroleum was discovered have been reached. The Minister may require similar action in a like case where natural gas is in question.</p>	<p>252</p>
<p>A lessee owning more than one petroleum and natural gas lease may group for development any such leases portions of which lie within 3 miles of the projected well site, but such group shall not exceed 11,520 acres. A well drilled on any one location in a group shall fulfil drilling obligations for the entire group. The group will terminate immediately upon the discovery of petroleum or if the lessee suspends operations for more than six months without having first obtained the consent of the Minister.</p>	<p>255</p>

## **Mining Laws**

- Section*        The lease includes only petroleum and natural gas that may be obtained by the usual process of drilling; it does not include rights to bituminous sands, oil shales, or tar sands or to the petroleum that may be recovered from them.
- 257
- 259        The lessee may not assign, transfer, sublet, or part with possession of the rights described in the lease without the Minister's written consent.
- 263        Royalty at rates to be fixed from time to time by the Lieutenant-Governor in Council is payable on petroleum and natural gas from locations acquired under this Act. The maximum royalty shall not exceed one-sixth of the gross recovery.
- 264
- 268        No well, whether a producer or not, may be abandoned without the consent of the Minister or his duly authorized representative.

### **Other Minerals**

Anyone desiring to lease land for other minerals should apply to the Director of Mineral Rights, Department of Mines and Minerals, Edmonton, Alberta, as provision is made in the Mines and Minerals Act for the Lieutenant-Governor in Council to authorize the issue of a lease if the circumstances are considered to warrant such action.

## **MISCELLANEOUS ACTS**

### **The Right of Entry Arbitration Act**

No person may enter on or use the surface of any land for mining or drilling operations until he has obtained the consent of the owner or occupant, or has become entitled to entry by reason of an order of the Right of Entry Arbitration Board. When the Board has received such an application it will fix a date for a hearing and may require the operator to give parties interested in the surface rights notice of the hearing. The Board's decision is final.

If at any time after the expiration of two months from the date of an order of the Board granting a right of entry the operator has ceased to use the land for the removal of minerals, the operator, the owner, or the occupant may apply to the Board for an order terminating the right.

### **The Coal Sales Act**

This Act requires all operators of coal mines to register with the Director of Mines, Alberta, a name for the coal taken from their mines, and to see that no coal is sold in Alberta or shipped except under the registered name.

Every wholesale or retail dealer selling coal produced in Alberta must state upon every bill, weight ticket, or invoice covering sales the name and address of the mine, and the name and size of grade of coal.

## Mining Taxation

The Alberta Corporation Income Tax Act provides that every company other than a municipal corporation, and including mining companies, is subject to a tax of 5 per cent, which is collected by the Federal Department of National Revenue in accordance with the Taxation Agreement with the Government of Canada.

## Mineral Taxation Act

The Mineral Taxation Act, 1947, provides for the collection of a tax from all owners, part owners, or joint owners of the mineral rights of any property, regardless of surface ownership. The rate of taxation may be set yearly, but will not exceed five cents an acre.

### LIST OF ACTS AND REGULATIONS

#### ACTS

Department of Mines and Minerals Act, 1948 and amendments to 1949.  
 Mines and Minerals Act, 1949, Chapter 66, and amendments to 1955, Chapter 37.  
 Coal Mines Regulations Act, 1955, Chap. 35.  
 Coal Sales Act, 1953, Chap. 21.  
 Right of Entry Arbitration Act, 1952, Chap. 79, and amendments to 1954.  
 Urban Mining Operation Act, 1942, Chap. 274, and amendments to 1950.  
 Industrial Wages Security Act, 1942, Chap. 281, and amendments to 1951.  
 Workmen's Compensation Act, 1948, Chap. 5, and amendments to 1952.  
 Boilers and Pressure Vessels Act, 1955, Chap. 65.  
 Alberta Corporation Income Tax Act, 1949, Chap. 6, and amendments to 1953.  
 Mineral Taxation Act, 1947, Chap. 10, and amendments to 1954.  
 Unearned Increment Tax Act, 1942, Chap. 60.  
 Companies Act, 1942, Chap. 240, and amendments to 1955.  
 Securities Act, 1942, Chap. 243 (1955, Chap. 64 (to be proclaimed) ).  
 Quarries Regulation Act, 1950, Chap. 58, and amendments to 1952.

#### REGULATIONS UNDER ACTS

*Applicable to the disposal of petroleum and natural gas owned  
 by the Province:*

The Mines and Minerals Act.

- Regulations governing the reservation of petroleum and natural gas rights.
- Regulations governing the granting of drilling reservations in Crown reserves.
- Regulations governing the licensing of natural gas rights.
- Regulations governing the granting of licenses of natural gas rights in Crown reserves.
- Petroleum and natural gas royalty regulations.

## Mining Laws

*Applicable to all drilling and production of oil and natural gas in the Province:*

The Oil and Gas Resources Conservation Act, 1950.

Drilling and Production regulations.

The Gas Resources Preservation Act.

*Applicable to all geophysical exploration in the Province:*

Regulations governing geophysical exploration and exploratory operations for minerals.

*Applicable to acquisition of surface:*

The Right of Entry Arbitration Act, 1952.

Rules of Procedure and Practice.

*Applicable to Bituminous Sands:*

Regulations governing the disposal of bituminous sands rights, the property of the Crown.

## ROYALTIES

*Royalties* on minerals are payable as follows:

Quartz Mining—Royalty at the rate of  $2\frac{1}{2}$  per cent, computed on the sales of the products.

Placer Mining—Royalty at the rate of  $2\frac{1}{2}$  per cent, computed on the sales of the products.

Bituminous Sands—Royalty at the rate specified by Order in Council.

Coal—10 cents per short ton on coal mined or excavated during the first 21 years, and five cents during the second.

Bentonite .....—10 cents per ton

Clay used for making pottery, or

fireclay .....—10 cents per cubic yard

Other clay, marl, or volcanic ash— 5 cents per cubic yard

Limestone, shale, granite, slate,

gypsum, or building stone .....— 4 cents per ton

Salt—40 cents per short ton.

Other Minerals—Subject to such royalty as may from time to time be imposed.

*Bounties*—None.

SCHEDULE OF FEES

Established under authority of The Mines and Minerals Act by Order in Council dated April 1st, 1949, and numbered O.C. 393-49, and amended by Order in Council dated May 14th, 1951, and numbered O.C. 673-51.

Fees Applicable Generally:

For a certified copy of a lease (where statutory declaration furnished by lessee that original lost or destroyed) .....	\$10.00
For amending description of a lease .....	2.50
For a certified copy of document, first page.....	5.00
each additional page .....	.50
For a photostatic copy of document, first page .....	3.00
each additional page .....	.50
For search of any lease, licence, permit, or other agreement—	
oral report .....	.50
written report .....	1.50
For each division of a lease .....	25.00
For reinstatement of any lease, other than a petroleum and natural gas lease .....	25.00
For renewal of any lease, other than a road allowance lease .....	25.00
For assigning a divided portion of a lease .....	25.00
Assignment fee, other than for a petroleum and natural gas lease ....	5.00

Fees Applicable to Parts II and III (Quartz and Placer Mining)

For recording a claim .....	10.00
For renewal of a placer claim .....	10.00
For lease of a mineral claim .....	10.00
For a certificate of work .....	10.00
For a certificate of improvements .....	10.00
For a certificate of partnership .....	10.00
For recording an abandonment, affidavit, or any other document, for each claim .....	5.00
For an abstract of the record of a claim:	
for the first entry .....	5.00
for each additional entry .....	1.00
For copies of any documents recorded, up to three pages .....	4.00
for each additional page .....	1.00
For recording a power of attorney pursuant to Part II (Quartz Mining)	
to stake for one person .....	10.00
to stake for two persons .....	20.00



**Mining Laws**

For recording a power of attorney pursuant to Part III (Placer Mining)	
to stake for one person .....	5.00
to stake for two persons .....	10.00
For examination of documents, for each claim .....	1.00
Fees Applicable to Parts IV and V (Coal Mining and Mining in Road Allowances)	
For a lease .....	5.00
For renewal of a road allowance lease .....	5.00
Fees Applicable to Part VI (Petroleum and Natural Gas)	
For a lease .....	10.00
For reinstatement of a lease, 10 cents an acre with a minimum charge of and a maximum charge of .....	25.00 250.00
For filing a mechanic's lien (except for actual labour) .....	5.00
For discharging a mechanic's lien (except for actual labour) .....	2.50
For filing a certificate of <i>lis pendens</i> * .....	2.50
For assigning a lease .....	10.00
For amending description of a reservation .....	10.00
Fees Applicable to Part VII (Geological and Geophysical Exploration)	
For a license .....	25.00
For renewal of a license .....	25.00

**PRINCIPAL OFFICIALS**

Department of Mines and Minerals

Minister

Deputy Minister

Director of Mineral Rights

Director of Mines

Chairman, Petroleum and Natural Gas Conservation Board

District Mining Inspectors, located at various points

and/or Mining Recorders, located at various points

More detailed information and copies of the Mining Laws and Regulations for Alberta may be had on application to the Director of Mineral Rights, Department of Mines and Minerals, Edmonton, Alberta.

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\* A legal term signifying that the matter is in process of litigation.

## CHAPTER IV

### SASKATCHEWAN

The province of Saskatchewan was established by an Act of the Federal Government that came into force on September 1, 1905. The area involved had previously formed part of the Northwest Territories, and its first mining legislation dates back to 1898, when the 'Coal Mines Regulations Ordinance' was passed.

The natural resources of the province were administered by the Federal Government until October 1, 1930, on which date the provincial government assumed full control. Since that time, a considerable body of legislation affecting mining has been placed on the statute books. A list of such legislation will be found at the end of this chapter.

#### SUMMARY OF REGULATIONS RELATING TO MINING CLAIMS IN SASKATCHEWAN

Cost of licence .....	—Individual—\$5.00, Company—\$75.00.
Size and form of claims .....	—Four line, astronomical—1,320 feet square in surveyed area (40 acres) 1,500 feet square in unsurveyed area (51.65 acres).
Number of claims per year .....	—18 in each mining district—(8 Districts).
Time to record after staking .....	—Within 20 days after staking in Athabasca Mining District and 30 days in all other mining districts.
Assessment period .....	—One year from recording date.
Number of claims grouped .....	—18 contiguous.
Assessment requirements .....	—Work to the value of \$100 per claim annually up to 10 years.
Payment in lieu of work .....	—\$100 per claim annually.
Rental .....	—None.
Final title .....	—Lease 21 years renewable with annual rent under lease of \$1 an acre.
Geophysical claim blocks .....	—Geophysical claim blocks of 2,500 to 20,000 acres may be staked without cutting inside claim boundaries and held for 2 years on payment of recording fee of 20 cents per acre and performance of a minimum work requirement.

## QUARTZ MINING REGULATIONS

(O.C. 735/55) Under the Mineral Resources Act (Chap. 40, R.S.S. 1940)

In this digest, 'Department' means the Department of Mineral Resources, and 'Minister' and 'Deputy Minister' the respective officials of that Department.

### Prospector's, Developer's, and Miner's Licence

- Section* Anyone 18 years of age or older, any mining partnership, and  
6 (1) any mining company registered under the Saskatchewan Companies  
Act may obtain a Prospector's, Developer's, and Miner's Licence. All  
8 (1) licences expire on March 31 following date of issue and must be  
renewed on or before that date to retain any mineral claims acquired  
6 (2) thereunder for which a lease has not been issued.
- Licences to companies and mining partnerships are issued by  
6 (4) the Minister, Deputy Minister, or Chief Mining Recorder only. A Com-  
8 (2) pany licence authorizes the holding of mineral claims by transfer or  
assignment only; it may not be used for staking.
- 7 (3) If a licence is lost, a substitute may be obtained for a fee of \$5.

### Privileges of a Licensee

- 10 Every licensee has the right personally, but not through another  
(except in the case of a legally appointed agent for a mining partner-  
15 ship), to stake out and apply for not more than 18 claims in each of  
31 the mining districts of the province. All claims are required to be  
recorded within 20 days after staking in the Lake Athabasca Mining  
District and within 30 days in all others.
- 37 The holder of a mineral claim shall be entitled to all minerals to  
which the regulations apply, the property of the Crown, which may lie  
within his claim, but he shall not be entitled to mine outside the  
94 boundary lines of his claim continued vertically downwards. Mineral  
claims may be transferred from one licensee to another.

### Lands Open for Staking

- 10 Subject to the restrictions and conditions set forth in the regula-  
tions, every licensee has the right to enter, locate, prospect and mine  
upon any lands, the right whereon so to enter and mine has been or  
shall be reserved to the Crown.

### Lands Reserved from Staking

No location shall be staked on any land that has been sold,  
located, leased, or included in a licence of occupation without reserva-  
tion of the minerals; on lands where the Minister certifies that the

land is required for water-power or some other purpose in the public interest and that he is satisfied that a discovery of mineral in place has not been made thereon; on lands lawfully occupied for mining purposes; on lands set aside by the Federal Government for Indian reserves, national parks, or for military, naval, quarantine or like reservations; on lands occupied by any church or cemetery and acquired by law; on any lands in public parks with the exception of Lac la Ronge Provincial Park, unless the Lieutenant-Governor in Council orders otherwise; on any gores or fractions lying between surveyed claims. Section  
11

Lands occupied by any building, under cultivation, or immediately attached to a dwelling-house may be staked only by written consent of the owner or legal occupant.

The following may be staked only with the consent of the Minister: lands reserved or set apart as a townsite by the Crown; lands laid out into town or village lots on a registered plan; lands forming station grounds, switching grounds, yards, or right-of-way of any railway, electric railway, or street railway; lands lying in any surveyed road or road allowance; lands set apart for summer resort purposes, game preserves, or bird sanctuaries.

#### *Size of Claims*

Claims in unsurveyed territory must not exceed 1,500 feet in length or breadth; the angles must be as nearly as possible right angles, and the boundaries as nearly as possible north-south and east-west except where the boundary line of a previously staked claim is adopted as a common boundary. 13

In surveyed territory, a claim shall consist of a legal subdivision (40 acres) but no claim may lie partly in one legal subdivision and partly in another.

If a claim in unsurveyed territory is found, on being surveyed, to exceed the prescribed maximum of 51.65 acres but not to exceed 60 acres the excess may be included in the claim. If, however, the total exceeds 60 acres, the excess over 51.65 acres may be subject to penalty charges of from \$5 to \$10 an acre, or may revert to the status of available Crown lands. 104

Areas lying between previously located claims, and bounded by them on opposite sides, may be located as fractional claims, and the provisions as to shape and size set forth above shall not apply. 14

#### *Grouping*

Eighteen contiguously located claims may be grouped for the purposes of assessment work; that is, the work may be concentrated on one or more claims and distributed over the whole group of 42

## Mining Laws

*Section* eighteen. This does not apply to geological or geophysical surveys, which work must be distributed evenly over the claims actually covered by the survey.

### *Assessment Work*

- 43 A licensee who has recorded a claim is entitled to hold it from year to year for ten years, provided that work to a value of \$100 is done each year.
- 53 Payment of \$100 per claim per year is acceptable in lieu of work.
- 58 Excess work done during any one year may be credited to any subsequent year.
- 60 (4) On completion of each year's work, or on payment in lieu thereof, the claim holder is entitled to a Certificate of Work.

### *Certificate of Improvements*

- 65-7 A claim holder who has obtained Certificates of Work for five years, has had the claim surveyed, and has complied with other requirements of the Regulations may apply for a Certificate of Improvements.
- 68 (1) Such application must be made within three months of the expiration of the tenth year from recording, unless the Minister extends the term.
- 68 (3) Failure to apply may lead to cancellation of the claim.
- 69 A Certificate of Improvements may be impeached for fraud only.

### *Leases*

- 70 The holder of a claim for which a Certificate of Improvements is recorded is entitled to a lease on payment within three months of the prescribed rent and fee.
- 72 The term of the lease is 21 years, renewable for a like term by the Minister, and for further 21-year periods by the Lieutenant-Governor in Council on such terms and conditions as he may prescribe.
- 73 The fee for issuing a lease is \$5 and the rent is \$1 an acre annually for the lease and the first renewal.
- 96 A lease may not be assigned, transferred, or sublet, in whole or in part, without the written consent of the Minister.

### *Surface Rights*

- The holder of a mineral claim by entry or by lease has the right to use such portion of the surface as is required for mining operations, but for no other purpose.
- 81 If any portion of the surface is covered by a licence, permit, or lease under the Forest Act, or connected with a Petroleum, Natural Gas, or Coal Mining Lease or any other form of terminable grant, the

Minister may prescribe the terms on which the surface may be used, and in the case of rights granted under the Forest Act may, in case of dispute, determine the value of any timber cut or damaged. Section

Where the surface rights have been disposed of, or are in process of being disposed of by the Crown, but the mineral rights have been reserved, the holder of a mineral claim shall fully compensate the holder of the surface rights for any loss or damage he may cause. In case of dispute, the Minister may refer the matter to an arbitration board, whose decision shall be final. 82

### *Geophysical Claim Blocks*

In that part of the province comprised in the Churchill Mining District and lying east of the 104th meridian, a licensee may stake out a rectangular area of not less than 2,500 acres or more than 20,000 acres for the purpose of conducting a ground electromagnetic survey. A non-transferable Geophysical Claim Block Certificate, valid for two years, gives the holder exclusive rights to prospect for all minerals within the public domain. A recording fee of 20 cents an acre must be paid before the Certificate is issued. 87-93

The holder must begin the survey within two months of the date of the Certificate, and during each year must spend at least \$2 an acre on exploration. Within three months of the expiry date, the holder may apply to have recorded mineral claims not exceeding one-half of the total area.

### *Surveys*

The holder of a mineral claim in unsurveyed territory must have it surveyed by a Saskatchewan land surveyor under instructions from the Controller of Surveys within ten years from the date the claim was recorded, unless an extension has been granted. The holder may have the survey done at any time within the ten-year period, but must do so forthwith if so ordered by the Chief Mining Recorder at any time after one year from the date of recording. 101 (1)

The Controller of Surveys may order the applicant for a lease in surveyed territory to have the area surveyed at his own expense. 101 (2)

### *Disputes*

In case of dispute as to location, title shall be awarded according to priority, provided all necessary regulations have been complied with. 110

If, within 60 days of the recording of a claim or of any relocation or reinstatement thereof, a licensee alleges that the claim is illegal or invalid in whole or in part, and if he claims any right or interest 112 (1)

## **Mining Laws**

*Section* in the lands or mining rights, he may file an affidavit in the prescribed form with the Mining Recorder, who will note such affidavit upon the record of the claim.

112 (6) The disputant must begin legal proceedings within 30 days of filing his complaint, and the successful party, when judgment has been rendered, may file a copy thereof with the Chief Mining Recorder, who shall thereupon make such changes in his records as are necessary in the light of the judgment.

Section 113 (1) lays down a procedure similar to that outlined in the preceding paragraph for dealing with disputes as to the Certificate of Improvements.

116-124 Any person claiming an interest in any mineral claim may file with the Recorder a caveat preventing the recording of any transfer, bill of sale, or other document of title affecting the claim until the caveat has lapsed or been withdrawn unless such document is expressed as subject to the caveat.

### ***Royalties***

In the case of mines in operation prior to January 1, 1947, royalty of 5 per cent of the market value of mineral sold is payable annually, or in lieu thereof 12½ per cent of the income from mining operations, whichever is the less.

135 (2) In the case of mines commencing or recommencing operations after January 1, 1947, annual royalty is payable on profits over \$10,000 at the following rates: over \$10,000 up to and including \$100,000, 3 per cent; over \$100,000 up to and including \$500,000, 5 per cent; over \$500,000 up to and including \$1,000,000, 7 per cent. On amounts exceeding \$1,000,000 royalty is payable on the basis set forth in the preceding paragraph.

### ***Inspection***

135 (10) Any person designated by the Minister may enter upon mining property for the purpose of inspection at any time, and for this purpose shall have full and complete access to all workings, plant, and records.

### ***Treatment of Ores***

141 Ores and minerals mined under these Regulations must, except as otherwise provided by the Minister, be treated and refined within the province of Saskatchewan so as to yield a product suitable for direct use in the arts without further treatment.

*Causes for Forfeiture*

Rights granted under these Regulations may be forfeited for:	
Failure to renew licence as prescribed .....	9 (5)
Failure to record claim as prescribed .....	32 (2)
Failure to affix tags as prescribed .....	36
Failure to perform work as prescribed .....	64
Failure to apply for Certificate of Improvements as prescribed .....	68 (3)
Failure to pay lease rent and fee as prescribed .....	74
Failure to have survey made as prescribed .....	102 (3)
Failure to have ores treated and refined as prescribed	141

**PLACER MINING**

The mining of alluvial gold in Canada has for many years been confined chiefly to British Columbia and the Yukon Territory, with a very small production from Alberta. Output from Saskatchewan is negligible. The regulations covering placer mining closely follow those in effect in Alberta (see p. 41). Copies of the regulations may be obtained from the Department of Mineral Resources, Regina.

**ALKALI MINING REGULATIONS**

*(O.C. 1357/43 and amendments)*

The Minister may grant leases for natural accumulations of soluble mineral salts and associated marls: the minimum area of a lease is 40 acres and the maximum 1,920 acres. Further areas may be secured by assignment up to a maximum of nine square miles.

Leases run for 20 years, renewable for a like term, at an annual rent of 25 cents an acre. Further renewals may be granted by the Lieutenant-Governor in Council on such terms as he may prescribe.

The lessee must expend on each lease or group of leases, in actual development or in experimental work relating thereto, a total of \$10,000, of which at least \$2,500 must be expended in each of the first two years, and the balance during the third.

Royalty is payable on all minerals extracted at rates fixed by the Minister from time to time.

The provisions governing such matters as staking, recording, lands reserved from entry, transfers, disputes, etc. are generally the same as those in the Quartz Mining Regulations (pp. 52-57 above).



## COAL MINING

- Section*      The Minister may grant permits to prospect for Crown-owned coal; such permits are valid for one year, and renewable for a further six months: an application fee of \$5 and a rent of 10 cents an acre are payable in advance. The permit does not give the right to mine any coal located except to the extent necessary to prove the deposit. The permittee may apply for a coal mining lease of the whole of the permit area at any time prior to expiration of the permit, but areas of less than 80 acres shall be granted by consent of the Minister only. No rights under the permit may be alienated except by consent of the Minister.
- 12
- 4, 5      Crown-owned coal mining rights may be leased by the Minister for a 21-year term, renewable for one like term. Further 21-year renewals may be granted by the Lieutenant-Governor in Council on such terms as he may prescribe. Rights under the lease may not be assigned, transferred, or sublet without written consent of the Minister. The lease specifies that rent shall be paid in advance at a rate of \$1 per acre per year.
- 6
- 31

*(The following provisions are applicable to a location granted under either permit or lease.)*

### Surveyed Territory

- 13      The location shall consist of a section, one or more adjoining quarter-sections, or two or more adjoining legal subdivisions; the greatest dimension shall not exceed three miles and the length shall not exceed three times the breadth. The maximum area shall be 640 acres, and no one may acquire more than three locations except by assignment.
- 14
- 17      If the lands involved have been, or are in process of being patented, the owner of the surface rights shall, prior to the execution of a lease, have a prior right to such lease, unless the Minister directs otherwise.
- 18 (2)      If any improvements exist on the land, the applicant may be required to pay their value to the Department.

### Unsurveyed Territory

- 24      The location may not be larger than four square miles or smaller than 80 acres; its length shall not exceed four times the breadth. It must be rectangular in form except where the boundary of a previous location is adopted as common to both.
- 28      No one may acquire more than one location, except by assignment.

A lessee may be leased such portion of the surface rights on Crown lands as is deemed necessary to operate the mine at an annual rent of \$1 an acre.	Section 19
If the surface rights are covered by a timber licence, grazing or petroleum lease, mining claim, or other form of terminable grant not contemplating issue of patent or transfer, the Minister's permission must be obtained for use of the surface rights, and he shall lay down such conditions as he deems necessary to protect the rights of the prior lessee or licensee.	20
Where the surface rights have been, or are in course of being patented, and the minerals have been reserved to the Crown, and the coal mining lessee cannot arrive at an arrangement for use or acquisition of the necessary surface rights, the matter shall be subject to arbitration.	21
Royalty is payable at a rate of five cents a short ton on the merchantable output.	34
The Coal Administrator or any officer authorized by the Minister may enter upon any location for the purpose of inspection, and shall have full access to all workings and records.	44
An operator's licence must be secured before a mine is opened.	45
Rights granted under these Regulations may be forfeited for:	
making false statements in application, or using surface without consent of prior grantee (18-3);	
failing to pay rent as prescribed (32-3);	
failing to pay royalty, etc., as prescribed (35);	
attempts to defraud by false statements (36);	
failing to pay expenses incurred in securing overdue return (38);	
failing to pay expenses incurred in enforcing proper operation (42-3);	
failing to comply with operating regulations (43-3).	

### **Price of Coal to Settlers**

All coal mining leases are issued subject to the provision that settlers may buy coal at the pit-head for their own use, but not for sale, at a price not to exceed \$2.75 a ton. 48

### **Domestic Coal Mining Permits**

The Coal Administrator may issue to individuals permits, renewable annually, to mine coal for their own use, but not for sale, at an annual rent of one dollar. A municipality only may hold more than one such permit at one time.

Section  
46 The maximum area which such permits shall be granted is one acre; it shall not exceed 3 chains in width and 5 chains in length, and in no case shall the length exceed three time the breadth.

Royalty is payable on the merchantable output at a rate of 25 cents a short ton.

Other provisions governing such permits are generally similar to those governing commercial coal mining.

### Quarrying Regulations

*(Order in Council 1356, Dec. 6, 1943)*

2 These Regulations are issued under authority of the Mineral Resources Act, and shall be construed with reference to the terms and interpretations of that Act.

3 The term 'quarriable substance' means any mineral substance and includes bentonite, building stone, clay, granite, gravel, gypsum, iron oxide, limestone, marble, marl, sand, slate, volcanic ash, and any other substance that may be declared a quarriable substance by the Lieutenant-Governor in Council.

4 The Minister may lease such substances to any person 18 years  
13 of age or over. The maximum area of a lease is 160 acres, and the  
6 length may not exceed twice the breadth. The terms of the lease are  
7 21 years, renewable by the Minister for like periods on such terms as to rent, royalty, etc. as he may prescribe. Rent is payable in advance at a rate of \$1 an acre annually.

15 A quarrying lease does not convey any surface rights. The lessee  
16-17 must, if the lands are Crown lands, secure a lease or occupation permit under the Provincial Lands Act or, if the lands are included in a forest reserve, under the Forest Act: if the surface rights are not owned by the Crown, the lessee must pay reasonable compensation to the owner, and in case of failure to agree the matter may be referred to arbitration.

29 The lessee may not assign, transfer, or sublet any portion of the  
30 rights covered by the lease without the written consent of the Minister. He is required to begin operations within one year of the granting of the lease and to pay royalties every three months on the quarriable substance sold in that period. On material shipped from Saskatchewan  
33 in the raw state or partially processed for further manufacture else-  
34 where, royalty is 2 per cent of the selling value: on material processed into finished products in the province, the royalty is 5 cents per cubic yard of raw material.

44-48 The Minister or the Supervisor of Mines may grant yearly permits to remove specified quantities of sand, stone, or gravel from the portions of the bed of a river or lake lying below ordinary high-water level.

Such permits expire on the 30th April following date of issue, and no one may secure more than one permit in a fiscal year unless his rights under the existing permit have been fully exhausted. Section

The permittee may not conduct his operations so as to interfere with or affect the security of the banks of the river or lake or of any structure erected in the waters concerned. The operations must be conducted so as to disturb the natural conditions as little as possible, and particularly so as not to interfere with the use of the water for navigation or other purposes by the formation of bars or banks in the channel or bed thereof. 48

The charge for the permit shall be one dollar, together with dues of 5 cents a cubic yard for all material removed. 49

Except as otherwise provided, the regulations as to staking, disputes, surveys, etc. as set forth above for quartz mining shall apply to quarrying. 53

## SUBSURFACE MINERAL REGULATIONS

*(O.C. 2276/53 as amended by O.C. 153/55)*

These Regulations are issued under the authority of the Mineral Resources Act, and shall be construed with reference to the terms and interpretation of that Act. 2

The term 'subsurface minerals' means any natural mineral salt of boron, calcium, lithium, magnesium, potassium, sodium, bromine, chlorine, fluorine, iodine, nitrogen, phosphorus, sulphur, and their compounds, lying more than 200 feet below the agricultural surface of the land. 4

The Regulations shall apply to such other minerals as may be designated from time to time by the Lieutenant-Governor in Council.

### Withdrawals

Any one may apply to the Department to have withdrawn from disposal an area or areas for the purpose of wildcat drilling (which in this context includes the taking of gamma ray and neutron logs, the partial drilling of wells, and the taking of drill cores) in order to discover workable deposits of subsurface minerals and to develop an industry in connection therewith, and the Minister may authorize such withdrawal and may grant the applicant exclusive rights thereon for this purpose. 5

The area or areas so withdrawn shall be not less than 20,000 acres or more than 100,000 acres.

**Mining Laws**

*Section*        The term of withdrawal shall be six months, renewable for a like period, and the rent shall be 1½ cents an acre for each period. Withdrawals cannot be assigned.

**Prospecting Permits**

7                The Minister may issue permits valid for one, two, or three years to prospect for subsurface minerals on any area not exceeding 100,000  
10 acres at an annual rent of 5 cents an acre.

13                The applicant must begin exploration work within 60 days of the issue of the permit, and must expend thereon \$60,000 during the first year and \$80,000 during each of the two following years. During the  
11 first 60 days of each year, the applicant shall deposit with the Department \$20,000 as a guarantee that the expenditures above referred to  
12 will be made. Such deposit may be forfeited, in whole or in part, if the required exploratory work is not performed.

18                No one may hold more than two permits at one time.

**Leases**

20-22             The Minister may grant to the holder of a permit in good standing a lease of not less than 640 acres or more than 12,500 acres of the area covered by the permit. The portion included in the lease shall as far as possible be in one block. The rent shall be one dollar per  
20-22 acre per year. The term of the lease is 21 years, and it may be renewed for like periods.

23                The applicant must, before the lease is granted, deposit \$25,000 with the Department as a guarantee that there will be expended on  
23 developing and mining a sum equivalent to the estimated cost of the construction, improvements, and facilities specified in the original  
24 permit application. This sum must be expended within the first three years of the lease at a rate of not less than one-third of the sum each  
26 year. Failure to fulfill these conditions may be cause for forfeiture of the deposit.

27                At least 40 per cent of subsurface mineral produced in any year in the plant erected for the purpose must come from the leased area.

28                A permittee applying for a lease may at the same time apply for a reservation of all or part of his permit area not to be included in  
28 the lease. If the lease is granted, the reservation also will be granted for a five-year period dating from the date of the lease. If, before  
29 the five years are up, the lessee makes written application, he may have the reservation renewed for an area not greater than that of the lease, and terminating with the lease.

The annual rent of the reservation will be 5 cents an acre for the first five years, and 10 cents for the renewal. The lessee may at any time have all or part of the reservation added to the lease, up to a combined area of 25,000 acres.	<i>Section</i> 30 32
The Minister or his authorized agent may enter upon the lands involved at any time for inspection purposes, and shall have full access to all workings and records.	40
The permittee or lessee may not assign, sublet, or transfer any part of the rights involved without the written consent of the Minister.	41
The permit or lease conveys no right to the use of the surface. Such rights must be acquired as set forth below in the Petroleum and Natural Gas regulations.	43 44
Royalty is payable on any mineral mined as the Lieutenant-Governor in Council may from time to time direct.	45-47

## PETROLEUM AND NATURAL GAS REGULATIONS, 1956

(O.C. 873/56)

These Regulations came into effect as the manuscript of this publication was ready for the printer. Owing to this circumstance, it was impossible to give more than a very general summary of their purport, without reference to individual sections.

The Regulations are divided into eight parts, as under:

### PART I

#### *Introductory*

This part contains the necessary definitions of terms used, and explains the application of the various parts.

### PART II

#### *Exploratory Permits*

Exploratory permits may be granted for any area of Crown land in respect of which the petroleum and natural gas rights are available up to a maximum of 100,000 acres. The permit conveys exploratory rights only: production may take place, save for test purposes, only under lease.

The normal term of a permit is three years. Rent is payable at a rate of 2 cents an acre for the first year, 5 cents for the second, and 10 cents for the third.

## **Mining Laws**

The permittee must begin operations within 90 days of the date of the permit. He must, in the first year, expend on exploration a sum equivalent to 20 cents an acre or \$10,000, whichever is the greater. In the second year, expenditure must be at a rate of at least 40 cents an acre, and at least one-half this sum or \$15,000, whichever is the greater, must be spent on drilling. The second-year conditions apply also to the third, except that the acreage rate is 60 cents.

Excess expenditures may, under certain specified conditions, be credited against a succeeding year.

A permittee who has acquired more than one permit involving Crown lands difficult of access may be permitted to group such permits, and for the purpose of assessing expenditures operations carried out on any of the lands in the group shall be deemed applicable to all lands involved. Grouping is permitted for one year only.

When drilling has proved the presence of oil or gas in commercial quantities, the permittee must, within 90 days of being so notified by the Department of Mineral Resources, apply for a lease of a rectangular area of not less than 1,280 acres containing the discovery well. Until such application is made, the permittee may not drill on any other Crown lands within three miles of the discovery well.

The permittee shall have the exclusive right to lease other lands included in the permit for the term thereof and for 60 days after termination, unless said termination is due to default. Leases are subject to certain provisions relating to the setting aside of Crown Reserves, and the general conditions applicable to their issue will be found in Part VI.

## **PART III**

### ***Drilling Reservations***

The Minister may, either upon his own motion or upon the application of an interested party, set aside areas of Crown lands and Crown Reserves as drilling reservations. Such areas shall be disposed of by cash bonus bids, following advertisements in the Saskatchewan Gazette and such other publications as the Minister deems advisable. Bids must be accompanied by the cash bonus bid, a reservation fee of \$250, and rent for the first year at a rate of 50 cents an acre. A reservation may not exceed 20,000 acres.

The term of a reservation is one year, and two renewals may be granted at an annual rent of 50 cents an acre. It entitles the holder to explore for oil and gas, but not to produce or recover either until a lease has been secured, except to the extent necessary to establish whether or not commercial quantities are present. If drilling has been carried on in a manner satisfactory to the Minister, the holder may apply for a lease as set forth under Part VI. Such application must be made within 60 days of the expiration of the reservation, and may not apply to an area greater than 50 per cent of the land therein.

If oil or gas in commercial quantities is discovered, the reservation may be cancelled, in which case the holder shall have 60 days from the date of notification in which to select and apply for leases. No further drilling may take place on lands in the reservation until a lease or leases have been granted. A reservation shall be terminated as soon as a lease application is made.

All drilling reservations are subject to the provisions of Parts VII and VIII.

#### PART IV

##### *Acquisition of Leases by Bids and Offers*

This part concerns the disposition of leases, instead of the reservations referred to in the previous part, but the procedure follows generally the same lines as above described.

#### PART V

##### *Special Agreements and Leases issued thereunder*

This deals with special agreements and leases issued pursuant to such agreements. Holders of such leases or agreements may file with the Minister a Notice of Election which, when approved, shall be deemed to be a new agreement taking precedence over such leases or agreements so far as is necessary to give effect to the Notice. On approval, every lease held pursuant to a special agreement, presently or hereafter, and irrespective of any subsequent transfer, assignment, transmission, or other transaction relating thereto, shall have the benefit of and be subject to all the provisions of this part and of Parts VI, VII, and VIII as now existing or as they may be changed, to the exclusion of any petroleum and natural gas regulations that might otherwise be applicable.

The part provides for the transfer of certain credits for expenditures made during the term of the original permit on drilling and geophysical operations.

#### PART VI

##### *Regulations Applying to all Leases of Crown Lands Excepting those Issued Pursuant to Special Agreements and not Converted in Accordance with Part V*

The Minister may grant leases of petroleum and natural gas rights pursuant to these Regulations. The area of a lease shall not be less than 40 acres, unless by consent of the Minister, or more than 23,040 acres: all lands in a lease must be adjoining.

The application must be accompanied by a plan of the area, a legal description if in surveyed territory, rent at a rate of 5 cents per acre for each month or part thereof between the date of the lease and the first of April following, an application fee of \$10 and, if not already recorded, the names and addresses of the director and officers where the applicant is a corporation.



## **Mining Laws**

The term of a lease is 21 years, and it may be renewed for like periods provided all requirements have been fulfilled. Rent subsequent to that referred to above is one dollar an acre annually subject to certain conditions as to credits for work previously performed or, in certain circumstances, performed during the term of the lease.

A lessee holding more than one lease of Crown lands may by consent of the Minister group or regroup his holdings and, for the purpose of securing refunds for work performed, such work done on any part of the area shall apply to all lands in the group.

The maximum area in a group is 23,040 acres, and no portion may be separated by more than two miles from any other.

The lessee must, within six months of a request by the Minister, begin drilling, and failure to do so, or to continue to the Minister's satisfaction, will render all holdings involved subject to cancellation.

If leased lands are adjoined by privately owned lands from which commercial production of oil or gas is being secured from a formation to which the lease applies, the Minister may require the lessee to drill as many wells as are located on the adjoining drainage units, or to pay to the Crown such royalties as might have accrued if such wells were in operation, or to surrender to the Crown the lands involved.

Provision is made for adjusting rents upward or downward in accordance with conditions found as drilling progresses and with market conditions.

Royalties ranging from 5 to 15 per cent of production are payable on petroleum; on natural gas they are 5 per cent of the sale value or fair value, whichever is greater at time and place of production, but in any event not less than half a cent per 1,000 cubic feet, except in the case of gas utilized by the operator in production.

## **PART VII**

### ***Conditions Applicable to Exploratory Permits, Drilling Reservation, Leases, and other Dispositions***

This part deals with such administrative matters as the maintaining of records, assignments, registration of documents, address for service, and like matters, and is therefore not summarized.

## **PART VIII**

### ***Surface Rights***

This part deals with the acquisition of surface rights in connection with the drilling and subsequent operation of an oil or gas well where such surface rights are privately owned. It is laid down that said owner is entitled to full compensation for any loss or damage caused by the operator, as well as an annual rent

for land required for the operation of the well. In case the parties cannot agree, provision is made for settling the matter by arbitration, and the decision so reached is final.

Except as provided below, payment of capital damage and rent for the first year must be made before entry may be made on the land. Rent for the second and subsequent years must also be paid in advance. The operator may apply to the Minister for permission to enter forthwith upon the area described in the notice of application for arbitration. Such application must be accompanied by a deposit of \$800, and the Minister may on receipt thereof grant a permit to enter on and use the area for a well site and roadway. If the award is greater than the deposit, the Minister may deduct the cost of arbitration and pay the balance to the owner, the remainder being then payable forthwith by the operator. If the award is for less than the deposit, the Minister shall deduct the cost of arbitration, pay the owner, and return the balance to the operator.

## MINING TAXATION

*(The Mineral Taxation Act, R.S.S. 1953, Chap. 59)*

Under this Act all persons having title to mineral lands in the province of Saskatchewan are subject to an annual tax of 3 cents an acre. In areas declared to be producing areas, the mineral owner is taxed on the assessed value of the minerals at a tax rate not exceeding 10 mills on the dollar. The mill rate is set by the Lieutenant-Governor in Council. Parcels within a producing area not under development are taxed at 50 cents an acre.

### LIST OF ACTS AND REGULATIONS

#### ACTS

The Department of Mineral Resources Act, R.S.S. 1953, Chap. 25.

The Mineral Resources Act, R.S.S. 1940, Chap. 40 (amended by Chap. 12, 1944, Chap. 21, 1947, and by Chap. 47, 1953).

The Mines Regulation Act, R.S.S. 1940, Chap. 271, and R.S.S. 1953, Chap. 340.

The Coal Mining Industry Act, R.S.S. 1940, Chap. 295, and R.S.S. 1953, Chap. 248.

The Coal Miner's Safety and Welfare Act, R.S.S. 1953, Chap. 339.

The Public Utilities Companies Act, R.S.S. 1940, Chap. 118, and R.S.S. 1953, Chap. 129.

The Oil and Gas Conservation Act, R.S.S. 1953, Chap. 327.

The Mining, Smelting and Refining District Act, R.S.S. 1940, Chap. 263, and R.S.S. 1953, Chap. 335.

## **Mining Laws**

- The Water Power Act, R.S.S. 1940, Chap. 42 (and amendments to date).
- The Water Rights Act, R.S.S. 1940, Chap. 41 (amended by Chap. 15, 1949).
- The Water Users Act, R.S.S. 1940, Chap. 245 (and amendments to date).
- The Security Frauds Prevention Act, R.S.S. 1940, Chap. 287 (amended by Chap. 66, 1942).
- The Companies Act, R.S.S. 1940, Chap. 113 (and amendments to date).
- The Mineral Taxation Act, 1948, Chap. 24, (amended by Chap. 23, 1949, and Chap. 59, 1953).
- The Mechanics' Lien Act, 1953, Chap. 249.
- The Sand and Gravel Act, 1955, Chap. 17.

## **REGULATIONS**

### **Under the Mineral Resources Act**

- Quartz Mining Regulations with amendments to April, 1955.
- Placer Mining, effective Dec. 1943.
- Alkali Mining, O.C. 1357, 1943 with amendments to 1954.
- Quarrying, O.C. 1356, 1943.
- Coal Mining, effective February 1944.
- Petroleum and Natural Gas, 1956. O.C. 873/56.
- Subsurface Mineral Regulations, effective 1953.
- Geophysical Exploration, effective 1955.

### **Under the Coal Mining Industry Act**

- Regulations, effective Feb. 1944.

### **Under the Coal Miner's Safety and Welfare Act**

- Regulations included in the Act R.S.S. 1940, C. 270.

### **Under the Mines Regulation Act**

- Regulations governing the operation of mines, effective April 1953.
- Under the Oil and Gas Conservation Act 1952 with amendments to 1955.

## **ROYALTIES**

### ***Alkali—***

(See Section 18 (1), Alkali Mining Regulations.)

The lessee shall pay to the Crown, in respect of each year, royalty according to the formula set out on all products sold, whether anhydrous or hydrous, taken from each operation of the property leased.

### ***Coal—***

On all Crown coal mining leases a royalty at the rate of 5 cents per short ton is levied on the merchantable output of the mine.

**Quartz—**

(See Section 135, Quartz Mining Regulations).

A royalty is payable to the Crown at the rate of 5 per cent of the market value of the mineral content of any ore extracted from a mine and sold during the year, or in lieu of such royalty,  $12\frac{1}{2}$  per cent of the income during the calendar year from the mining operations of the person liable for such royalty, whichever shall be the lesser amount, provided that in cases of mines commencing or re-commencing operations after January 1, 1947, annual royalty shall be paid to the Crown on profits in excess of \$10,000, on a sliding scale.

**Quarrying—**

(See Section 34, Quarrying Regulations.)

The amount payable as royalty under Section 33 shall be based on the quantity mined as follows:

- (a) On all quarriable substances shipped from Saskatchewan in the raw state or partially processed in the province for further manufacture elsewhere, the royalty shall be 2 per cent of the selling value.
- (b) On all quarriable substances processed or manufactured into finished products in Saskatchewan, the royalty shall be 5 cents per cubic yard of raw material.
- (c) The royalty on quartzite pebbles recovered under the authority of any lease granted after December 31, 1942, shall be 25 cents per ton whether they are shipped out of Saskatchewan in the raw state or partially processed in Saskatchewan for further manufacture elsewhere or are processed or manufactured into finished products in Saskatchewan.

**Surface Minerals (Potash)**

A royalty is payable to the Crown in the amount of  $4\frac{1}{2}$  per cent of the value of ore mined. For purposes of royalty, the value of ore is computed in accordance with the formula contained in the regulations.

To apply the above rates the terms of the lease shall be considered as divided into separate periods of three calendar months each and the rates for each period shall be fixed on the basis of the quantity sold during such period only.

Sand and gravel when used for flux in smelting and filling operations shall not, at the discretion of the Minister, be subject to the royalty dues imposed by these regulations.

The royalty shall be subject to change at the discretion of the Minister.

**Bounties.** None.

APPENDIX "C"

QUARTZ MINING REGULATIONS

SCHEDULE OF FEES

1. For a Prospector's, Developer's, and Miner's Licence or renewal for an individual .....	\$ 5.00
2. For a reserved licence number .....	1.00
3. For a licence or renewal thereof for a mining partnership .....	15.00
4. For a licence or renewal thereof for a company .....	75.00
5. For recording each claim .....	5.00
6. For substitutional certificate of record .....	5.00
7. For an examination of the record book, per claim (personal) .....	.10
8. For an examination of the record book per claim (by mail) .....	.25
9. For inspecting any document filed with a mining recorder .....	.25
10. For a certificate of work per claim per year .....	2.50
11. For recording with a mining recorder a transfer, caveat, agreement of sale, option, power of attorney, revocation of a power of attorney, copy of a writ of execution, or any other instrument affecting any recorded claim, right, or interest, for each claim .....	2.00
12. For a substitutional miner's licence .....	5.00
13. For an order under section 25 of the Mineral Resources Act relieving from forfeiture or loss of rights, per claim .....	5.00
14. For a certificate of improvements, per claim .....	5.00
15. For application for a lease of mineral rights, per claim .....	5.00
16. For filing a certificate of mining partnership or certified copy thereof .....	1.00
17. For recording a certificate of revocation of agent and appointment of a new agent for a mining partnership .....	1.00
18. For recording a transfer of a share or shares in a mining partnership .....	1.00
19. For receiving and filing dispute of a recorded claim .....	5.00
20. For copies or certified copies of any document or record obtained from any officer, per page .....	.50
21. For an abstract of the record of a claim, for first entry .....	1.00
for each additional entry .....	.10
22. For a grouping certificate .....	5.00
23. Annual rental on quartz mining lease per acre or fraction thereof, per year .....	1.00

Saskatchewan

24. For registration of an assignment of a lease .....	5.00
25. Duplicate set of metal tags, per set of 4 .....	1.00
26. Recording fee for Geophysical Claim Block, per acre .....	.20
27. Any transaction requiring an Order in Council .....	25.00
28. Change of name of claim or recorded owner thereof per claim affected thereby .....	2.00
29. Fee for an extension of time, per claim .....	2.50

PRINCIPAL OFFICIALS

Department of Mineral Resources, Regina

Minister

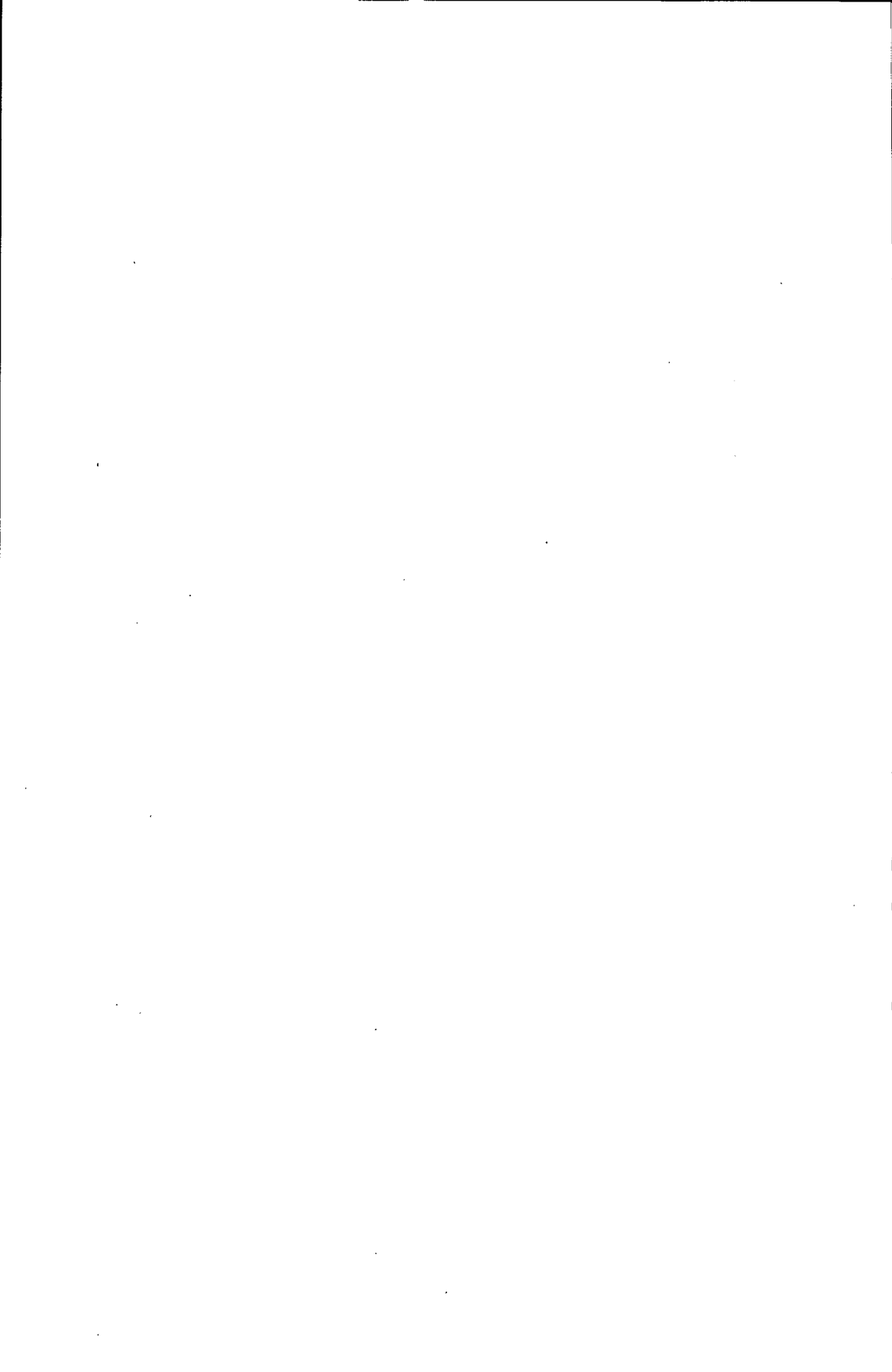
Deputy Minister

Chief Mining Recorder

Supervisor of Mines

Director of Petroleum and Natural Gas

For more detailed information or for copies of the acts and regulations involved, application should be made to The Deputy Minister, Department of Mineral Resources, Regina, Saskatchewan.



## CHAPTER V

### MANITOBA

The province of Manitoba was created in 1870 by an Act of the Federal Government. The natural resources of the province, however, remained under the administration of the federal authorities until July 15, 1930, since which time they have been under the sole control of the province.

The first provincial mines act was passed in 1897 and consolidated in 1913. In 1930, the Legislative Assembly of Manitoba enacted the Mines Act (S.M. Chap. 27) repealing the Act of 1913 but retaining all regulations in force under that Act as part of the new Act. Various amendments to the Act of 1930 have been made, and the present Act is "The Mines Act" R.S.M. 1954, Chapter 166.

Mineral lands and rights are administered by the Mines Branch, Department of Mines and Natural Resources. Regulations under The Mines Act, put into force by Order in Council, govern the administration and leasing of:

- (a) Mining claims—gold, silver, copper, zinc, etc.
- (b) Boring locations—oil shale, coal, and salt.
- (c) Quarrying locations—granite, limestone, marble, slate, building stone, gypsum, gravel, marl, peat, sand, or volcanic ash.
- (d) Oil and natural gas rights.

These regulations are applicable to all minerals on Crown lands in, upon, or under which the minerals have been reserved to the Crown, and acquired under The Mines Act and regulations made thereunder. Where, prior to the coming into force of The Mines Act, mining rights were acquired by entry or by lease under the provisions of the Dominion Lands Act and the regulations made thereunder, such mining rights and all matters related thereto are now deemed to be subject to these Regulations.

#### SUMMARY OF REGULATIONS RELATING TO MINING CLAIMS

Cost of licence .....	—\$5.00.
Size and form of claim .....	—Four line, astronomic, 1,500 feet square, 51.65 acres.
Number of claims per year .....	—18 in any one mining division on one licence.
Time to record after staking .....	—15 days for 10 miles from M.R. office and an additional day for each additional 10 miles by direct route. Maximum 60 days.
Assessment period .....	—One year from recording date.



**Mining Laws**

- Number of claims that may be grouped .....—36 contiguous.
- Assessment requirements .....—Removing 144 cu. ft. of solid rock per claim per year. Stripping etc. in over-burden 288 cu.ft. per claim per year. Diamond drilling, 35 linear feet with plan of drill holes and geological logs. Survey of claim—geological or geophysical surveys.
- Payment in lieu of work .....—None.
- Rent .....—None until lease is acquired.
- Final title .....—Lease, 21 years, renewable.
- Geological and geophysical surveys—Geological: By qualified geologist (Manitoba Professional Engineer).

If bedrock is totally obscured, not acceptable unless claim is one of six or more on which surveys are simultaneously submitted.

Plans and report of diamond drilling must be submitted; also all observations both from surface exposure and diamond drill holes.

Declaration of expenditure.

*Geophysical:* By qualified operator (M.P.E.) and by recognized methods.

Plans and report showing exactly all observations, and declaration of expenditures.

In the following digests, 'Department' means the Department of Mines and Natural Resources, and 'Minister' and 'Deputy Minister' the chief officials of that Department. 'Director' means the Director of Mines, and 'Recorder' the Chief Mining Recorder ('recorder' is used where the recorder for a mining district is meant). 'Board' means the Mining Board.

**Regulations under The Mines Act (1954 R.S.M., C. 166) for the Disposal of Mining Claims and Placer Claims, Revised and Consolidated to May 1955**

*Section*      Any individual 18 years of age or over, any mining syndicate registered under the Securities Act, and any firm, company, or corporation registered with or licensed by the Provincial Secretary may secure a miner's licence. Licences to individuals may be issued by the Director or a mining recorder; licences to syndicates, firms, companies, or corporations are issued by the Director or his appointee only.

7

All licences expire on the 31st March following date of issue, and may be renewed at any time prior to that date. If a licence is lost or destroyed, a substitute licence may be obtained. Licences may not be transferred or assigned.

***Lands Open for Staking***

Vacant Crown lands, and lands of which the mineral rights have been reserved to the Crown. 11 (1)

***Lands Reserved from Staking***

Except where the Minister is satisfied that a discovery of valuable mineral in place has been made, staking is not permitted on any land set aside by the Crown as a townsite, settlement, or parish; laid out into town or village lots by the owner; used for railway, electric railway, or street railway purposes or for road purposes; set aside for summer resort purposes or for game or bird sanctuaries.

No prospecting or staking may be done on lands in the following categories: land under staking, being applied for, or being recorded under these Regulations, unless it has lapsed, or has been abandoned, cancelled, or forfeited; land withdrawn from staking by competent authority; land certified by the Minister to be required for water power or some other purpose in the public interest, where the Minister is satisfied that no discovery of valuable mineral in place has been made thereon; land sold, located, patented, leased, or included in a permit of occupation without reservation of the minerals; Indian reserves, national parks, and military, naval, quarantine, or like reservations made by the Federal Government. 12

Even though the minerals have been reserved to the Crown, no one may prospect for minerals on any land under cultivation; used as a garden or pleasure-ground; the site of a spring, artificial reservoir, dam, or waterworks; occupied by a building; or used as a cemetery, without the written consent of the owner or occupant, or by order of the Board upon such conditions as it deems just.

In case of dispute between the prospector and the occupant as to the land to be exempted from prospecting, the Board shall decide. 13

No one shall enter on lands owned or lawfully occupied until he has secured written permission from the owner or occupier and has given adequate security for any loss or damage caused.

If the parties cannot agree on the matter of compensation, the circumstances shall be subject to arbitration by the Board (Sections 28-37 of The Mines Act). 111

## Mining Laws

### Section *Lands under the Forest Act*

14 A mineral licence does not entitle the holder to cut timber except under the provisions of the Forest Act and Regulations. Where the timber on a location is not covered by a timber licence or permit, the locator may secure permission to cut such timber as is needed for mining or fuel on such terms as the Provincial Forester may lay down.

A licensee may prospect in a forest reserve, but only after he has secured from the Forest Service a written permit.

15 The holder of a mineral location in a forest reserve will be held responsible for any fire starting from his operations, and shall furnish free of charge his own services and those of his employees as necessary in fighting fire; he is also responsible for making good any damage to Crown property that may result from his operations.

### *Form and Size of Claims*

18 Claim boundaries are to be measured horizontally, disregarding surface irregularities, and extending vertically downward.

19 Claims in unsurveyed territory must, as far as possible, be laid out with boundaries running north-south and east-west and not exceeding 1,500 feet in length. Except where the boundary of a previous location is adopted as common to both, claims are to be square. Fractional claims need not be quadrilateral, but may take the lines of previously located claims between which they lie as boundaries.

20 In surveyed territory, every claim must consist of a quarter of a quarter-section of 160 acres (styled a legal subdivision), or of a fractional legal subdivision, but no claim may lie partly in one legal subdivision and partly in another.

21 A licensee may not stake more than 18 claims in one mining division in one year.

36 Claims must be recorded within 15 days of staking if within 10 miles of a recorder's office. If over 10 miles, one extra day is allowed for each 10 miles or part thereof, but in no case may the total time exceed 60 days.

41 As soon as reasonably possible after the claim is recorded, and in any event within one year, metal tags issued by the recorder at the time of recording must be affixed to the corner posts of the claim.

### *Grouping*

51 Holders of contiguous claims, not exceeding 36, held under entry or lease may group them for purposes of assessment work, and such work done on one or more of the claims shall apply to all claims in the group. Only one grouping certificate, however, shall be issued for a claim from one anniversary recording date to the next.

In the case of claims lying within Townships 1 to 18 West of the Principal Meridian, the Lieutenant-Governor in Council may authorize the grouping of claims, whether contiguous or not, without limitation as to number.

#### *Assessment Work*

A claim properly located and recorded may be held from year to year without re-recording, provided that in each year the holder performs or has performed any of the following: removal of 144 cu. ft. of solid rock in trenching, shaft-sinking, and sinking test pits; removal of 288 cu. ft. of material in stripping, shaft-sinking, or sinking test pits in overburden; diamond drilling 35 linear feet; survey of claim by a Manitoba Land Surveyor; approved geological survey of claim; geophysical survey of claim by approved methods.

On completion of five years' assessment work, including a survey by a Manitoba Land Surveyor, the holder is entitled to a lease. 52

Provision is made for reducing or increasing the required work in the case of fractional or oversize claims. 53

Excess work performed in any one year may be credited to subsequent years. 54

#### *Surveys*

The holder of a claim in unsurveyed territory must, before a lease is issued, and within five years of the date of recording, or at any time ordered by the Board, have an approved survey made by a Manitoba Land Surveyor at the holder's expense. A like survey may be ordered in surveyed territory if the Director of Surveys so requires. 59

#### *Title*

The holder of a claim may, after the required assessment work has been done, and after the claim has been surveyed, apply for a certificate of improvements. Notice of such application shall be posted as required for 60 days and, if no objection is filed, the certificate shall then be issued. Such a certificate may be impeached in court on the ground of fraud only. 74

Within three months of the date of the certificate, the holder must file application for a lease. 76

#### *Prospector's Reservations*

A licensee who is the first to stake a claim on which he has made a mineral discovery may, in those parts of the province defined by the Lieutenant-Governor in Council, apply for a prospector's reservation for an area two miles square, with boundaries due north-south and east-west, of which the centre is the No. 1 post of the claim. 77

## Mining Laws

*Section*        The right to stake anywhere within the reservation is confined to the licensee or his authorized agent for six months from the date of staking the discovery claim. Prospectors' reservations will not be granted within a radius of 15 miles of a recorded claim or other prospector's reservation in good standing.

The portions of the province at present open for such reservations are the portion lying north of 51°15' north latitude and east of 99°30' west longitude, and the portion lying north of 55° north latitude and west of 99° west longitude.

### *Geophysical Reservations*

78        The Director may grant reservations for the purpose of making geophysical examinations on certain areas as defined in Section 78 of the Regulations, and consisting generally of the southern half of the province and two large areas in the north, one adjoining the North-west Territories and one Hudson Bay.

79        Applications for such reservations must be made to the Recorder within the period October 31-April 30, and must be accompanied by a fee of \$500 and a deposit of one dollar an acre for the area involved  
81        which must not be less than 10,000 or more than 200,000 acres, and must be rectangular with the length not exceeding twice the breadth.

82        The boundary may not be closer than 10 miles to the boundary of any similar reservation under the same ownership. The holder must expend an amount equal to the deposit referred to above on an approved geophysical examination, and the deposit may be forfeited if satisfactory evidence as to such examination is not provided.

85        The term of a reservation is 12 months. If the Director is satisfied that all requirements have been substantially fulfilled, he may grant three-month renewals up to a total of 12 months.

84        The holder must, within 30 days of the date of the reservation, submit to the Director evidence of the engagement of qualified personnel for the examination and information as to the date operations will begin.

87        The holder may, within 90 days of the termination date, make application for a lease or leases of such part of the area as he selects, the area leased to be not less than 50 or more than 50,000 acres. No part of the interest in a reservation may be assigned, transferred, or  
88        sublet, and such action with respect to the whole may take place only with the consent of the Minister.

**Airborne Geophysical Investigations****Section**

Permits to conduct airborne geophysical surveys, good for 12 months, may be granted by the Director on such terms and conditions as he designates. Applications must be accompanied by a fee of \$50 and a deposit of \$20,000.

91

Within three years of the expiration of the permit, the permittee must submit to the Director a full report on all areas investigated, except for those retained for development. The deposit referred to above will be refunded when an approved report has been filed. Unless such a report is filed within the required period, the deposit will be forfeited to the Crown.

92

93

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**Leases**

The lease of a claim is for 21 years, renewable for like periods so long as the claim is productive. Rental is at a rate of one dollar an acre for the term of the lease, provided it does not exceed 52 acres, but in no case shall the rental be less than \$5. If the survey shows an area in excess of 52 acres, such excess, if included in the lease, shall be subject to a rental of \$5 an acre or part thereof. These rates apply to renewals also.

Where ore or minerals are not being produced, and where the Director is satisfied that a reasonable endeavour has been made to explore for, develop, and mine ore or minerals, the Minister may renew the lease for one 21-year period at a rental of \$4 per acre or part thereof up to 52 acres, and of \$20 an acre or part thereof for excess; in no case shall the rental be less than \$20. Every lease is subject to the Mining and Royalty and Tax Act.

95

Rights under a lease may not be alienated without the consent of the Deputy Minister.

The lease conveys the right to use only such portions of the surface as the Minister deems necessary for mining operations, subject to compensation for damage done, as noted below.

98

A lessee is not entitled to cut and use timber growing on the leasehold for mining purposes until a permit under the Forest Act has been secured.

100

**Surface Rights**

Where the surface rights are the unencumbered property of the Crown, the holder of a claim may obtain a permit for the use of any portion of the surface on such conditions as the Director may prescribe. The term of the permit is from year to year during continuance of the record.

105

In the case of a lessee, similar rights are granted by the Minister.

## Mining Laws

*Section*            The rights may be alienated by consent of the Director or Minister  
107            only, as the case may be.

111            Where the surface rights are privately owned, leased, or located, with reservation of minerals to the Crown, or where land is lawfully occupied and the occupant has made such improvements as in the opinion of the Minister entitle him to compensation, anyone prospecting, staking, or mining thereon must pay compensation for any damage caused, and in default of agreement the matter shall be settled by arbitration as provided by Sections 19-39 of The Mines Act.

### *Placer Claims*

The foregoing shall, so far as practicable, apply to placer claims, except that no assessment work is required, but that within two years of recording the claim shall be surveyed and application for a lease shall be made.

### *Forfeiture*

Forfeiture may result from any of the following:

- Use of licence issued without consent of licensee, or staking in name of a licensee without his knowledge or consent (8).
- Failure to renew licence as required (10-4).
- Infraction of fire laws by licensee (10-6; 15-3).
- Wilful contravention of regulations (10-7).
- Use of location for purposes other than mining (12-3).
- Failure to record claim within time required (36-3).
- Misstatements in application to record (37-5a).
- Failure to affix metal tags as required (41).
- Failure to perform assessment work (55-5a; 66-4).
- Failure to have survey made as required (67-1d).
- Unauthorized removal of post or interference with markings thereon (67-1e).
- Failure to fulfil terms of geophysical reservation (90).
- Failure to pay lease rental and fee as required (95-5).
- Failure to pay rent as required for lease of surface rights, or to fulfil terms thereof (108).

**Regulations under the Mines Act (1940 R.S.M., C. 136) for the  
Disposal of Quarrying Claims and Boring Claims,  
Revised and Consolidated to January 1951** *Section*

QUARRYING CLAIMS

These Regulations apply to granite, gypsum, limestone, marble, sandstone, slate, or any building stone, and to clay, gravel, marl, peat, or sand. 133

A licensee may obtain from the Director a yearly permit, renewable from year to year (Sec. 149), to prospect, quarry, and mine the material specified therein on such conditions as the Director may specify. Rent under such a permit is \$1 per acre per year. 134-5

A claim staked in unsurveyed territory, if within 10 miles of a recorder's office, must be recorded within 15 days. If over 10 miles, an additional day is allowed for each additional 10 miles or part thereof. If in surveyed territory, application may be in person or by mail, but priority will be based on the date the application is received. 137

In case of conflicting claims in unsurveyed territory, the permit shall be granted to the applicant who can prove priority in staking and application within the prescribed time.

Before a permit or lease is granted, the applicant must satisfy the Director that adequate compensation for any damage to surface rights has been paid or arranged. 140

Claims may not be more than 40 acres in area, or less than 10 acres, except where such acreage is not available. In surveyed territory, the claim must be a legal subdivision or parts of legal subdivisions. 141

No one may acquire more than 40 acres in surveyed territory in any one licence year, except by assignment.

In unsurveyed territory, a licensee shall not, in any one licence year, stake or apply for more than 40 acres for himself or more than 40 acres for each of two other licensees. 142

A claim for the removal of peat, however, may cover an area not exceeding 1,920 acres, at an annual rent of 50 cents an acre. 161

If the surface rights of a claim are included in a timber licence, grazing lease, boring or mining claim, or other form of terminable grant that does not contemplate the issue of a patent or transfer, entry thereon is not authorized until the Minister so permits, and such permission shall be subject to such conditions as may be deemed necessary for the protection of the prior rights involved. 144

Where the mineral rights have been disposed of, a permit or lease for quarrying will not be granted unless the Minister is satisfied that it will not unduly interfere with mining operations, and that the applicant has a need for the mineral applied for. 145



## **Mining Laws**

*Section* In case of dispute as to surface rights between the holder of the  
146 mineral rights and the holder of quarrying rights, the matter may be referred to the Minister for arbitration.

147 Operations must be commenced within three months of notification by the Director.

150-1 The consent of the Minister is required before any assignment of rights may take place.

### *Leases*

153-4 The Minister may grant a licensee a 10-year lease, renewable for one like term, at a rent of \$1 an acre annually.

134 Neither a lease nor a permit entitles the holder to the use of any of the surface rights of the lands involved except such as are essential for the exploration for or removal of the mineral specified  
158 therein. A lease does not entitle the lessee to purchase surface rights, but the Minister may issue a concurrent lease covering such surface rights as he deems necessary at such rent as he may decide.

160 Notwithstanding anything in these Regulations, the Director may issue permits for the removal of up to 2,000 cu. yd. of sand, gravel, or stone, at a price and on such terms as he may decide.

162 Sections 1 and 2 and Parts I and II of the Regulations under The Mines Act shall, so far as they are applicable, apply to quarrying claims.

## **BORING CLAIMS**

164 The following has reference to lands containing minerals reserved to the Crown that have been acquired for the purpose of boring for coal, oil, shale, or salt. The word 'claim' implies a boring claim unless such an interpretation is inconsistent.

166 Permits to prospect, good for one year, may be issued by the Director.

Claims staked in unsurveyed territory must be recorded within 15 days if not more than 10 miles from the recorder's office. One additional day is allowed for each additional 10 miles or part thereof.

168 In surveyed areas, application may be made in person or by mail, but priority will be based on the date the application reaches the recorder.

171 In unsurveyed areas, priority will be based on staking and on application for recording.

172 The applicant must, within 30 days, satisfy the Director that he has paid or secured to the owner of the surface rights, if any, due compensation for any damage done.

Operations must commence within 90 days of the granting of the permit, provided, however, that work shall not be required from November to April, inclusive. *Section*  
173-4

The minimum area of a claim is 160 acres and, except by assignment, no one may stake, apply for, or acquire more than 1,920 acres, or more than six claims in one licence year.

In unsurveyed territory, the claim must be rectangular, with boundaries running as nearly as possible north-south and east-west, and the length not exceeding three times the breadth. 176

In surveyed territory, the claim must consist of sections or legal subdivisions, the several parcels adjoining, and the length not exceeding three times the breadth.

The rent payable is 10 cents an acre annually. 165

The permit entitles the holder to search for and mine coal, oil shale, and salt only, and a licence to search for other minerals entitles the holder to enter on the area and stake, provided the Minister's permission is secured. Such permission will be subject to the protection of the rights under the boring claim. 178

If the surface rights are covered by a timber licence, grazing lease, mineral location, or other form of terminable grant that does not contemplate the issue of a patent or transfer, permission to enter thereon must be secured from the Minister, and such permission shall include provisions for the protection of the prior rights involved. 179

No rights under the permit may be alienated without the consent of the Director. 182

#### *Leases*

At any time during the term of a permit, the holder may apply for a lease of all or part of the area. The term of the lease is 10 years, renewable for one like term. Rent is \$1 an acre annually. 184  
186  
164

Before a lease is granted in unsurveyed territory, the area must be surveyed by a Manitoba Land Surveyor. 187

Royalty at rates fixed from time to time by the Lieutenant-Governor in Council is payable on all products sold. 188

The lessee is entitled to the use of such surface rights only as are essential to the working of the deposit. A lessee may secure a concurrent lease for such surface rights as the Minister deems necessary at such rent as he may prescribe. 189

In so far as they are applicable, Sections 1 and 2 and Parts I and II of the Regulations under The Mines Act governing the disposal of mineral claims other than oil and natural gas shall apply to boring claims. 191

## **Mining Laws**

- Section*      Forfeiture may result from any of the following:
- Failure to fulfil terms of quarrying permit (152).
  - Failure to pay rent or royalty under quarrying permit or lease (157).
  - Failure to advise date operations under a boring permit are to begin (174).
  - Failure to observe terms of boring permit or lease (183; 185).

### **PETROLEUM AND NATURAL GAS REGULATIONS UNDER THE MINES ACT, 1940 R.S.M., C. 136, REVISED AND CONSOLIDATED TO 1956**

3      Leases of oil and gas rights are issued for a primary term of three years and a secondary term of six years. Renewals for successive periods of not more than six years may be granted during the productive life of the lease.

Rent for the primary term is 50 cents an acre annually. If production is not obtained during the primary term, rent during the secondary term is \$1.50 an acre annually. If production is obtained in either the primary or secondary term, the rent is 50 cents an acre annually.

If production is not obtained during the primary or secondary term, the Minister may grant six-year renewals at \$1 an acre annually.

4      Except as provided in Section 58 below, the leased area shall not be more than 1,920 acres or less than 160 acres, where available.

Except as provided under geological and geophysical examinations, no one, except by assignment, may in any one calendar year acquire locations totalling more than 9,600 acres.

In surveyed territory, the locations must consist of sections and legal subdivisions, and these must, as far as possible, be adjoining. In unsurveyed territory, the area must be rectangular unless the boundary of a previously located tract is adopted as a common boundary. In either case, the length shall not exceed three times the breadth.

8      Application for a lease of rights in unsurveyed territory must be made within 15 days of staking if the area is within 10 miles of the recorder's office; one extra day will be allowed for each additional  
9      10 miles or part thereof. In case of dispute, the lease will be granted on the basis of priority of staking and application.

10      The Director may, where he deems it advisable, order the survey or re-survey by a Manitoba Land Surveyor of any tract that is the subject of a lease or application for a lease, and may order the parties concerned to pay in advance all or part of the cost of such survey.

	<i>Section</i>
Within one year of the date of the lease, or as the Director may order, the lessee shall instal such machinery and equipment for drilling as the Director may prescribe. Drilling must commence as soon as the installation is completed, and must be continued to the satisfaction of the Director.	13 14
Drilling of a second well must commence within six months of the completion or abandonment of the first, and drilling must continue in like manner as required by regulations then in force.	15
If oil in paying quantities is found on lands adjacent to a leasehold, the Director may order the drilling of a well to offset the producing well.	16
A lessee who has acquired two or more oil and gas leases may, for the purpose of operation, consolidate or group such portions of the leases as lie within a radius of 25 miles of the well site up to a maximum of 19,200 acres.	17
Where the right to the use of the surface is vested in some person other than the lessee, the latter may not enter upon the leased lands until arrangements have been made with the holder, either by agreement or arbitration.	30
No portion of the rights under the lease may be alienated without the Minister's consent.	31
Royalty is payable on products secured from any location acquired from the Department.	32
Only companies or corporations incorporated, licensed, or registered under the laws of Manitoba may acquire a lease under these regulations.	37
The Minister may, if the Lieutenant-Governor so directs, take possession of any location together with all installations or material thereon and may operate the location on behalf of the Crown and retain the production in whole or in part. The lessee shall receive due compensation if such action is taken.	38 39
The Director may enter upon the leasehold at any time for purposes of inspection, and shall have full access to all records and workings.	43
 <b><i>Geological and Geophysical Reservations</i></b>	
Areas may be reserved for geological and geophysical examination, provided the program promises to produce data of value. Applications must be made to the Recorder, who will forward them to the Director for approval.	44 45
The area applied for must be not less than 10,000 acres or more than 200,000, and the length shall not exceed twice the breadth.	49

## Mining Laws

*Section*        The application must be accompanied by a fee of \$250 and a cash  
46        deposit of \$750 in the case of surface geological investigation, or  
             \$2,000 if the work includes geophysical investigation or that relating  
             to subsurface geology, for each 20,000 acres or part thereof. Within  
55        30 days of the granting of a reservation, the holder shall submit to  
             the Director evidence of the engagement of qualified personnel and  
             information as to the date operations will commence. If, however, the  
             grant is made between October 1 and March 1, the information must be  
             filed before the first of April next following. If the investigation  
             includes subsurface geology, the holder is allowed 60 days.

56        The term of a reservation is 12 months. Ninety-day renewals, up  
             to a total of 12 months, may be granted if satisfactory evidence of  
             progress is provided, or if the holder can produce satisfactory evidence  
             that conditions beyond his control have delayed operations. A penalty  
             may be prescribed in the latter circumstance.

             The Minister may grant further 30-day extensions up to six  
             months on the holder's paying 5 cents an acre at the first of such  
             renewals.

             Notwithstanding the foregoing, the Minister may, on the holder  
             undertaking certain further payments, expenditures, and deposits, and  
             undertaking to carry out certain specified work, grant a reservation  
             for three years.

56A        Where a drilling program has been commenced, the Lieutenant-  
             Governor in Council may grant extensions on such terms as he deems  
             appropriate.

58        The holder may terminate a reservation at any time, and shall  
             have the exclusive right to apply to lease up to 50 per cent of the area.

59        A holder wishing to conduct drilling operations may select a site  
             or sites, each a quarter-section, for which he shall be granted a lease  
             in accordance with these regulations, and if oil or gas in commercial  
             quantities is found, the area shall immediately be withdrawn from the  
             reservation.

61        Rights under a reservation may not be alienated without the  
             consent of the Minister.

### *Drilling Reservations*

             Sections 44, 45, and 55, pages 85, 86 apply also to drilling reserva-  
             tions.

66        Applications must be accompanied by a fee of \$250 and a cash  
             deposit of \$1 an acre.

69        The area must not exceed 10,000 acres, and the length must not  
             exceed twice the breadth.

The term of a drilling reservation is sixty days: 60-day renewals up to a total of 12 months from the date the reservation was granted will be granted provided satisfactory progress reports are filed or the grantee can show that conditions beyond his control caused delay.	Section 75
The holder shall, within 60 days of the effective date of the reservation, have on the area such machinery and equipment for drilling as the Director may deem necessary.	77
Drilling shall begin as soon as installation is completed, and shall be continued to the satisfaction of the Director.	78
If oil or gas is found in commercial quantity, the reservation will automatically terminate, and the holder will have 30 days in which to apply for a lease in accordance with these regulations.	79
If the holder abandons a well, he must begin drilling another within sixty days.	80
Provided all prescribed expenditures have been made, the holder may terminate the reservation at any time, and prior to such termination he shall have the exclusive right to a lease or leases of all or part of the area.	83
No rights under the reservation may be alienated without the consent of the Minister.	87

**Royalties**

On all products other than natural gas, 12½ per cent. On natural gas consumed for some useful purpose off the location or sold, 12½ per cent of selling price; if consumed off the location, 12½ per cent of fair value. In no case shall royalty be less than one-quarter of one per cent per 1,000 cubic feet. 90

**General**

Any decision made under these Regulations by an officer of the Branch may be appealed to the Minister, whose decision will be final. 201

All persons acquiring any rights under these Regulations shall do no unnecessary damage to timber, and shall not cut any trees without first obtaining the consent of the Director, who shall impose such conditions as he deems fit. 204

**Forfeiture**

Forfeiture may result from any of the following:

- Failure to pay costs of survey (10-2b).
- Failure to pay rent of lease (12-2).
- Failure to pay royalties (32-2).
- Failure to pay expenses of securing overdue return (34-3).

## Mining Laws

Attempt to defraud Crown (35-1).

Failure to observe conditions of geological or geophysical reservation (63).

Failure to continue drilling (80).

Failure to observe conditions of drilling reservation (89).

### Treatment of Ores

All permits or leases are subject to the provision that all ores or minerals mined from locations described in such permits or leases must be treated and refined within Canada, so as to yield refined metal or other product suitable for direct use in the arts and industry without further treatment. Provision is made for exemption from the operation of this section for such period of time as may seem proper. (1954, Chap. 166, Sect. 9).

### Mining Board

The Mining Board consists of three members or more as appointed by the Lieutenant-Governor in Council and has power to hear and determine all disputes, and settle all difficulties, etc., between licensees that arise under The Mines Act or which are referred to the Board. (1954, Chap. 166, Sect. 28).

### Mining Taxation

Mining operations are subject to "The Mining Royalty and Tax Act", which imposes a royalty tax of 8 per cent on the income derived from the operation of the mine in excess of \$10,000. New mines pay a rate of 6 per cent for the first year and 7 per cent for the second year. "Income" is net profit less a deduction equal to 8 per cent of the original cost of the depreciable assets used in processing the ore; or in the case of base metal mines, the deduction shall not be smaller than the following proportion of the net profit:

- |   |     |
|---|-----|
| (1) Where both copper and nickel are recovered, each in amounts which exceed in value 5 per cent of the total value of metals recovered ..... | 40% |
| (2) Where both lead and zinc are recovered, each in amounts which exceed in value 5 per cent of the total value of metals recovered .....     | 30% |
| (3) Where both copper and zinc are recovered, each in amounts which exceed in value 5 per cent of the total value of metals recovered .....   | 20% |
| (4) In other cases .....  | 15% |

### LISTS OF ACTS

The Mines Act, R.S.M. 1954, Chap. 166 and amendments to date.  
Regulations under "The Mines Act", governing disposal of:

- (a) Mining Claims and Placer Claims.
- (b) The Operation of Mines.

- (c) Quarrying Claims and Boring Claims.
- (d) Oil and Natural Gas Rights and Exploration and Development.
- (e) Regulations under "The Mines Act" governing the operations of mines.

The Crown Lands Act, R.S.M. 1940, Chapter 48, and amendments to date.

The Well Drilling Act, R.S.M. 1940, Chapter 169.

The Mining Royalty and Tax Act, R.S.M. 1954, Chapter 169.

The Securities Act, R.S.M. 1940, Chapter 188, and amendments to date.

The Mineral Taxation Act, R.S.M. 1954, Chapter 19.

The Pipe Line Act, R.S.M. 1954, Chapter 26.

SCHEDULE OF FEES

Fees payable in accordance with and as provided for in the regulations shall be as follows:

(a) For a miner's licence or renewal thereof for an individual .....	\$ 5.00
(b) For an individual miner's licence issued on or after 1st day of October in any year .....	3.00
(c) For a miner's licence or renewal thereof issued to a registered mining syndicate .....	25.00
(d) For a miner's licence issued to a registered mining syndicate on or after 1st day of October in any year .....	12.50
(e) For a miner's licence or renewal thereof for a firm, company or corporation .....	75.00
(f) For a miner's licence for a firm, company or corporation issued on or after 1st day of October in any year .....	37.50
(g) For a substitutional miner's licence .....	1.00
(h) For a special renewal licence under section 68 to save forfeiture, twice the fee prescribed above.	
(i) For recording each claim, located by a licensee on his own licence .....	5.00
(j) (no longer applicable)	
(k) For substitutional record of entry .....	2.00
(l) For duplicate metal tags, per set of four .....	1.00
(m) For application for permit covering mineral rights where totally submerged in water .....	10.00
(n) For a rental permit covering mineral rights where totally submerged in water, per acre .....	.10
(o) For a geophysical reservation .....	500.00
(p) For each three months renewal of a geophysical reservation ....	125.00
(q) For a licence to use airborne geophysical equipment .....	50.00
(r) For a grouping certificate, per mine claims or fraction thereof	5.00
(s) For filing a report of work .....	.50
(t) For an application for extension of time, claim held under entry or lease .....	2.00



**Mining Laws**

(u) For application for a vesting order against claim held under entry or right or interest .....	5.00
(v) For registering a dispute, per claim .....	10.00
(w) For an application for a lease of mineral rights .....	10.00
(y) For an application for vesting order against a lease or right or interest therein .....	5.00
(z) Rental of a lease of a mining claim, per acre or fraction thereof provided that the minimum rental shall not be less than .....	1.00
(aa) Rental of excess area for first period, per acre or fraction thereof .....	5.00
(bb) Rental for renewal of lease for a further period of twenty-one years, if in production, per acre or fraction thereof .....	1.00
(cc) Rental of excess acreage for renewal period, if in production, per acre or fraction thereof .....	5.00
(dd) Rental for renewal of lease for a further period of twenty-one years, if not in production, per acre or fraction thereof .....	4.00
provided that the minimum rental, for unproductive renewal shall not be less than .....	20.00
(ee) Rental of excess acreage renewal period, if not in production, per acre or fraction thereof .....	20.00
(ff) For an application for a surface permit .....	5.00
(gg) Rental of a surface permit, per acre or fraction thereof .....	1.00
but in no case shall the rental for the entire permit be less than .....	5.00
(hh) For an application for a surface lease .....	10.00
(ii) Rental of a surface lease, per acre or fraction thereof .....	1.00
but in no case shall rental be less than .....	5.00
(jj) For recording any document against a claim held under entry or right or interest, for each claim .....	2.00
(kk) For recording any document against surface permit .....	2.00
(ll) For recording any document against a lease or right or interest, for each lease .....	3.00
(mm) For abstracts of the records of a claim or lease:	
for first entry .....	.25
for each additional entry .....	.10
(nn) For an examination of the record book, per claim or lease .....	.10
(oo) For inspecting each document filed with a mining recorder .....	.10
(pp) For copies or certified copies of any document or record thereof obtained from any officer per folio of 100 words .....	.30
but in no case shall the charge be less than .....	1.00
(qq) For any transaction requiring an Order in Council unless otherwise specified in these regulations, each .....	25.00
(rr) For registering change of name of a syndicate, firm, company, or corporation .....	25.00

***Royalties***

The Minister may set a royalty not in excess of 10 cents per cubic yard on sand and gravel produced from Crown lands.

PRINCIPAL OFFICIALS

DEPARTMENT OF MINES AND NATURAL RESOURCES

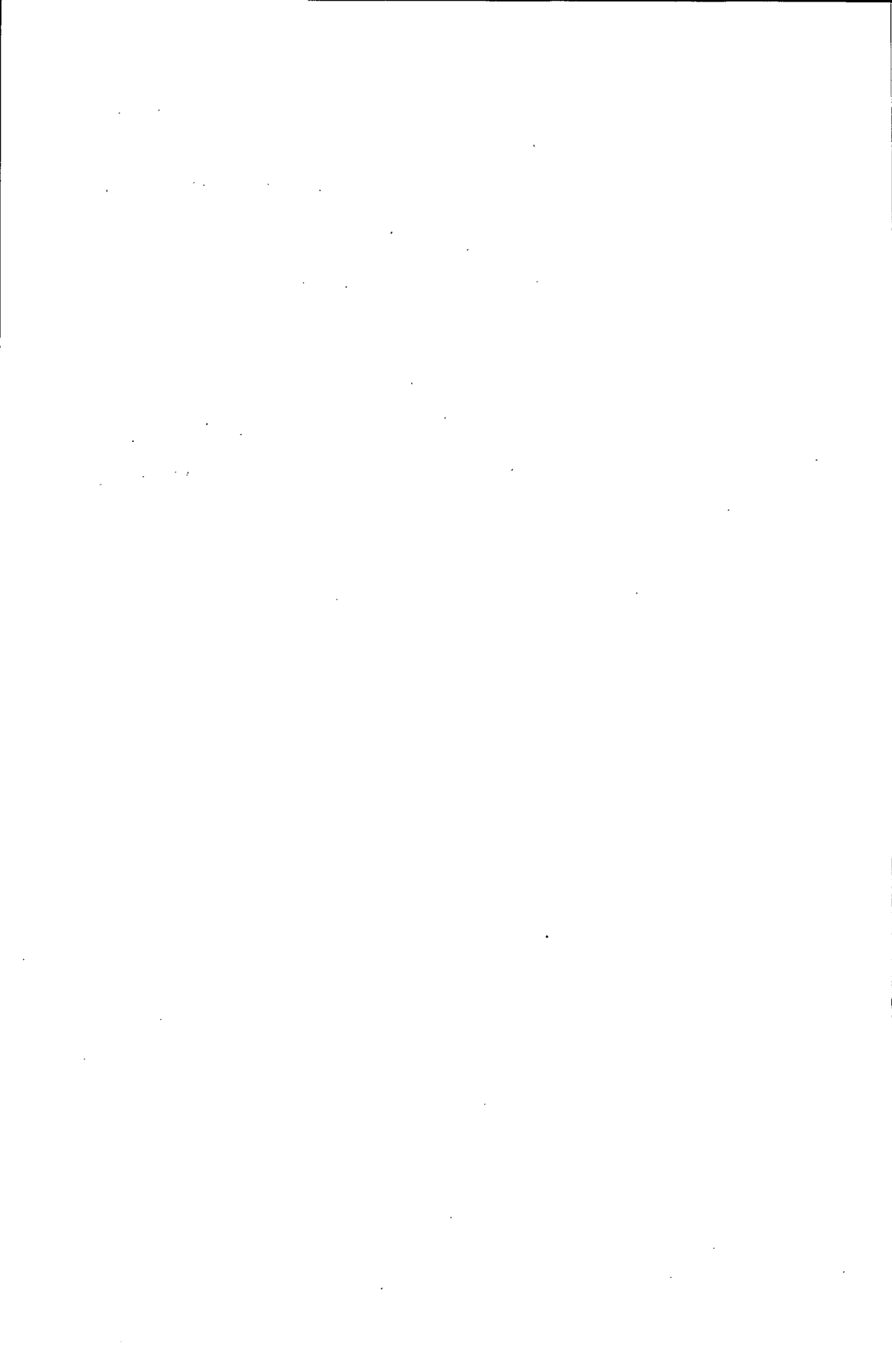
Minister

Deputy Minister

Director of Mines

Chief Mining Recorder

For more detailed information, or copies of the Acts or Regulations, application should be made to the Director, Mines Branch, Department of Mines and Natural Resources, Winnipeg, Manitoba.



## CHAPTER VI

### ONTARIO

Ontario owns and administers all the public lands within its boundaries, except Indian reserves and national parks, which are under control of the Federal Government.

The principal statute concerning mines and the mineral industry of Ontario is the Mining Act, R.S.O. 1950, Chapter 236, with amendments to date.

The usual form of title given by the Crown is a grant in fee simple (patent). However, a licensee having complied with all the provisions of the Mining Act has the option of taking out a 10-year renewable lease rather than a patent. In Provincial Forests, leases only are given. The beds of navigable waters are not patented, but licences of occupation or leases authorizing the extraction of minerals may be issued.

Mining divisions covering the mineral areas have been established, and a resident mining recorder is appointed for each division. Up to the time of issue of Crown title, all agreements, transfers, and other documents respecting mining claims must be filed in the recorder's office of the division concerned.

Questions and disputes arising under the Act are adjudicated by the local recorder or by the Judge of the Mining Court, subject to appeal to the Appellate Division. The procedure is simple and speedy, and hearings are usually held in the district where the property is located.

Generally speaking, all Crown lands and all lands of which the minerals are reserved to the Crown are open to prospecting and staking if not already taken up. With few exceptions, grants of land by the Crown for other than mining purposes convey title to the minerals.

The following is quoted from the preamble to the 1955 office consolidation of the Mining Act:

"It is intended, as far as possible, to protect the honest prospector who complies substantially and to the best of his ability with the requirements of the Act from being defeated of any just claim by technicality, but a prospector should always endeavour, if he desires to avoid trouble and possibility of loss, to follow the provisions of the Act as carefully and accurately as possible.

For full information upon the various matters reference must be made to the Act itself . . . Maps and blank forms and other general information can be obtained from the Department of Mines, Toronto, or from any mining recorder."

## Mining Laws

### SUMMARY OF REGULATIONS RELATING TO MINING CLAIMS IN ONTARIO

- Cost of licence .....—\$5.00.
- Size and form of claims .....—Four line astronomic up to 1,320 ft. square,  
40 acres.
- Number of claims per year .....—18 in any one mining division. Maximum of  
90 in the province.
- Time to record after staking .....—30 days.
- Assessment period .....—One year from recording date.
- Number of claims grouped .....—18 claims generally, if adjacent and held  
by the same licensee.
- Assessment requirements .....—40 man-days of 8 hours per day per claim  
for 5 years, or 200 days in all. Excess in  
one year may be credited to any sub-  
sequent year.
- Payment in lieu of work .....—None.
- Rental .....—None.
- Final title .....—Patent, or lease renewable in perpetuity for  
terms of 10 years.
- Geological and geophysical surveys—Satisfactory to Minister.
- Geological*  
Surveys at four days per man-day, but  
not exceeding 40 man-days on each claim.  
Plans and reports required.
- Geophysical*  
Ground surveys, four days' work per  
man-day.
- Airborne Magnetic Surveys*  
20 days for each mile of continuous  
recordings, but not more than 40 days'  
work.  
Work must be done on every claim.  
Plans and reports required.

### The Mining Act

In this digest, 'Act' means The Mining Act, R.S.O. 1950, Chap. 236 and amendments, 'Minister' the Minister of the Department of Mines and 'Deputy Minister' the next senior official of that Department; 'recorder' means the mining recorder for the mining division in which the lands concerned are situated. 'Court' means the Mining Court of Ontario and 'Judge' the judge of that court.

**Miner's Licences**

Section

Anyone 18 years of age or over may obtain a miner's licence. Licences to companies are issued by the Minister or Deputy Minister only, and may be used to acquire mining properties, but not for staking.

26

All licences expire on March 31, and must be renewed on or before that date to maintain any rights acquired thereunder in good standing. If a licence is lost or destroyed, a substitute licence may be secured.

**Rights of Licensee**

A licensee may stake up to 90 claims in a licence year, but not more than 18 in any mining division or on lands not included in a division.

54

Claims must be recorded within 30 days of staking, except if located in that part of the Kenora territorial district not included in the Patricia, Red Lake, or Kenora mining divisions, when 60 days are allowed.

58 (2)

**Metal Tags**

As soon as reasonably possible after recording, and in any event within six months, metal tags bearing the claim number must be affixed to the posts. The tags may be secured free at the time of recording.

61 (3)

**Lands Open for Staking**

Unalienated or unencumbered Crown lands, and lands located, sold, patented, or leased after May 6, 1913 with the proviso that the mines, minerals, or mining rights thereof are reserved to the Crown.

36

**Lands not Open for Staking**

Lands transferred to or vested in the Ontario Northland Transportation Commission may be staked only by consent of the Commission.

38

Lands reserved by the Crown for townsite purposes, laid out in town or village lots by the owner, or forming part of railway property or of a road allowance may be staked by consent of the Minister only.

Lands set apart for summer resort purposes by the Department of Lands and Forests may be staked only if the Minister of Mines certifies in writing that he is of the opinion that valuable mineral in place has been discovered.

Lands certified to be required for water-power, highway, or like public purpose, and on which the Minister is satisfied that no discovery of valuable mineral in place has been made are not open for staking.

**Mining Laws**

*Section* Staking on Indian reserves may take place only as provided in the Indian Lands Act, 1924.

Notwithstanding that the mines and minerals have been reserved to the Crown, prospecting or staking shall not be carried on upon any land used as a garden, orchard, vineyard, nursery, plantation, or pleasure-ground, or upon any land bearing crops that may be damaged thereby, or upon land occupied by a spring, artificial reservoir, dam, or waterworks, or by a building or cemetery, except with the consent of the owner or legal occupant, or by order of the recorder or Judge on such conditions as he deems appropriate.

*Size and Form of Claims*

49 A claim in unsurveyed territory shall be a square of 40 acres  
50 with boundaries running north-south and east-west.

In surveyed territory, claim boundaries must conform to the survey as under:

Size of Township	Staking Area	Area of Claim
acres		acres
640	NE, NW, SE, or SW quarter of a quarter-section of 160 acres	40
320	NE, NW, SE, or SW quarter of the north half or south half	40
200	NE, NW, SE, or SW quarter of the township .....	50
150	NE, NW, SE, or SW quarter of the township .....	37½
100	N, S, E, or W half of the township .....	50

52 Irregular areas may be staked in surveyed or unsurveyed territory, but the boundaries must conform as nearly as possible to the prescribed form, and the claim must not exceed the prescribed area.

*Certificate of Record*

63-4 Where a claim has been on record for 60 days or more, and where no dispute is in question, the recorder, if satisfied that all prescribed conditions have been complied with, shall issue a certificate of record. On the issue of such a certificate, the claim shall not, in the absence of mistake or fraud, be liable to impeachment or forfeiture except as expressly provided in the Act.

*Assessment Work*

80 Actual mining work must be performed to the extent of at least  
81 40 days of not less than eight hours each in the first year, and a like amount in each year up to five, dating from date of recording. The total amount of 200 days may be completed in a less period, and any excess may be credited to subsequent years.

The following work is acceptable for assessment purposes: *Section*

Manual labour in stripping, trenching, and opening up mines.

Diamond drilling to a minimum of 25 feet per hole.  
Boring by other than core drill to a depth of more than 1,000 feet, if a permit is obtained from the Minister.  
Work by compressed air drill or other power-driven rock drill.

Geophysical, geological, and airborne magnetic surveys, with a maximum allowance of 40 days to a claim.  
Stripping by bulldozer or other mechanical equipment to a maximum of 100 days to a claim.

Survey by Ontario Land Surveyor may be counted as 40 days for any period following the first year after recording.

A licensee holding up to 18 contiguous claims recorded in his name may do the required work on one or more of them, and such work shall apply to all claims in the group.

***Inspection of Claims***

The Minister or his appointee may inspect a claim at any time for the purpose of ascertaining whether the provisions of the Act have been complied with, but after a certificate of record has been issued no such inspection for the purpose of ascertaining whether staking has been properly carried out shall be made except by order of the Judge. 92

The Judge or recorder may in case of dispute order an inspection of any mining claim.

***Compensation for Surface Rights***

Where the surface rights of land have been granted, sold, leased, or located, and the under-rights have been reserved to the Crown, or where land is occupied and the occupant has made improvements such as, in the Minister's opinion, entitle him to compensation, a licensee must compensate the occupant for any damage caused, and in default of agreement the Judge may determine the amount and condition of such compensation. The Judge's decision may be appealed only when the amount involved exceeds \$1,000. 95

***Issue of Patent or Lease***

A licensee is entitled to a patent or lease on due compliance with the requirements of the Act, and on payment of the required purchase price or rent. 97  
98



## Mining Laws

*Section* Application for patent or lease must be made within one year from the date on which assessment work is required to be completed. The price per acre of Crown lands patented as mining claims is \$6 in surveyed and \$5 in unsurveyed territory; for patented mining rights the price is one-half the above. If the licensee prefers, he may lease the land. Such leases are for a term of ten years, renewable in perpetuity. Rent is \$1 an acre for the first year and 25 cents for subsequent years, but the minimum rent shall be \$10 for the first year and \$5 for each subsequent year.

Additional rent and assessment work may be required if the area involved exceeds by more than five acres the prescribed areas as defined above (50).

### *Treatment of Ores*

102 With the exception of iron ores, all ore or minerals taken from lands disposed of under this Act subsequent to 11 April 1917 must be treated and refined in Canada so as to yield refined metal or other product suitable for direct use in the arts without further treatment.

### *Timber*

103 All patents or leases of Crown lands issued under this Act reserve all timber and trees to the Crown, and the right to cut and remove such timber and trees may be exercised by any person holding a licence or permit from the Minister of Lands and Forests.

A claim holder or the owner or lessee of lands acquired under the Act and on which no disposition of the timber has been made may cut such trees as may be necessary for building, fencing, or fuel purposes or for any other purpose necessary for working the minerals either free or on such conditions as the Minister of Lands and Forests may impose. If a licence or permit to cut timber has been granted, due compensation must be paid for any timber cut for mining purposes, and in case of dispute the decision of the Minister of Lands and Forests shall be final.

The acquisition of mining rights only does not convey any right to cut trees on the land involved.

### *Surveys*

105 Before application is made for patent of a mining claim in unsurveyed territory, the claim must be surveyed at the expense of the applicant by an Ontario Land Surveyor.

106 The Minister may direct that a like survey shall be made in surveyed territory if he deems it advisable.

107 If the survey shows that the claim exceeds the prescribed acreage, the Minister may make such reduction as he sees fit.

*Placer Mining**Section*

The provisions of the Act governing the mining of valuable mineral in place apply, so far as is practicable, to placer mining. 108

*Petroleum, Gas, Coal, and Salt*

A licensee may secure a boring permit, good for one year giving the exclusive right to prospect for petroleum, natural gas, coal, or salt on land open for prospecting and staking in that part of Ontario lying north and west of the River Mattawan, Lake Nipissing, and the French River. 109

Staking applications must be filed with the recorder within 60 days of the date of staking for lands staked in any part of the Patricia portion of the territorial district of Kenora not included in the Patricia, Red Lake, or Kenora mining districts or in any territorial district not included in a mining division, and within 30 days in all other cases.

The area included in a boring permit in unsurveyed territory shall be rectangular in form, not over 640 acres in extent, with boundary lines running north-south and east-west; in surveyed territory the maximum area is 640 acres but the tract need not be rectangular and may consist of any number of contiguous lots forming quarter-sections or other subdivisions of a section.

The permit holder must, within two months of the granting of the permit, begin boring, sinking, driving, or otherwise searching, expending thereon not less than \$2 an acre.

On proof that all conditions have been fulfilled, a renewal for one year may be granted on the same conditions as the original.

A licensee may not hold more than three boring permits or stake out more than three areas in any one licence year. Permits may be transferred by consent of the Minister.

If the Minister is satisfied that a commercial deposit has been located, the permittee may secure a ten-year lease at an annual rent of \$1 an acre, and subject to the expenditure of not less than \$2 an acre on development. The lease may be renewed for a further ten-year period on the same terms and, on expiry, for a term of 20 years on such terms as are agreed on or are provided by statute. 110

Rights under the lease apply only to petroleum, natural gas, coal, or salt. All other valuable minerals are reserved to the Crown and are open to prospecting or staking, subject to the payment of due compensation to the lessee.

Permittees and lessees are not entitled to timber on the land, but if the timber is in the public domain the operator may, with the permission of the Minister of Lands and Forests, cut and use such quantity as may be necessary to his operations.

## Mining Laws

*Section*           The Minister may, with the approval of the Lieutenant-Governor  
111           in Council, make special regulations covering prospecting for petroleum  
and natural gas in that portion of the province lying north of the  
transcontinental railway. As promulgated by Regulation 7/54, these  
provide generally for permits covering a rectangular area with boundaries  
running north-south and east-west, no boundary to exceed ten miles  
in length.

The permit is for a three-year term, and no one may hold or acquire more than three permits in any 12-month period. If, during the term of a permit, the holder drills to the Precambrian horizon, the Minister may issue a new permit for the same area, subject to the terms and conditions of the first and to the proviso that the holder shall drill another well to the Precambrian horizon during the first year: such a permit is not renewable.

A permittee must begin operations within 90 days of the date of the permit, and during the first year must expend a sum averaging \$50 a square mile or \$2,500, whichever is the greater, and during each of the last two years a sum averaging \$100 per square mile or \$2,500, whichever is the greater. Any excess expenditure may be credited to a later year or years.

Following discovery of oil or gas in commercial quantities, the permittee shall, within 90 days of receiving from the Minister, make preliminary application for a lease of not more than 50 per cent of the area covered by the permit. Within six months of the application, or such extension as the Minister may authorize, the applicant shall have the lands to be included surveyed by an Ontario Land Surveyor.

The lease will have a term of 21 years at an annual rent of 50 cents an acre. The lease may be renewed so long as commercial production is secured. Royalties are payable at a rate of 1½ cents per 1,000 cubic feet of gas and 10 per cent of the well-head value of oil.

### ***Dredging Leases***

Dredging leases for the recovery of alluvial gold, platinum, precious stones, etc., are governed by Consolidated Regulations 297, made under authority of Section 112 of the Act.

Leases are granted for ten-year terms, renewable for one like term, at an annual rent of 25 cents an acre.

The leases are subject to provisions protecting the use of navigable waters, rights of access to shores, rights of timber operators to drive logs, and rights-of-way for railway construction.

**Quarrying Permits**

Section

A quarrying permit must be secured for the removal from Crown lands of limestone, marble, granite, quartzite, feldspar, or any other stone or rock quarried for any commercial or industrial purpose, gypsum, diatomaceous earth, clay, marl, peat, sand, or gravel.

113a

Where less than 1,000 cubic yards or tons of material are concerned, the permit may be secured from a recorder. For larger quantities, application must be made to the Minister or Deputy Minister.

**Mining Court**

(Sections 114-125)

The Mining Court of Ontario is a court of record, presided over by a judge appointed as provided by the British North America Act. Section 115a provides for the appointment of a second judge, whose functions shall be similar in all respects to those of the first.

Actions of any nature concerning mining lands shall be brought and determined before the Court, except that it shall not have power or authority to declare forfeited and void or to cancel or annul any Crown patent, and except for matters concerning liens for wages (Section 191).

**Geological and Geophysical Surveys**

If the Minister is satisfied that an area cannot be explored for its mineral possibilities by other than geophysical or other technical methods, he may, subject to the approval of the Lieutenant-Governor in Council, issue a licence for the carrying out of such surveys.

Licences shall cover one parcel of land only, not exceeding 64,000 acres, and shall be for a term of three years at an annual fee of \$1,000.

Before a licence is issued, a deposit of \$25,000 must be made with the Minister, which sum shall be retained until the licence expires or is surrendered, when it shall be returned to the licensee if all conditions of the licence have been complied with to the satisfaction of the Minister, and if not shall be forfeited to the Crown.

A licensee must submit plans of work proposed to the Minister within 90 days of licence date or anniversary, and if they are approved must begin work within six months thereafter. He must expend annually on approved work a sum equal to \$1 an acre and in any case not less than \$25,000. Full data of work done must be placed at the Minister's disposal.

If the Minister considers the licensee has found a deposit of economic importance, he may grant a lease for not more than 10 per cent of the licence area: the term will be ten years and the annual rent not less than 50 cents or more than \$5 an acre.

Ten-year renewals may be granted on such terms as the Minister deems appropriate.

## **Mining Laws**

### **Forfeiture**

The following may constitute reasons for the forfeiture of mining rights:

Allowing rent on lease to fall into arrears; 47-3, 110-2.

Use of land staked for mining for other purposes; 70.

Non-compliance with Act as to staking and recording within specified time; 87.

Non-renewal of licence as required; 88a.

Removal or defacement of stakes or posts for purposes of fraud or deception; 88b.

Failure to perform work as required; 88c, 110-2, 200.

Failure to report work as required; 88d, 200.

Failure to apply and pay for patent; 88e.

### LIST OF ACTS AND REGULATIONS

The Mining Act, R.S.O. 1950, Chap. 236, and amendments to date.

The Mining Tax Act, R.S.O. 1950, Chap. 237, and amendments to date.

The Water-Wells Drillers Act 1954, and amendments.

The Damage by Fumes Arbitration Act, R.S.O. 1950, Chap. 87, and amendments.

The Unwrought Metal Sales Act, R.S.O. 1950, Chap. 404.

The Railway Act, R.S.O. 1950, Chap. 331, and amendments to date.

The Beach Protection Act, R.S.O. 1950, Chap. 32, and amendments to date.

The Corporations Act to 1953 and amendments.

The Corporations Information Act, 1953.

The Ontario Securities Act, R.S.O. 1950, Chap. 351, and amendments to date.

The Ontario Fuel Board Act, 1954, and amendments.

### REGULATIONS

Regarding the Survey of Mining Claims.

Regarding the issue of licences of leases for petroleum and natural gas in Great Lakes.

Regarding Safety.

Regarding Dredging Leases.

Regulations under the Unwrought Metal Sales Act.

Regulations under the Water-Wells Drillers Act, 1954.

Regulations under the Beach Protection Act.

### **Royalties**

There are no royalties on ores mined in Ontario, but charges are levied on sand and gravel dredged from the lands of the Crown under water.

SCHEDULE OF FEES  
THE MINING ACT OF ONTARIO

(Section 198)

1. For a miner's licence or renewal thereof for an individual. (See section 26) .....	\$ 5.00
2. (Repealed).	
3. The fee for a miner's licence, or renewal thereof, for a company shall be based on its authorized capital, as follows:	
(a) Where the authorized capital does not exceed \$50,000 or 50,000 shares of no par value .....	25.00
(b) Where the authorized capital exceeds \$50,000 or 50,000 shares of no par value but does not exceed \$1,000,000 or 1,000,000 shares of no par value .....	50.00
(c) Where the authorized capital exceeds \$1,000,000 or 1,000,000 shares of no par value .....	100.00
4. For recording each boring permit staked out by a licensee .....	10.00
5. For recording each claim of the first nine claims in a mining division and for each additional claim .....	5.00 10.00
6. For examining claim record book, per claim. (See section 10) .....	.25
7. For inspecting any document filed with a mining recorder. (See section 11) .....	.25
8. For recording a dispute, per claim. (See section 61) .....	10.00
9. For certificate of record of claim. (See section 63) .....	1.00
10. For certificate of performance of working conditions. (See section 180) .....	1.00
11. On filing appeal from recorder's decision. (See section 129) .....	10.00
12. On filing appeal from Judge's decision. (See sections 146, 198) .....	20.00
13. For filing a transfer of the whole of or any interest in a mining claim .....	5.00
13a. For filing an agreement, power of attorney or revocation thereof, copy of writ of execution, discharge of execution or any other instrument affecting any recorded claim, right or interest, per claim .....	2.00
14. For a "Substituted Miner's Licence". (See section 30) .....	1.00
15. For special renewal license under section 89, to save forfeiture, twice the prescribed licence fee.	
16. (Repealed).	
17. (Repealed).	
18. For recording an order of the Judge relieving against forfeiture or loss of rights, extending the time for performing working conditions, or both, or authorizing the filing of a belated report of work, affixing metal tags or making application and payment for patent or lease, per claim .....	5.00

**Mining. Laws**

19. For recording an order or judgment of the Judge, or made on appeal from him, per claim. (See section 79) .....	1.00
20. For recording a certificate that interest in claim or other recorded right or interest is called in question, per claim. (See section 79)....	10.00
21. For copies or certified copies of any document, paper or record obtained from any officer, per folio .....	.10
22. For every affidavit sworn before a recorder .....	.25
23. For abstract or copy of entries in record book respecting any mining claim .....	.50
24. For filing an application for a mining claim under section 61 .....	10.00
25. For a quarry permit covering an area of 40 acres or less .....	10.00
and for each additional acre over 40 or part thereof .....	.25

PRINCIPAL OFFICIALS  
DEPARTMENT OF MINES  
Minister  
Deputy Minister  
Chief Inspector of Mines

Mining recorders are located at the Department of Mines, Toronto, and at Elk Lake, Fort Frances, Haileybury, Kenora, Port Arthur, Red Lake, Sault Ste. Marie, Sioux Lookout, Sudbury, Swastika, and Timmins.

Mining claim inspectors are located at Haileybury, Kenora, Port Arthur, Port Hope, Sault Ste. Marie, Sudbury, and Swastika.

For copies of the Mining Act and Regulations, or for fuller information, write the Deputy Minister, Department of Mines, Toronto, Ontario.

## CHAPTER VII

### QUEBEC

The mining law of Quebec, as it is found in the Quebec Mining Act, 1955, contains all the legislative provisions of the province at present in effect on the subject. The first general mining act dates back to 1880. Previously, certain rules or decrees had been promulgated, but they were enacted for protecting local interests in the development of particular mineral deposits.

The Quebec Mining Act is administered under the direction of the Minister of Mines.

#### THE QUEBEC MINING ACT

In summarizing the provisions of this Act, reference to the penalty clauses is omitted and attention is confined mainly to the clauses describing the practical steps to be taken, that is, the parts that refer to property rights, following up all phases through which the land passes from the moment of its leaving the public domain to its final acquisition by a private individual. The above-mentioned stages may be reduced to three: (1) prospecting of a claim covered by a miner's certificate. (2) the period of development required by the development licence; (3) the mining concession. The last is subdivided into "mining concession" and "underground mining concessions". It may also be merely conditional or made final by the issue of letters patent.

Aliens enjoy the same privileges in regard to mining rights as do Canadian citizens.

#### SUMMARY OF REGULATIONS

Cost of miner's certificate .....	—\$10.
Size and form of claims .....	—Four-line; N-S, E-W, 1,320 feet square; 40 acres in unsurveyed territory. Lots and half lots in surveyed and subdivided territory.
Number of claims per year .....	—5 in own name. 10 by proxy south of 50th degree latitude. 20 by proxy north of 50th degree latitude.
Time to record after staking .....	—15 days if located 50 miles in straight line from railway; over 50 miles, an additional day for each 10 miles or part thereof.



## Mining Laws

- Assessment period .....—One year from staking date, unless north of 50 degrees north, when two years are allowed.
- Number of claim grouped .....—5 claims generally; 15 claims if diamond drilling or underground working are concerned.
- Assessment requirements .....—25 man-days of 8 hours per claim, unless north of the fiftieth degree of north latitude, when 50 days are prescribed.
- Payment in lieu of work .....—\$3 per acre plus the usual fee of 25 cents per acre. Note: After October 31, 1955.
- Rental .....—25 cents per acre after assessment work done.
- Final title .....—Patent.
- Geological and geophysical surveys—Recognized under Section 80.

### *Section Miner's Certificate*

- Anyone 18 years of age or over may obtain a Miner's Certificate.
- 53 All certificates expire on the first day of January following the date of issue. If a certificate is lost or damaged a duplicate may be secured. In the following, the word 'licensee' means the holder of a Miner's Certificate in good standing.

### *Privileges of a Licensee*

- 58 A licensee may prospect on all public lands, whether surveyed or unsurveyed, including lands belonging to private persons where the mining rights have been reserved to the Crown, but not on any land that is the subject of a claim, under development licence, or withdrawn from staking by competent authority.
- In the case of privately owned lands, prospecting may take place only when the consent of the owner has been secured or, if consent is refused, upon authority of the Mining Commissioner, who shall determine the amount of compensation payable and the manner of payment.
- 60 On unsurveyed lands, a licensee may stake not more than five claims, each covering not more than 40 acres. Each claim must be marked by properly inscribed stakes at each corner and by well-blazed lines. The stakes must have a diameter of about 4 inches and must stand about 4 feet above the soil.
- 61 In surveyed territory, a licensee may stake out one or two lots of 100 acres each, or half lots, provided that the total area of land shall not be more than 200 acres. In the case of lots of over 120 acres, the claim may comprise a quarter lot only.

A licensee who begins staking out a claim must complete same before starting to stake out a second, and notice of it must be given within the 15 days following to the Bureau of Mines or to the nearest mining recorder having jurisdiction. However, in the case of claims situated more than fifty miles from a railway in a straight line, one extra day is allowed for each ten miles or part thereof.

Section  
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At the expiration of such delay, a certificate of the recording of the claim shall be given to the applicant, if no opposition to the claim has been filed.

A licensee may stake claims on behalf of two other licensees up to 400 acres in a year. North of the 50th degree of north latitude, a licensee may stake 200 acres for himself and up to 800 acres by proxy annually. Proxy stakings for coal, oil, gas, salt, or iron sands (Sec. 85) may not exceed 2,560 acres a year.

64

The holder of claims may transfer his rights by consent of the Minister, but such transfer must be registered to be valid as regards the Crown.

34

Any person who has staked out the maximum area allowed may, after having abandoned this area or disposed of it, secure a new miner's certificate, which is issued free. This certificate does not give the holder the right to stake out claims in the names of other persons.

62

A claim may be abandoned provided notice to that effect is given to the Bureau of Mines. Land so abandoned cannot be reopened for prospecting or restaking until a period of 20 days has elapsed from the date of abandonment or expiration of the claim or license. If, however, such land remains free for 60 days from the date of abandonment or expiration it may be again taken by or on behalf of the former holder.

72, 73

A claim shall be valid during a period of twelve months from the date marked on the stakes, except in the case of a claim situated north of the 50th degree of north latitude, when it shall be valid during a period of twenty-four months from such date.

75

Every holder must, within such period, or within ten days of its expiration, obtain a development licence. The application therefor must be accompanied by the amount of the fee and rental, a satisfactory description of the claim, and a sworn declaration attesting the prospecting or development work done since staking.

#### **Development Licence**

The Development Licence authorizes the holder of mining claims to continue the search for minerals and to develop his discovery.

77

There are two kinds of development licences:

- (a) Private lands development licence, where the mining rights belong to the Crown;
- (b) Public lands development licence.

78

## Mining Laws

Section 79 The fee for a licence is \$10, and the annual rent 25 cents an acre. The licence is valid for one year from the date of issue and is transferable only with the consent of the Minister. In unsurveyed territory, the licence cannot be granted for more than 200 acres, or in surveyed territory for less than a half lot in the case of lots of 120 acres or less, or less than a quarter lot in the case of lots of over 120 acres.

The holder of such a licence may renew it before it expires, or within ten days thereafter, on payment of a like fee of \$10 or such other sum as may be prescribed and of an annual rent of 25 cents an acre and on filing an affidavit stating that the required development work for the current year has been done.

88 A licensee or owner of mining rights underlying privately owned lands must secure the consent of the owner of the surface rights before undertaking development or mining work. If consent is refused, the Act provides for settlement by arbitration.

### *Mining Concession*

31, 45 Once development work has outlined a deposit considered exploitable, the holder of the claim must, before beginning mining operations as such, obtain a Mining Concession, that is, a grant to the land under title of sale.

30, 41 To obtain this, the claim must be surveyed (in unsurveyed territory) and the licensee must pay the Department of Mines the sum of \$15 per acre for superior metals and \$9 per acre for inferior metals.

In unsurveyed territory a mining concession comprises a rectangular area of not more than 200 acres or less than 40 acres, in adjoining or separate claims.

25 In surveyed lands and in seigniories, the limit is fixed at not more than two lots, but not less than a half lot, in the case of lots less than 120 acres in area; or of not less than a quarter of a lot where the lots are 120 acres or more. Certain exceptions are provided in special cases when, by Order in Council, the area can be extended to cover 1,000 acres.

48 The holders of concessions may use timber for the construction of buildings necessary for their operations on paying stumpage dues on white and red pine only.

43 Unless stipulated to the contrary in the letters patent, in every concession for the mining of superior metals, the purchaser has the right to mine for all metals that may be found therein, but in every concession for the mining of inferior metals he has the right to mine for inferior metals only.

49 Mining lands are sold only on the express condition that the holder shall begin mining within two years and that during this period

he shall spend in preparatory work a sum of at least \$1,000 per hundred acres in the case of superior metals and \$500 in the case of inferior metals. Section

Upon satisfactory proof that all the conditions have been fulfilled, Letters Patent confirming the sale will be issued. There is no fee for this issuance.

Once mining is in progress, the producing mine is subject to certain duties by the government. These duties are based on the annual profits from exploitation. 13, 14

Any concession of land for exploitation of the ore to be found therein for which letters patent were issued before the 1st of July 1911, and any concession of land containing ore made before the 24th of July, 1880, the working of which has remained idle during the twenty-one years following the 1st of March, 1934, may be revoked as to the mining rights by the Lieutenant-Governor in Council, upon the recommendation of the Minister. The lands are then the object of a special licence and the former owner of mining rights is entitled to 5 per cent profits on exploitation. 50

#### *Lands Open for Staking*

From and after the 24th of July, 1880, it is not necessary in any grant or sale of Crown lands, (not being at the same time mining concessions), by letters patent or other titles granted or executed by the Crown, to mention the reserve of mining rights, which reserve shall exist in favour of the Crown. 7

As respects the Crown, mining rights so tacitly reserved constitute a property under the soil separate and independent from that of the soil above it. 8

All lands supposed to contain mines or ores belonging to the Crown, may be occupied, prospected and developed under a development licence, or worked after having been acquired as a mining concession by purchase. The Minister may authorize the holder of a development licence to extract and ship each year, to any ore-treatment mill situated in the province of Quebec, a quantity of ore not exceeding three hundred tons. The Minister may exercise the same discretion in the case of substances which, within the meaning of sub-paragraph 2 of section 4, are neither mines nor minerals when found in the lands of private parties, and may authorize the exploitation thereof on Crown lands, under a development licence. In the latter case, the licence is issued upon payment of a fee of \$10 and of an annual rent of \$1 an acre. 31

The mining rights belonging to the Crown in the lands of private individuals may also be acquired in the manner indicated above. 32

## Mining Laws

### Section *Lands Not Open for Staking*

- 33 Lands set aside by the Crown as village or town lots, lands subdivided into building lots and entered as such by the owner on the official plan and book of reference, and lands lying within the boundaries of a city or town duly incorporated as a municipality may be staked only with the consent of the Minister. Lands alienated by the Crown under the Water-Course Act for the development of hydraulic power and lands situated less than three chains from such lands may be staked only by the authorization of the Lieutenant-Governor in Council.

Nat. Parks Act., Chap. 156 R.S. 1941. Que. Mining Act., Chap. 196 R.S. 1941.

Other territories withdrawn from prospecting are as follows: The Laurentides National Park; Mont Tremblant Park; Gaspesian National Park; Mont Orford National Park; Basques Island, the two Razades, Pommès Island, and Damours Islet, all situated off the shore opposite Trois-Pistoles and Saint-Simon in the counties of Rivière-du-Loup and Rimouski.

- 9 All mines belonging to the Crown under the law or titles of concession and situated under land conceded before the 24th of July 1880 in any township, with the exception of gold and silver mines, are abandoned by the Crown and belong exclusively to the owner of the surface, provided the latter has not divested himself of his right of pre-emption existing under previous law.

### *Metal Plates*

- 60 Metal plates numbered 1, 2, 3, and 4 and bearing the number of the miner's certificate of the holder shall be affixed to the corner post of each claim, the northeast post bearing the number 1, the southeast post bearing the number 2, and so on. These plates are furnished by the recorder free of charge.

### *Size of Claims*

- 60-63 On unsurveyed lands, claims must be 20 chains square with boundaries running north-south and east-west. In surveyed territory, lots of 100 acres each may be staked out, or half lots, as the north, south, east, or west half as the case may be, provided that the total area of land staked shall not be more than 200 acres. In the case of lots of over 120 acres, the claim may comprise a quarter lot only. In surveyed or unsurveyed territory, every parcel of land situated between claims already staked out, or adjacent to such claims, may be staked out in accordance as much as possible with the provisions of the Act, but the Minister may refuse recognition thereof if the applicant has no interest in the adjacent claims, or he may divide the parcel of land between the holders of adjacent claims in such proportion as to him may appear just.

<i>Assessment Work Requirements</i>	<i>Section</i>
Within the 12 months following the date of staking, the holder of a claim must prove that he has done development work equivalent to 25 eight-hour days on each 40 acres or portion thereof of 20 acres or over, and to 12 days on portions less than 20 acres.	79
In the case of claims situated north of the 50th degree latitude, the claim holder has 24 months to complete the equivalent of 50 days of 8 hours work on each claim.	75
Prospecting and development work shall consist of rock stripping, trenches, excavations into rock, diamond drilling, surveying of claims, mining shafts, drifts and cross cuts, and other mining work. The Minister may, moreover, accept to such an extent and upon such conditions as he may deem expedient, geological work, geophysical and other scientific research work.	80
The complete survey of a claim in accordance with the provisions of section 30 shall be accepted as development work to the extent of 25 days of 8 hours each. But the establishing of the outside lines only of a group of claims shall only give right to 6 days of 8 hours each for each claim line so surveyed.	79
The holder of a group of not more than five contiguous claims may concentrate the development work on any one claim.	82
The Minister may, however, extend this provision to a larger group, not exceeding fifteen contiguous claims, if diamond drilling or underground working be concerned.	
When adjacent lands are partly under mining concession and partly under development licence or under mining claim in the name of the same person, firm or company, and may be considered as one and the same enterprise, it shall be lawful for the Minister to permit all the work necessary for the issuing or renewing of the licence to be done on the lands covered by the mining concession.	79 (7)
 <i>Cancellation of the Sale of Mining Lands</i>	
Mining lands are sold on the express condition that the purchaser shall commence mining operations within 2 years from the date of purchase and during that time he shall spend for every section or lot of 100 acres, a sum not less than \$1,000 if for superior metals, and not less than \$500 if for inferior metals.	49
All mining land and underground mining concessions thus sold which have not been patented on the expiration of the delay of 2 years and those for which the letters patent have been issued since July 1, 1911, shall be subject to an annual tax of 10 cents per acre.	50
Any concession of land for mining purposes for which letters patent were issued before July 1, 1911, and any concession of land	

## Mining Laws

*Section* containing ore made before July 24, 1880, the working of which has remained idle during the twenty-one years following the 1st of March 1934, may be revoked by the Lieutenant-Governor in Council upon the recommendation of the Minister.

### *Conditions Precedent to Sale*

45 No land, whether surveyed or unsurveyed, shall be sold under the Act unless some indication of the presence of minerals is established to the Minister's satisfaction by the submission of specimens found on the land in question with affidavits to that effect from competent and credible persons. If superior metals are concerned, there must be furnished in addition a certified report from a qualified engineer describing the nature and extent of the mineralization.

### *Registration*

34 Holders of mining rights under this Act may alienate them by consent of the Minister. A copy of the transfer document must be submitted to the Minister, who will, on receipt of a fee of \$10, register it. Transfers not so registered are null as regards the Crown.

### *Title*

44 Whoever has, by purchase, acquired mining land as a mining concession, and can show that he has enjoyed public and peaceful possession thereof for ten years, shall be considered to have established a prescriptive right thereto.

Whoever has acquired, with title, mining rights in privately owned lands, and can show that he has enjoyed public and peaceful possession thereof for thirty years shall be considered to have established a prescriptive right thereto. Registration of title of acquisition of mining rights shall constitute public possession with respect to this paragraph.

In both the above cases, the rights of the Crown are reserved.

### *Powers of Licensee on Private Lands*

88-111 These sections deal with the right of the holder of a development licence and the owner of mining rights on private lands to carry on such operations as are necessary to develop and mine the deposit, either by the consent of owner on agreement as to adequate compensation for use and damage or, if such consent is refused, following arbitration.

### *Timber*

47 All timber, not already within a timber limit, on lands sold as mining lands is reserved to the Crown. The right to cut such timber may be granted under the Lands and Forests Act, and the holder may make and maintain such roads as are necessary to his operations.

The holder of a mining concession or development licence may cut and remove such trees as he may require for building construction necessary to his operations on payment of the stumpage value of the red and white pine. Section  
48

#### *Mining Commissioner*

The Lieutenant-Governor in Council may appoint an officer to be called the Mining Commissioner who shall have exclusive power to settle any question or dispute relating to mining lands, save in the case of accidents or cases for which special provisions are made. The Commissioner's decisions may be appealed to the Court of Queen's Bench, provided that such appeal be taken within thirty days, and unless otherwise specially provided. 158-177

#### *Causes of Forfeiture*

- Use of land for other than mining purposes (35)
- Default in compliance with conditions governing the sale of mining lands (49)
- Failure to pay taxes due (50)
- Failure to work property (50, 87)
- Admission of claim or development licence by error or through fraud or misrepresentation (69, 79)
- Failure to apply for development licence within prescribed time (75)

Where claims have been abandoned or allowed to lapse, they are not open for staking until seven o'clock in the morning of the twenty-first day following the forfeiture. They cannot be restaked by the former holder unless they remain free for sixty days. 73

#### *Ownership of Buildings, Construction, etc.*

The holder of a mining claim or a development licence may erect thereon only such buildings as are necessary for his operations. Erection of any other buildings will render the claim or licence liable to cancellation unless the buildings are removed on due notice. 70

Camp houses or other legitimate constructions may be removed within six months of abandonment or expiration, after which time they become the property of the Crown.

#### *Claim Inspection*

All claims are open to inspection by the Crown to ascertain if the provisions of the Mining Act have been carried out, and the Department employs inspectors for this purpose. 117



## **Mining Laws**

### **Section Sand and Gravel**

4 (2) Sand and gravel used for mortar and concrete, road making and repairing etc., are not considered as mineral substances for the purposes of the Mining Act.

27 The Crown has full power to remove from the mining concessions and lands under development licence, the sand, stone and gravel which it may need for the construction or repair of its roads.

### **Lands Containing Gas, etc.**

85 In order to prospect on Crown lands for petroleum, natural gas, coal or salt, a licence either ordinary or for a long term is required which allows the holder to stake not more than 1,280 acres. The fee is \$10 and the annual rent 10 cents per acre. Work to the value of \$1 per acre must be done, and one renewal on the same terms may be granted. On expiration, if an economic prospect has been established, a long-term licence must be secured. The term is 10 years, and the rent 25 cents an acre annually. Ten-year renewals on the same terms will be granted so long as the mining lasts.

## **General**

### **Free Assay Coupons**

76 On recording claims, a claim holder is entitled to a ticket (value \$1.00) good for an analysis for every twenty acres in area covered by such claims; when the assessment work is performed and the development licence renewed, he shall receive one analysis ticket for every five dollars paid for his licence. Identification of minerals is made free of charge.

The Mining Act provides for legislation regarding party passages, damages resulting from mining operations, water courses, and excavations, works to facilitate the transportation of mineral products, for the construction of mining roads, and for geological exploration.

Miscellaneous provisions in the Mining Act deal with the use and application of dues, fees, and fines; provide for the sale of lands and reserves of mining lands; and provide also for municipal valuations of taxable mining property.

Provision is also made for the appointment of a mining commissioner, mining inspectors, mining recorders, and geologists, and the establishment of mining townsites. Up-to-date laboratories have been installed in Quebec as an aid to the mining industry.

**Safety Regulations**

The Mining Act contains detailed regulations governing the safety of workmen and underground mining operations. These are administered by the Chief Inspector of Mines. Mining inspectors are stationed in the main mining camps of the province.

**Mining Taxation**

The Quebec Mining Act provides that all mining land and underground mining concessions sold that have not been patented on the expiration of a delay of two years from the date of purchase, and those the letters patent of which have been issued after July 1, 1911, are subject to an annual tax of 10 cents per acre. This tax is remitted if at least \$200 has been spent in mining work during the year. (Chap. 196, Sect. 50).

**List of Acts**

The Quebec Mining Act, Revised Statutes of 1941.

The Quebec Security and Frauds Prevention Act.

Territory in which Prospecting for Minerals is Prohibited Act 1941, Chap. 156 and Orders in Council. (Published in the Quebec Official Gazette)

The Mineral Exploration Partnership Act 1941, Chap. 198.

The Unwrought Metals Sales Act (1941, Chap. 199).

The Municipal Organization of Mining Villages Act, 1941, Chap. 246.

An Act Respecting Coroners, Chap. 22.

National Park Act and Order in Council: Territories withdrawn from prospecting, Chap. 156.

**Regulations by Order in Council**

Regulations governing prospecting and drilling operations for combustible gas and petroleum.

**Regulations**

Regulations concerning the carriage and passage of water for mining purposes.

Regulations for the safety and protection of workmen in mines and quarries.

(See following section)

**Duties**

13 From and after the first day of January, 1935, every mine in the province shall be liable for, and the owner, manager, holder, lessee, occupant, or operator of the mine shall pay, the following duties:

- (a) On annual profits in excess of \$10,000 up to \$1,000,000 ..... 4 per cent
- (b) On the excess above \$1,000,00 up to \$2,000,000 ..... 5 “ “
- (c) On the excess above \$2,000,000 up to \$3,000,000 ..... 6 “ “
- (d) On the excess above \$3,000,000 ..... 7 “ “

The location of any smelter, mill, or refinery must be chosen or approved by the Lieutenant-Governor in Council. If ores are removed from the province for treatment, or are treated in a plant other than as specified in the previous sentence, the Lieutenant-Governor in Council may triple the duties set forth above.

All mines and mineral workings in the province, occupied or operated by the same person, or under the same management or control, or the profits of which accrue to the same person, shall for the purpose of determining whether there is liability for the payment of the duties herein above enumerated, be deemed to be one and the same mine, and not separate mines.

**Bounties—None.**

**Schedule of Fees**

Miner's Certificate .....	\$10.00
Registration of Claims .....	Free
Development Licence .....	\$10.00
Annual Rent with Assessment Work, per acre .....	0.25
Annual Rent (gas and oil), per acre .....	0.10
Mining Concession, superior metals, per acre .....	15.00
Mining Concession, inferior metals, per acre .....	9.00
Registration of Sale .....	10.00
Certificate of entry respecting any mining claim, per claim .....	0.10

PRINCIPAL OFFICIALS  
DEPARTMENT OF MINES  
Minister  
Deputy Minister  
Chief Mining Claim Recorder  
Chief Inspector of Mines

Mining Inspectors located at:

Montreal (Head Office and Montreal District)  
Noranda (Western Quebec District)  
Thetford Mines (Eastern Township)

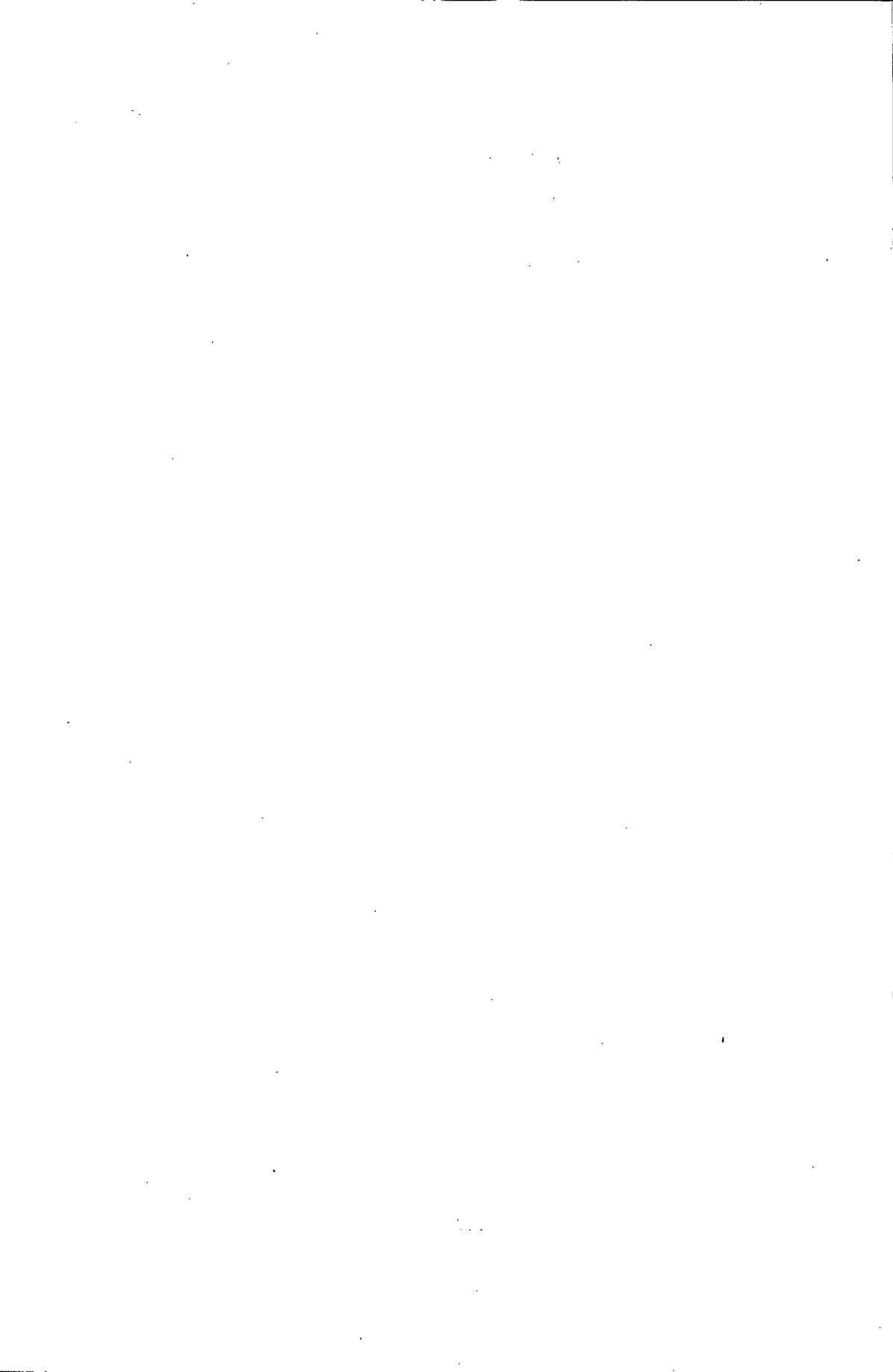
Mining Claim Recorders located at:

Quebec  
Noranda  
Chibougamau  
Amos  
Montreal

Agents of the Department located at:

Ville Marie  
Campbells Bay  
Val d'Or  
Hull

For more detailed information and copies of the mining laws of the province, apply to the Deputy Minister, Department of Mines, Quebec City, Que.



## CHAPTER VIII

### NEW BRUNSWICK

Most of the early land grants in New Brunswick reserved to the Crown only gold, silver, copper, lead, and coal. Since about 1805, all minerals have been reserved, and are regarded as property separate from the soil.

By legislative enactment, it has been prescribed that all oil, natural gas, radioactive minerals, salt, glauberite, and other intimately associated salts found in a natural state within the province are, and at all times have been, property separate from the soil, and that they are vested in the Crown in right of the province.

#### SUMMARY OF REGULATIONS RELATING TO MINING CLAIMS

Prospecting licence .....	—\$10 a year: renewable.
Size and form of claim .....	—Four-line, magnetic, 1,320 ft. square (40 acres).
Number of claims .....	—Ten per year per licence.
Time to record claims .....	—Thirty days from staking.
Cost of recording .....	—\$1 per claim.
Assessment work .....	—25 eight-hour days in first year, 50 in second, 75 in third; geophysical, geochemical, and geological surveys acceptable if approved by Minister.
Payment in lieu of work .....	—Not permitted.
Rent .....	—None.
Mining licence .....	—\$10 per claim annually; renewable on proof of work.
Mining lease .....	—\$10 per claim annually; term 20 years renewable up to 80.

#### THE MINING ACT

*(Chap. 146, R.S.N.B. 1952, and amendments to 1955)*

In this digest, 'Department' means the Department of Lands and Mines, and 'Minister' and 'Deputy Minister' the respective officials of that Department, which is responsible for the administration of the Mining Act. 'Director' means the Director of Mines, who is responsible, under the Minister, for carrying out the provisions of the Act; 'Inspector' means the Chief Inspector.

## Mining Laws

### *Section General Provisions*

7 Aliens are on the same footing as Canadian citizens, so far as this legislation is concerned.

9 No one may prospect for minerals or operate a mine until a licence or lease has been secured.

20 The holder of a licence or lease may not use any portion of the lands involved for any purpose other than opening up and working the mine.

### *Prospecting Licences*

21 Anyone over the age of 18 years may secure a prospecting licence on payment of the fee of \$10. Such licences expire on the 31st day of October following, and are not transferable. They may be renewed and, in case of loss, will be replaced by a substitute licence.

22 A licence holder may stake out one or more claims on any lands in the province, with the following exceptions:

Lands reserved by the Crown from prospecting or staking or which are the subject of Crown grants of mineral rights. If, however, such grants are for specific minerals, the land may be staked for other minerals; this applies also to lands staked or held under a valid licence or lease.

The consent of the tenant, owner, or lessee, or of the Minister, must be secured in the case of lands within a city, town, or village, lands occupied for railway purposes, lands used as public highways, lands occupied by any building or immediately attached thereto, or used as garden, orchard, or for cultivation.

23 A licensee staking lands within a timber licence will be responsible for the value of any timber cut or damaged, and in case of dispute the Minister shall make a final decision.

### *Mining Claims*

28 In unsurveyed territory, claims must be square, with sides 1,320 feet long and boundaries running north-south and east-west. In surveyed areas, the boundaries may conform to or lie parallel with lot lines, or may be laid out as defined in the last sentence.

A licensee may stake for himself or for another licensee, but may not stake more than ten claims for himself and ten claims for the other licensee in one licence year.

30 Within 30 days of staking a prospector must file an application for the claim with the Department.

As soon as reasonably possible, and in any event not later than three months after the date of recording, the holder of the claim shall cause to be affixed to the four corner posts metal tags that will be furnished free of charge by the Recorder. Section  
32

When a claim has been recorded for sixty days, and is not the subject of a dispute or other barrier, the holder may apply for a certificate of record. Such a certificate shall not, in the absence of mistake or fraud, be liable to impeachment or forfeiture except as expressly provided in the Act. 34

A claim recorded after October 31, 1953, is valid for one year from the date of recording, and may be extended yearly up to a total of 48 months from that date. 38

A claim recorded before November 1, 1953 which is presently valid may be extended each year for twelve months from the expiry date, but not beyond November 1, 1956.

To secure such extensions, the holder must satisfy the Minister that the required assessment work has been done, namely, on each claim, 25 eight-hour days up to time of first application, 50 eight-hour days up to time of second, and 75 eight-hour days up to time of third. If the holder has two or more contiguous claims, the required work for all may be done on one or more.

#### *Mining Licences*

The holder of a recorded claim or group of such claims, provided they are contiguous, may secure a mining licence covering the areas included in one or more of such claims provided that the required work has been done, the fees due paid, a return of survey has been accepted, and that a bond with sureties to the satisfaction of the Minister has been filed to compensate the owner of the surface rights for any damage done. 39

Such licences shall expire at 8 a.m. on the first day of November following date of issue, but may be renewed for twelve-month periods at the regular licence fee provided that proof is submitted that work has been done to the extent of 25 eight-hour days for each area of 40 acres covered by the licence during the period about to expire. 40

#### *Mining Leases*

The holder of a mining licence who has complied with all the conditions of the licence and has opened a mine which, in the opinion of the Inspector, has been properly worked for at least six months, may be granted a lease of the mining rights involved. 42

Rent is at a rate of \$10 a year for each 40 acres or part thereof, and the first year must be paid in advance. On the 30th of June 45



## Mining Laws

*Section* following the date of the lease, rent for the next year must be paid, and so on for the term of the lease: however, beginning with the payment on the second June 30 following the granting of the lease, the sum payable shall be the difference between the amount of the rent and the amount of any royalty accruing to the province in the period involved.

46 The term of the lease is 20 years, renewable on the same terms up to a total of 80 years from the date of the lease. At the expiration of such period, the Lieutenant-Governor in Council may negotiate with the lessee a further renewal on such terms as are deemed appropriate, or he may put up the mining rights for tender or declare the area open for staking.

48 No rights under a lease may be alienated without the consent of the Minister.

42 An applicant for a lease must enter into a bond with sureties to the satisfaction of the Minister to recompense the owner or occupier of any lands affected thereby unless he has secured a release from the parties concerned.

### *Royalties*

51 All ores or minerals mined, wrought, or otherwise obtained under authority of this Act are subject to such royalties as may be imposed from time to time by the Lieutenant-Governor in Council.

52 Coal royalties are payable on the 20th day of each month, and all others on the first day of each quarter.

54 In order to assure speedy development, the Lieutenant-Governor in Council may remit the payment of royalties for a period not exceeding ten years from the date of the lease.

### *Surveys*

65 Before a mining licence or lease is issued, the applicant must have the area surveyed at his expense, and must file a return of the survey with the Recorder and have it approved by him.

66 Such surveys may count as ten days' labour on each claim when included in application for licence or lease.

### *Entry on Lands*

101 Subject to Section 22 and other sections of the Act, a licensee or lessee may enter on any granted or Crown lands for prospecting and mining purposes, but must first give a bond satisfactory to the Minister for the payment of any damage caused to the rights or property of others. No mining licence or lease gives the right to go on cultivated

land, save by permission of the owner or occupier of the surface rights or by the permission of the Lieutenant-Governor in Council. The Crown also may claim compensation for damage done to Crown property. Section

Where the lands concerned are in a wooded district, the Minister may, in addition to any other security required, require that adequate precautions against fire be taken, and may also require that additional bonded security be given to cover damages by fire. 102

In case of failure to agree on the amount of damages, the matter may be settled by arbitration. 103

**Forfeiture**

Mineral rights may be forfeited in the following circumstances:

The Minister may revoke a licence if the holder is guilty of a wilful contravention of any provisions of the Act (21-8)

In case of failure to affix metal tags as required (32-3)

In case of failure to execute and file lease within required time (44-2)

In case of failure to perform work as required (58)

**Inspection**

Operations carried on on lands granted under this Act may be inspected by the Minister or anyone appointed by him at any time, and all plant and records must be made fully available for the purposes of inspection. 124, 125

**Geological or Geophysical Work**

Geological and geophysical work may be accepted in lieu of other required work on conditions laid down by the Minister. 128 (2)

SCHEDULE OF FEES

Prospecting licence .....	\$10.00
For recording each claim staked out by a licensee on his own licence or for another licensee .....	1.00
For recording each claim staked out by a licensee for a licensee being a corporate body .....	2.00
For extending a claim, per year .....	1.00
Mining licence per 40 acres per year .....	10.00
For receiving and filing a dispute .....	10.00
For certificate of record of claim .....	.50

**Mining Laws**

Rental of 20-year lease for each 40 acres, per 12 months .....	10.00
For filing transfer or agreement to sell or transfer the whole or part of a mining claim, mining licence or mining claim, mining licence lease, power of attorney, revocation of power of attorney, or any instrument affecting any recorded claim, right or interest, per claim .....	1.00

**PRINCIPAL OFFICIALS**

**DEPARTMENT OF LANDS AND MINES**

Minister

Deputy Minister

Director, Mines Branch

Registrar of Mineral Rights

For copies of the acts or regulations write The Director, Mines Branch, College Hill, Fredericton, N.B.

## CHAPTER IX

### NOVA SCOTIA

The general mining law of Nova Scotia is found in the Mines Act, Chapter 179, Revised Statutes of Nova Scotia, 1954. The law relating to the operation of coal mines, mines of stratified ironstone, of shale, and of fireclay is contained in the Coal Mines Regulation Act, Chap. 35, R.S.N.S., 1954. The law relating to the operation of quarries and mines other than those covered by the Coal Mines Regulation Act is contained in the Metalliferous Mines and Quarries Regulation Act, Chap. 176, R.S.N.S., 1954. The above Acts, with the Amendments made since, contain all the legislative provisions of the province now in effect on the subject.

The first general mining act was enacted in 1885. Previous to that year, mines were operated under ordinances, rules, and decrees which purported to control the operation of mines within the province but could not be regarded as general mining law.

All minerals in Nova Scotia are the property of the Crown in the right of the province of Nova Scotia with the exception of limestone, gypsum, and building materials, which are the property of the owners of the soil.

Aliens enjoy the same mining rights as do Canadian citizens.

Crown lands, whether ungranted or under timber licence or lease, may be entered upon and prospected only with the consent of the Minister of Lands and Forests and upon such terms as he may prescribe.

The Mines Act and other Acts are administered, under the direction of the Minister of Mines, by the Nova Scotia Department of Mines.

In this digest, 'Act' refers to The Mines Act, and the words 'Minister' and 'Deputy Minister' to the respective officials of the Department of Mines.

#### SUMMARY OF REGULATIONS RELATING TO MINING CLAIMS

Cost of licence .....—\$10—Prospecting Licence.  
Size and form of claims .....—Areas of ground bounded by each 30 minutes of longitude and each 15 minutes of latitude are divided into quarters and each quarter into 108 tracts containing one square mile each. Each tract is further subdivided into 16 claims, 1,320 feet square, of 40 acres each.

## Mining Laws

- Number of claims per licence .....—16 contiguous, not exceeding 4 north and south and 4 east and west.
- Time to record after staking .....—None specified.
- Assessment period .....—Eleven months from date of licence.
- Number of claims grouped .....—Any or all, provided they are contiguous.
- Assessment requirements .....—80 man-days' work each licence year per claim, 20 within three months of licence date; the rest within 11 months of licence date.
- Payment in lieu of work .....—None.
- Rent .....—None.
- Final title .....—Lease for 20 years, renewable.
- Geological and geophysical surveys—Reports by R.P.E. registered as geologist accepted, provided they interpret new information made available by the work of the licensee.

### Section

- 19 The boundaries of mining lands shall be based on the National Topographic Series map sheets published on a scale of one inch to one mile by the Department of Mines and Technical Surveys (Canada). Each such map sheet shall be divided into quarters, and each quarter subdivided into 108 tracts of approximately one square mile. These tracts are further subdivided into sixteen parcels of approximately 40 acres each, and for the purpose of the Act such parcels are termed 'mining claims'.

### Prospecting Licences

- 21 Prospecting licences may be secured by application to the Minister: the fee for a licence or renewal is \$10. One licence will cover up to sixteen contiguous claims not exceeding four north and south and four east and west. No licence will be granted for less than a full claim except where areas are already held under licence or lease within the boundaries of a claim, when a licence may be issued for the remainder.

- 28 A mining company holding a prospecting licence may stake an unlimited number of claims thereon. Such claims may be staked on behalf of the company by any holder of a prospector's licence.

- 30 The term of a licence is one year and it may be renewed each year for five consecutive years if the Minister is satisfied that the work requirements of the Act have been adequately fulfilled and if the renewal application, accompanied by the fee, is forwarded before the expiry date.

The licence entitles the holder to prospect for all minerals specified therein and to mine them for test purposes but not commercially. Section

The licensee shall perform at least one-quarter of the prescribed work within the first three months, and the remainder within the first eleven months. The work shall consist of such operations as stripping, trenching, shaft sinking, driving tunnels, and like procedures to the extent of 80 man-days' work in each licence year on every claim or fraction thereof. Expenditures on such matters as construction of roads, cabins, and head-frames; installation of mining equipment; surveys; laboratory work; and certain reports may be accepted in lieu of the prescribed work as the Minister may decide. 33  
35

If the licensee has performed on one or more contiguous claims an amount of work equal to that required to have been done on the whole of the claims, the work requirements of the Act shall be deemed to have been complied with.

#### **Mining Leases**

Lease applications must describe the land applied for and if they concern the right to mine a veined mineral the application must be accompanied by payment at the rate of \$20 for each claim or part thereof: if the lease is for the right to mine bedded mineral, a payment of \$50 must accompany the application. All leases are subject to the rights of the owners, tenants, or occupants of the lands involved. 37

Leases are granted for a specific mineral, but are deemed to permit the mining of minerals included in or associated with it. The term of a lease is twenty years, and it may be renewed for like periods on such terms and conditions as may be laid down. No lease will be issued for less than one claim or for more than sixteen contiguous claims, of which no more than four may run north-south or east-west. 39  
40  
43

A lessee is required to carry out, in each lease year, development work to the extent of at least 600 feet or its equivalent, as indicated below, in excess of any stopping or mining of ore or mineral. In this context, one foot of shaft sinking shall count as two feet. 45

Expenditures on matters as specified under Section 35 above are acceptable in this connection, and excess work may be applied on other leases held.

#### **Rent**

Lease rent is payable on July 2, and a lessee may pay for as many years in advance as the Minister chooses to accept. 53

## Mining Laws

*Section* In the case of veined minerals, the yearly rent is 50 cents an  
54 acre, and in the case of bedded minerals \$30 a square mile annually,  
except for the first year.

56 In the case of a consolidated lease (Sec. 84), the annual rent is  
\$30 per square mile or fraction thereof.

### **Forfeiture**

Rights acquired under this Act may be forfeited in any of the  
following cases:

If obtained by misrepresentation or fraud (17)

Failure to report development work as required (33)

Failure to pay lease rent or royalty as required (57)

Failure to comply with work or other requirements of  
lease (58)

### **Royalties**

60 Royalty, as set forth below, is payable to the Crown on all minerals  
or ores taken out under this Act. Royalties are payable on the tenth  
day of January, April, July, and October in each year.

70 Royalties are payable as follows:

Coal: Twelve and a half cents per long ton.

Iron: Five cents per short ton.

Gold: Thirty-five cents per ounce.

Silver: Two cents per ounce.

Copper: Four cents for each one per cent of copper in each  
short ton of ore.

Lead: Two cents for each one per cent of lead or

Zinc: zinc in each short ton of ore.

On all other minerals, such royalty as may from time to time be  
fixed by the Governor in Council.

72 Royalties may be changed by Act of the Legislature.

75 The Minister may by agreement substitute for the royalties above  
set forth, except in the case of coal, and for a period not exceeding  
twenty years, an annual royalty on the profits in excess of \$10,000 in  
any calendar year as follows: over \$10,000 up to \$1,000,000, 3 per  
cent; over \$1,000,000 up to \$5,000,000, 5 per cent; over \$5,000,000  
up to \$10,000,000, 6 per cent; on the excess above \$10,000,000, 1 per  
cent for each additional \$5,000,000.

The Minister may, where he deems it in the public interest in  
order to encourage the establishment of a mining industry other than  
coal mining, remit payment of royalty either on production or on  
profits for a period not exceeding ten years.

<i>Consolidation and Exchange of Mineral Lands</i>	<i>Section</i>
The holder of two or more leases may surrender them in exchange for a consolidated lease which may be for the whole or a smaller part of the area of the surrendered leases.	84
 <i>Transfers and Surrenders</i>	
No rights acquired under this Act may be alienated in any way without the prior consent of the Minister.	87
 <i>Acquisition of Mineral Lands</i>	
If the Deputy Minister reports to the Minister that mineral development in any area where public funds have been, or are about to be, spent to assist the mineral industry is being hindered by the holding of areas under licence or lease, the Minister may request the holders to name a price at which they will sell the same. If agreement cannot be reached, the Governor in Council may dispose of the lands in question by offering them for sale by public auction or by vesting them either in the Crown or in any person developing or preparing to develop the district. Compensation will be paid the former holders either in the form of a fixed sum or as royalty on mineral produced from the lands involved.	91
If any person mining gold or gold and silver represents to the Minister that certain areas held under licence or lease near his operation are not being mined for the production of gold or silver, that such areas are in the aggregate too small to constitute a profitable mine, that they could be profitably mined in conjunction with his operation, that the holders refuse to sell at reasonable price, and that they are thereby retarding mining operations, the Minister may investigate the situation and, if the representations are considered well-founded, may order the holders of such areas to begin mining operations within a term to be set by him or, in default of such action, to offer the areas for sale at public auction within two months of such default.	92
 <i>Entry Upon Mineral Lands</i>	
No licensee may enter upon or prospect any private lands included in his licence except by consent of the occupant or by special licence from the Minister. The Minister may lay down the conditions of such licence and may also determine the compensation payable to the occupant, and his decisions in this regard are final.	93
	94
Crown lands, whether ungranted or under timber licence or lease, may be entered upon and prospected only by permission of the Minister of Lands and Forests on such conditions as he prescribes.	95



## **Mining Laws**

**Section** No licensee or lessee may enter upon or use for mining purposes  
96 any private lands until he has obtained the right to do so by agreement  
with the occupant or as provided by the Act.

97 If a lessee needs land for legitimate mining purposes, and represents  
to the Minister that he has been unable to come to an agreement with  
the owner or occupant of such land, the Minister may appoint a time  
and place for a hearing, and the lessee shall notify the owner or  
occupant of the land to that effect.

99 The Minister may, following the hearing, make such order with  
respect to the use desired as he deems just, and may fix the amount of  
compensation payable or refer the same to arbitration.

105 The provisions set forth above (paragraphs 97 and 99) shall apply  
also where a lessee requires access to a submarine deposit by means of  
subterranean passage through lands owned or occupied by another.

106 The acquisition of such subterranean rights will involve respon-  
sibility for damage to person or property caused thereby, over and  
above the initial compensation for use of the land.

### **Surveys**

116 The Minister may order a survey of any area under licence. The  
licensee, as well as the licensee or lessee of adjoining areas, shall be  
notified of the time of the survey, and the licensee concerned shall be  
notified to be present at that time. Each corner shall be marked at  
the time of the survey and, if no objection is taken at the time, such  
markings shall be final, save as provided by Section 117 below.

117 If any licensee or lessee interested has not been notified in time  
to attend, or has been unable to do so from unavoidable circumstances,  
or has taken objection at the time the survey is made, he may state his  
objections to the Minister within forty days of the date of survey,  
accompanying them by a sum of money equal to twice the cost of the  
survey. The Minister may then order a second survey, which shall be  
binding on all concerned. If the first survey is found to be correct,  
its cost shall be deducted from the moneys deposited, the balance being  
returned to the objector: if found incorrect, the entire sum shall be  
returned to the depositor, and the cost of the survey shall be borne  
by the Minister.

### **Mining Taxation**

The Gypsum Mining Income Tax Act is the only mining taxation Act in  
Nova Scotia. Revenue is otherwise derived in the form of royalties.

## LIST OF ACTS

- The Mines Act, Revised Statutes, 1954, Chap. 179.  
 The Coal Mines Regulation Act, Revised Statutes, 1954, Chap. 35.  
 The Metalliferous Mines and Quarries Regulation Act, Revised Statutes, 1954, Chap. 176.  
 The Mineral Prospecting Companies Act, Revised Statutes, 1954, Chap. 177.  
 The Petroleum and Natural Gas Act, Revised Statutes, 1954, Chap. 215.  
 Iron and Steel Manufacturing Encouragement Act, Revised Statutes, 1954, Chap. 137.  
 The Agriculture and Marketing Act, Revised Statutes, 1954 (Re Limestone), Chap. 5.  
 The Research Foundation Act, Revised Statutes, 1954, Chap. 253.  
 The Steam Boiler Refrigeration Plant and Pressure Vessel Inspection Act, Revised Statutes, 1954, Chap. 273.  
 Workmen's Compensation Act, Revised Statutes, 1954, Chap. 319.  
 The Nova Scotia Companies Act, Revised Statutes, 1954, Chap. 41.  
 The Nova Scotia Securities Act, Revised Statutes, 1954, Chap. 261.

*Regulations*

Regulations Governing the Use of Electricity in Metalliferous Mines and Quarries.

Regulations Under the Petroleum and Natural Gas Act.

*Royalties*

Royalties on minerals mined are payable as follows:

**Gold and silver:** On gold, 35 cents an ounce; on silver, 2 cents an ounce.

**Coal:** 12½ cents upon every ton (2,240 lb.) removed from the area on which the mine is situated, or used in the manufacture of coke or other manufactured fuel, but excluding coal used for domestic purposes by the workmen and coal used in connection with the operation of the mine.

**Anhydrite:** 5 cents on every ton of 2,000 pounds, mined or quarried.

**Copper:** 4 cents on every one per cent of copper contained in each 2,000 lb. of copper ore sold, concentrated, smelted, or shipped.

**Iron:** 5 cents on every short ton of ore sold or smelted.

**Lead, Zinc:** 2 cents on every one per cent of lead or zinc contained in each 2,000 lb. of lead or zinc ore sold, concentrated, smelted, or shipped.

**Other Minerals:** Such royalty as may from time to time be fixed by the Governor General in Council.

## Mining Laws

The Minister may, by agreement with the lessee of any mineral other than coal, substitute during a period not exceeding 20 years for the above mentioned royalties a percentage on the profits of the mine according to the following scale:

- (a) Upon annual profits in excess of \$10,000 and up to \$1,000,000 ..... 3 per cent
- (b) On the excess above \$1,000,000 up to \$5,000,000 ..... 5 per cent
- (c) On the excess above \$5,000,000 up to \$10,000,000 ..... 6 per cent
- (d) On the excess above \$10,000,000 a proportional increase of 1 per cent for each additional \$5,000,000.

## Bounties

None; but for the encouragement of the making of iron and steel from native ores the Governor in Council may refund the whole or any part of the royalty paid on coal used within the province of Nova Scotia in the making of iron or steel to any company which erects within the province plant, buildings and machinery capable of a daily output of not less than 200 tons, where such iron or steel is made from ore at least 25 per cent of which is mined in Nova Scotia.

## SCHEDULE OF FEES

For every search of any lease or licence or application for lease or licence or of title of any kind relating thereto when made in person .....	\$ 0.50
For a like search or request by mail .....	1.00
For every copy of any lease or licence or of any paper affecting title, per folio .....	0.20
For every other certificate under the hand and seal of the Minister .....	3.00
For the registration of any document affecting the title of any lease or licence for each lease or licence affected by such document .....	2.00
For every copy of any plan, such reasonable sums as the Minister approves, not less than .....	1.00
For consent of Minister to the assignment, transfer, or mortgage of any lease or interest therein or for ratification of any assignment, transfer, mortgage, deed or other instrument affecting any lease .....	3.00
For every inquiry and certificate granted by the Minister in connection with expropriation proceedings, etc., under the Mines Act .....	25.00
For every inquiry and certificate in connection with application for forfeiture of any lease (in addition to necessary expenditure incurred by the Minister) a sum to be determined by the Minister not exceeding .....	100.00
Application fee for every prospecting licence or licence to search .....	10.00
Application fee for every mining claim of 40 acres applied for under lease Part II .....	20.00
Application fee for every lease of mineral under Part III .....	50.00

PRINCIPAL OFFICIALS

Department of Mines

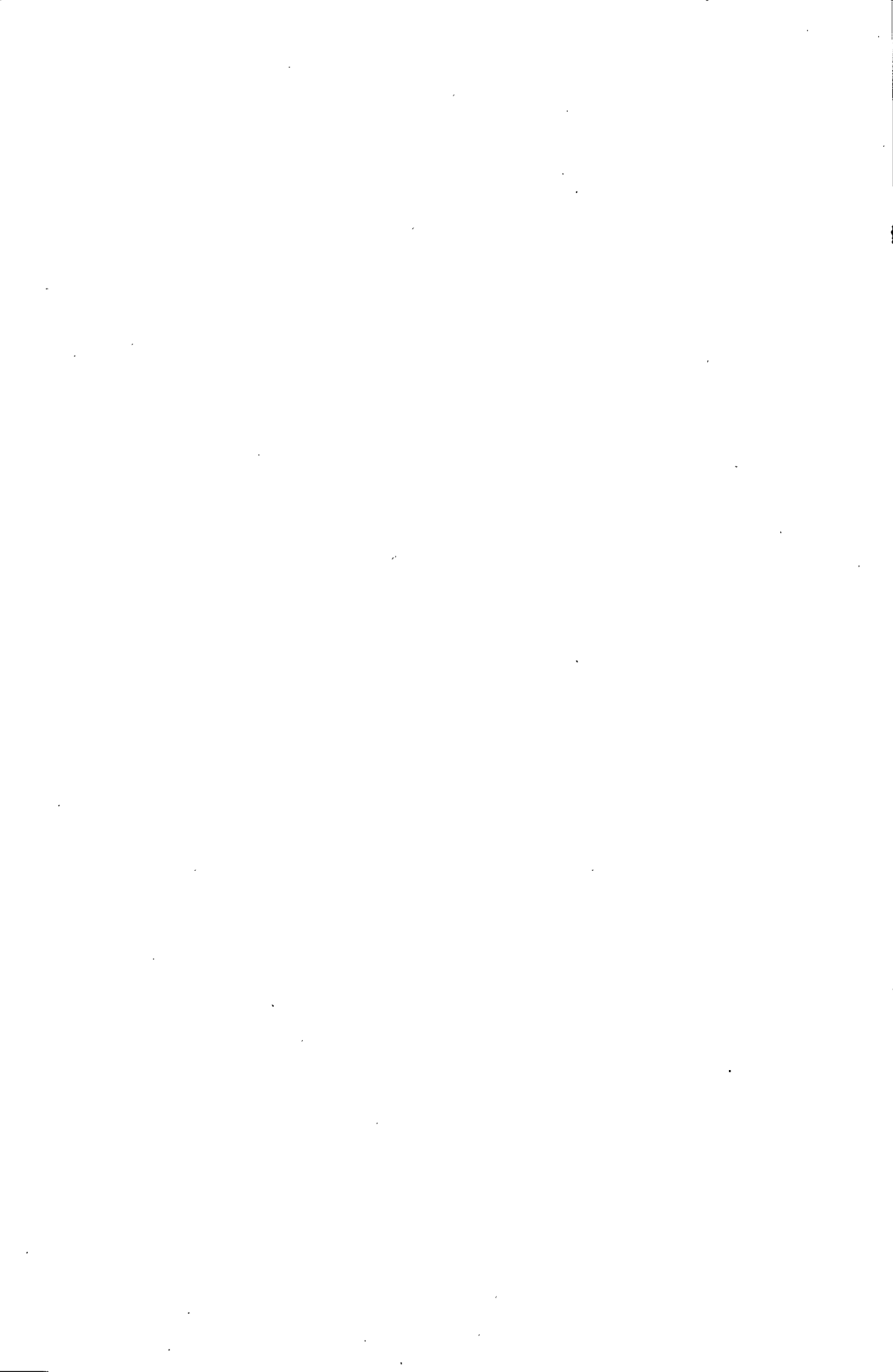
Minister

Deputy Minister

Chief Inspector of Mines

Chief Mining Engineer

For copies of the acts or regulations, application should be made to the Deputy Minister, Department of Mines, Halifax, Nova Scotia.



## CHAPTER X

### NEWFOUNDLAND

Newfoundland became a province of Canada on March 31, 1949. The first mining law, passed in 1860, empowered the Governor to issue grants in fee simple or for terms of 99 years, on a royalty basis. In 1872 the statutes were consolidated, and the law relating to mines and minerals formed Chapter 47 of the consolidation. Periodical amendments were made up to 1903, after which the law remained substantially the same until 1930, when "The Crown Lands Act, 1930" was passed. This Act is generally similar to the Ontario Mining Act.

Prior to 1930, all Crown lands were administered under Chapter 129 of the Consolidated Statutes by which original discoveries were marked by a stake placed at the centre of the discovery. A mining claim was then laid out in the form of a rectangle of one mile by one-half mile, having the greater length parallel to the strike of the discovery. The Minister of Agriculture and Mines then entered on a plan in his office a section of the area having claims laid out in the form of rectangles one mile by one-half mile, parallel to the original discovery location. These claims were numbered and any interested party could obtain a one-year licence for a claim by applying at the office of the Minister. Applications for a 99-year lease had to be made before the expiry of the one-year license, and a survey was required within the first year. Upon the expenditure of the sum of \$6,000 within the first five years of the 99-year lease, a grant in fee simple could be obtained. Under this Act no royalty or export tax of any kind was payable to the Government.

The present mining legislation consists of two Acts—The Crown Lands (Mines and Quarries) Act, Chap. 175, R.S.N. 1952, and An Act Respecting the Reservation and Disposition of Certain Lands in Labrador, Chap. 176, R.S.N., 1952. In the main summary, 'Act' means the first of these. 'Department' means the Department of Mines and Resources, and 'Minister' the Minister of that Department.

#### SUMMARY OF REGULATIONS RELATING TO MINING CLAIMS

Cost of licence (miner's permit) ....	—\$10.
Size and form of claims .....	—Four-line, magnetic, 1,320 feet square, 40 acres.
Number of claims per year .....	—No limit.
Time to record after staking .....	—30 days (Island of Newfoundland) 60 days (Labrador).

## Mining Laws

- Number of claims grouped .....—9 in name of one permit holder. Where diamond drilling or underground development is done, 18 claims may be grouped.
- Assessment requirements .....—50 man-days of 8 hours each per claim in first year after recording date; 100 such days before expiration of 2 years. Excess work in first 2 years may be credited to the third.
- Payment in lieu of work .....—\$10 for every day of 8 man-hours.
- Rent .....—None.
- Final title .....—Lease up to 50 years.
- Geological and geophysical surveys—Approval of Minister.  
Per Claim: *For Geological work*, four man-days of 8 hours each, but not more than 40.  
*For Geophysical work*, four man-days of 8 hours each but not more than 40. *For Airborne or Magnetometer Survey*, at the rate of 20 days of 8 man-hours each for each continuous mile of recordings.

## The Crown Lands (Mines and Quarries) Act

*Chap. 175, R.S.N., 1952*

### *Miner's Permit*

- Section* 3 Anyone over 18 years may secure a miner's permit on payment of the fee of \$10. A company incorporated under Newfoundland laws may secure a permit for \$25.00, and one incorporated in Canada, other than Newfoundland, for \$50.00. Companies securing permits after October 1 will pay one-half these amounts. All permits expire on the 31 December following issue.
- 4 Permit holders may prospect for minerals, coal, oil, natural gas, and salt on Crown lands or on lands where the mineral rights have been reserved to the Crown, provided such rights have not been staked, withdrawn, or reserved. Rights to coal, oil, gas, or salt may be obtained only under the provisions set forth below in respect to boring permits and leases.
- 5 The permit does not allow the removal of any greater quantity of material than is necessary for sample purposes.
- 6 A permit holder may, for himself or for any other permittee, stake and work claims on any of the lands above defined, and may transfer his interest therein, but is subject to payment of compensation for use of surface rights as set forth below.

*Lands Not Open for Staking*

Section

Lands set apart as a townsite by the Crown in right of Newfoundland, granted to any person for townsite purposes and laid out as such, or held or used for any public purpose may be staked only by consent of the Lieutenant-Governor in Council.

7

No person, even if the mineral rights are reserved to the Crown, may prospect on lands used as a garden, orchard, nursery, plantation, or pleasure ground; on lands bearing growing crops that may suffer damage; or on lands on which any spring, reservoir, dam, waterworks, building, or cemetery is located, except by permission of the owner or of the Lieutenant-Governor in Council.

8

*Reservation of Certain Classes of Minerals*

The Lieutenant-Governor in Council may reserve from the operation of this Act all or any minerals located in any area of the province that are not held under existing licence, lease, or grant and in respect of which no application to record has been filed before the date of reservation.

10

When such a reservation has been made, the Lieutenant-Governor in Council may grant exclusive prospecting rights on all or part of the area to any permit holder, or may direct that the area be prospected on behalf of the Crown.

*Size and Staking of Claims*

A mining claim shall consist of a square of 40 acres, with boundaries running north-south and east-west.

13

When a claim has been staked, application to record it must be made to the Department within 30 days if the claim is located on the Island of Newfoundland, and within 60 days if in that part of Labrador to which the Act applies. The application must be accompanied by the fee of \$10.

18

Sixty days after a mining claim has been recorded, the Minister shall, provided no dispute has been filed and no other obstacle exists, issue a certificate of record on payment of the prescribed fee if all compensation for surface rights has been paid or secured.

22

In the absence of mistake or fraud, a certificate of record is final and conclusive evidence that all requirements of the Act, except those relating to assessment work, have been complied with.

23

The staking or recording of a claim does not convey title to the minerals involved, but only a right to obtain a certificate of record, a development licence, and a mining lease.

25



## Mining Laws

### Section *Assessment Work*

38           Within three years of the date of recording, the holder of a mining claim must have performed not less than 150 days of eight man-hours' work such as drilling, stripping, shaft-sinking, or geological or geophysical surveying. At least 50 days' work must be done in the first year, and at least 100 within the first two years from the date of recording. Excess work done in the first two years may be credited to the third.

40           For the purpose of the preceding paragraph, work done on one or more contiguous claims recorded in the name of the permittee up to a total of nine shall apply to all claims in the group, except in the case of geological or geophysical surveys, which are deemed to have been performed on all claims actually covered by such surveys.

          Subject to the Minister's approval, diamond drilling and underground work may be applied to contiguous claims recorded in the permittee's name up to a total of eighteen.

41           Where work has not been performed as a result of death, incapacity, or other cause, the period for performing such work may be extended.

42           Payment for all or part of the assessment work required may be made at a rate of \$10 for each eight-hour day.

### *Inspection*

51           For the purpose of ascertaining whether the Act is being complied with, a mining claim may be inspected without notice to the permit holder. However, once a certificate of record has been issued, no inspection related to validity of staking may be made without a judge's order.

### *Surface Rights Compensation*

52           Where mining operations are carried on on lands of which the surface rights are privately owned, or on Crown lands that were occupied before Jan. 1, 1931, have been continuously occupied since, and which, in the Minister's opinion, have been so improved as to entitle the occupant to compensation, the owner or occupant is entitled to compensation. In default or agreement between the parties, the sum payable may be fixed by a judge. If the sum is \$1,000 or less, the judge's decision shall be binding; over this amount, an appeal to the court is permitted.

54           Where a claim is staked on surface rights, the Minister or a judge may reduce the area if he considers the full area not necessary for working the minerals.

**Development Licence****Section**

The holder of a certificate of record may, at any time within three years of the date of issue, receive on application a development licence by paying the fee of \$10 and an annual rent of 50 cents for each acre included. The licence may not include more than six claims, is valid for one year, and may not be transferred without the Minister's consent.

55

The licence will not be issued unless the applicant, within three months of the application, has all claims to be included surveyed by a surveyor approved by the Minister. If, as a result of the survey, it is found that any claim exceeds the prescribed acreage, it may be reduced by the Minister.

56

59

The licence does not convey the right to sell or remove any minerals except sufficient for assaying, analyzing, or testing.

60

Where a development licence or mining lease involves a location under water, the holder may not conduct his operations so as to interfere with the right of the owner of adjoining land to access to that land by water.

62

A licensee may renew the licence annually by payment of \$10 and rent at the rate of 50 cents for each acre included, and by filing an affidavit that he has had carried out during each licence year 25 days work of eight man-hours each on every 40 acres of land or part thereof. The application for renewal must be made within ten days of the expiry date of the original licence. The work conditions as set forth under Section 39 above apply in this case.

63

64

If adjacent lands are held by the licensee partly under licence and partly under lease and, in the Minister's opinion, may be considered as a unit for mining purposes, he may authorize all the work required under Section 63 to be done on the lease.

**Mining Leases**

The holder of a development licence may be issued a mining lease for the lands involved for a term not exceeding 50 years on payment of a sum equal to \$5 for each acre included.

66

Within two years of the date of the lease, the holder must begin mining and must expend on exploration and development a sum of not less than \$10 for each acre included. After the two-year period has expired, rent is payable annually at a rate of 10 cents an acre. This rent shall be remitted for any year in which at least \$200 has been spent on mining work.

67

A mining lease vests in the lessee the exclusive right to extract, remove, deal with, and otherwise dispose of all minerals on, in, or under the lands involved.

71

## **Mining Laws**

### **Section Boring Permits**

74 The Lieutenant-Governor in Council may issue to any permit holder a boring permit giving him the exclusive right to prospect for one year for coal, oil, natural gas, or salt upon any area open for prospecting and staking. Such area must not exceed 640 acres and must be rectangular in shape with boundaries running north-south and east-west. The holder is liable for surface rights compensation as set forth under Section 52 above.

75 The permittee must, within the term of the permit, expend on boring, sinking, driving, or otherwise searching for coal, oil, gas, or salt a sum totalling not less than \$2 for every acre included in the permit.

76 The permittee may renew the permit for one year on the same terms and conditions on payment of a fee of \$100.

77 The permit holder may transfer his rights therein by consent of the Minister.

78 The Lieutenant-Governor in Council may, if satisfied that the permittee has located a commercial deposit of coal, oil, gas, or salt, authorize the Minister to issue a lease of the permit area or any part thereof for a term of 10 years at an annual rent of \$5 an acre. The lease covers only the substances named: all other minerals are reserved to the Crown and are subject to staking.

The lessee must expend on working the mineral concerned a sum of not less than \$2 for each acre in the lease. A renewal for a further ten-year period may be granted at the rent then prescribed by law, but this renewal does not imply any right to further renewals.

79 The lease conveys no right to the timber on the leasehold, but if the area is on ungranted Crown lands the Lieutenant-Governor in Council may authorize the cutting of such timber as is necessary for the operations on such terms as he deems just.

### **Quarrying Leases**

80 The Lieutenant-Governor in Council may issue a lease for the operation of a quarry on such terms as he deems just. Such a lease  
81 conveys no rights to the minerals, coal, oil, gas, or salt on, in, or under the land, or to any exclusive right or privilege relating to any lake, river, spring, stream, or other body of water on, passing through, or adjacent to the leased land.

### **Forfeiture**

Rights secured under this Act may be subject to cancellation or forfeiture for the following causes:

Failure to comply with staking and recording requirements within specified time (46)

- Failure to hold a valid permit; illegal removal of or interference with stakes; failure to perform work as required; failure to submit reports of work as required; failure to secure development licence as required (47)
- Fraud, false representation, or error in the issue of a development licence (65)
- Failure to fulfill conditions of mining lease (66)
- Failure to fulfill terms of lease for coal, oil, gas, or salt (78)

**AN ACT RESPECTING THE RESERVATION AND DISPOSITION OF CERTAIN LANDS IN LABRADOR**

(Chap. 176, R.S.N. 1952)

By this Act, all lands described in the schedule below are, so far as the mines and minerals are concerned, reserved to the Crown, and neither the provisions of the Crown Lands Act nor those of the Crown Lands (Mines and Quarries) Act shall apply to them.

The Act empowers the Lieutenant-Governor in Council to dispose of the mining and mineral rights as he deems fit.

The schedule reads as follows:

That portion of Labrador bounded by a line commencing at the intersection of the fifty-fifth parallel of north latitude and the sixty-third meridian of west longitude, running thence south along the said sixty-third meridian to the fifty-third parallel of north latitude, thence west along the said fifty-third parallel to the sixty-sixth meridian of west longitude, thence south by the said meridian to the Canadian boundary,\* thence in an irregular line by the said Canadian boundary (height of land) to its most easterly intersection with the fifty-fifth parallel of north latitude, thence by the said parallel to the point of commencement.

**Royalties**

Five per cent of the net profit is payable to the Government from minerals obtained from mining claims issued since 1930.

**Bounties—None.**

SCHEDULE OF FEES

Miner's permit	
Individual .....	\$ 10
Company incorporated in Newfoundland....	\$ 25
Company incorporated elsewhere in Canada	\$ 50

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\* This has reference to the as yet undelimited boundary between the provinces of Quebec and Newfoundland, formerly the boundary between Canada and Newfoundland.

**Mining Laws**

Recording Claim .....	\$ 10	
Development Licence .....	\$ 10	and rent of 50 cents an acre
Mining Lease .....	\$ 5	an acre; after first two years, rent at 10 cents an acre
Boring Permit Renewal .....	\$100	
Lease following Boring Permit .....	\$ 5	an acre annually

**PRINCIPAL OFFICIALS**

Minister of Mines and Resources  
Deputy Minister of Mines and Resources  
Director of Crown Lands and Surveys  
Chief Geologist

For more detailed information, or for copies of the acts and regulations, write the Department of Mines and Resources, St. John's, Newfoundland.

**Royalties Levied in Canada**

**Copper**

- Dominion Lands .....(See "Quartz Mining").
- Nova Scotia .....4 cents per unit, in each short ton of copper ore sold or smelted.
- Alberta .....2½ per cent of value.

**Gold and Silver**

- Dominion Lands .....(See "Placer and Quartz Mining").
- Nova Scotia .....On gold, 35 cents per ounce. On silver, 2 cents per ounce.
- Alberta .....2½ per cent of value. (See "Quartz Mining").

**Iron**

- Dominion Lands .....(See "Quartz Mining").
- Newfoundland .....In Labrador, 5 per cent of net profit. The Newfoundland Government has imposed an export tax of 10 cents per ton on all iron ore shipped by Dominion Steel and Coal Corporation from its Bell Island operations on tonnages up to 1,000,000 tons per annum and an export tax of 5 cents per ton on tonnages from 1,000,000 to 1,500,000. Above that tonnage there is no tax payable.
- Nova Scotia .....5 cents on any short ton of ore sold or smelted.
- Ontario .....Iron mines are subject to the payment of the profit tax. (See "All Minerals"), but the Minister may remit the tax upon the profits arising out of the mining of iron ore if such iron ore is smelted in Canada or delivered to a blast furnace in Canada for the purpose of being smelted.

**Lead**

- Dominion Lands .....(See "Quartz Mining").
- Nova Scotia .....2 cents per unit, in each short ton of lead ore sold or smelted.
- Alberta .....2½ per cent of the value.

## Mining Laws

### Placer Mining

Dominion Lands .....	Yukon: 2½ per cent on gold valued at \$15 per ounce; Northwest Territories: 1¼ per cent on gold valued at \$15 per ounce.
Alberta .....	2½ per cent on gold obtained, valued at \$15 an ounce.

### Zinc

Dominion Lands .....	(See "Quartz Mining").
Nova Scotia .....	2 cents per unit in each short ton of zinc ore sold or smelted.
Alberta .....	2½ per cent of the value.

### Quartz Mining

#### Dominion Lands

Upon annual profits on excess above \$10,000 up to \$1,000,000	3 per cent
On excess above \$1,000,000 up to \$5,000,000 .....	5 per cent
On excess above \$5,000,000 up to \$10,000,000 .....	6 per cent
On excess above \$10,000,000, a proportional increase of one per cent for each additional \$5,000,000.	

### Indian Reserves:

1. Upon annual profits up to \$100,000 .....	3 per cent
2. On the excess above \$100,000 up to \$200,000 .....	4 " "
3. On the excess above \$200,000 up to \$300,000 .....	5 " "
4. On the excess above \$300,000 up to \$400,000 .....	6 " "
5. On the excess above \$400,000 up to \$500,000 .....	7 " "
6. On the excess above \$500,000 up to \$600,000 .....	8 " "
7. On the excess above \$600,000 up to \$700,000 .....	9 " "
8. On the excess above \$700,000 .....	10 " "

### Saskatchewan

A royalty is payable to the Crown at the rate of 5 per cent of the market value of the mineral content of any ore extracted from a mine and sold during the year, or in lieu of such royalty, 12½ per cent of the income during the calendar year from the mining operations of the person liable for such royalty, whichever shall be the lesser amount, provided that in cases of mines commencing or recommencing operations after January 1, 1947 annual royalty shall be paid to the Crown on profits in excess of \$10,000, on a sliding scale.

### Alkali

#### Saskatchewan

The lessee shall pay to the Crown, in respect of each year, royalty according to the formula set out on all products sold, whether hydrous or anhydrous, taken from each operation of the property leased.

**Subsurface Minerals (Potash)**

*Saskatchewan*

A royalty is payable to the Crown in the amount of 4½ per cent of the value of the ore mined. For purposes of royalty, the value of the ore is computed in accordance with the formula contained in the regulations.

**Bituminous Sands**

*Alberta*

Royalty at the rate specified by Order in Council.

**Coal**

*Dominion Lands* ..... Coal mined under "Domestic Coal Regulations", 25 cents per short ton. Coal mined under "Coal Mining Regulations" the royalty is at such rate as may be prescribed from time to time by Order in Council.

*Nova Scotia* ..... 12½ cents per long ton for all coal removed from the mine; including coal used in the manufacture of coke or other manufactured fuel. Coal used for domestic purposes by the workmen and coal used in the actual operating of the colliery is exempt from royalty.

*New Brunswick* ..... As fixed by the Governor in Council, but not to exceed 15 cents a long ton. The present rate (1956) on coal is 14 cents per short ton.

*Saskatchewan* ..... 5 cents per short ton on merchantable coal.

*Alberta* ..... 10 cents per short ton on coal mined or excavated.

**Petroleum and Natural Gas**

*Dominion Lands* ..... Royalty is charged varying from 10 to 12½ per cent of the value of the product.

*Indian Lands* ..... 10 to 15 per cent on the value of the output of oil; 15 per cent on gas.

*New Brunswick* ..... 5 per cent of the value at the wells' mouth.

*Ontario* ..... Every person producing natural gas is liable for an annual tax as follows:

- (a) when exported from Canada, 2 cents a thousand cubic feet.
- (b) when consumed in Canada, ½ cent a thousand cubic feet. The Minister may remit the annual tax to the extent of \$250 on natural gas consumed in Canada.

*Manitoba* ..... 12½ per cent on oil and gas.



## Mining Laws

### *Saskatchewan* .....

- (a) on natural gas, 5 per cent of sale value but not less than  $\frac{1}{2}$  cent per 1,000 cubic feet.
- (b) on all other products, a percentage of the sale value on a sliding scale, thus: 5 per cent for an average daily production of 900 barrels or less, up to 15 per cent for over 6,000 barrels.

### *Alberta* .....

- (a) on natural gas, 15 per cent of sale value but not less than  $\frac{3}{4}$  of a cent per 1,000 cubic feet.
- (b) on crude oil, on a sliding scale of from 5 to  $16\frac{2}{3}$  per cent.

### *British Columbia* .....

- (a) on natural gas, 15 per cent of sale value but not less than  $\frac{3}{4}$  of a cent per 1,000 cubic feet.
- (b) on crude oil, on a sliding scale of from 5 to  $16\frac{2}{3}$  per cent.

## Quarrying

*Newfoundland* ..... For all quarry leases under the 1930 Crown Lands Act, the Governor in Council shall determine the royalty, terms and conditions.

### *Saskatchewan* .....

- (a) 2 per cent of the selling value on all quarriable substances shipped from Saskatchewan in the raw state or partially processed;
- (b) 5 cents per cubic yard of raw material on all quarriable substances processed or manufactured into finished products in Saskatchewan;
- (c) 25 cents per ton on quartzite pebbles.

### *Alberta* .....

- Bentonite ..... 10 cents per ton.
- Clay used for making pottery or fireclay.... 10 cents per cubic yard.
- Other clay, marl or volcanic ash ..... 5 cents per cubic yard.
- Limestone, shale, granite, slate, gypsum or building stone ..... 4 cents per ton.

*British Columbia* ..... The minimum royalty in respect to any leases issued under the Land Act is 5 cents per cubic yard on all commercial material removed (note reference in relation to removal of any material not classed as mineral under the Mineral Act).

*Sand and Gravel*

- Ontario* .....Charges are levied on sand and gravel dredged from the lands of the Crown under water.
- Manitoba* .....The Minister may set a royalty not in excess of 10 cents per cubic yard on sand and gravel produced from Crown Lands.

*Salt*

- Alberta* .....40 cents per short ton.

*Other Minerals*

- Newfoundland* .....5 per cent of the net profit is payable to the Government from minerals obtained from mining claims issued since 1930.
- Nova Scotia* .....Subject to such royalty as may from time to time be fixed and determined by the Governor in Council.
- Alberta* .....Subject to such royalty as may from time to time be imposed.
- Quebec* .....From and after the first day of January 1935, every mine in the province of Quebec shall be liable for the following duties on annual net profits:
- 4 per cent in excess of \$10,000 up to \$1,000,000.
  - 5 per cent in excess of \$1,000,000 up to \$2,000,000.
  - 6 per cent in excess of \$2,000,000 up to \$3,000,000.
  - 7 per cent in excess of \$3,000,000.
- Ontario* .....Producing mines are subject to the payment of a profits tax as set out in "The Mining Tax Act". The tax is levied on the annual profits at the following rates:
- 6 per cent in excess of \$10,000 up to \$1,000,000.
  - 8 per cent in excess of \$1,000,000 up to \$5,000,000.
  - 9 per cent in excess of \$5,000,000.
- Manitoba* .....Mining operations are subject to "The Mining Royalty and Tax Act", which imposes a royalty tax of 8 per cent on the income derived from the operation of the mine in excess of \$10,000. New mines pay a rate of 6 per cent for the first year, and 7 per cent for the second year. "Income" is net profit less a

## Mining Laws

deduction equal to 8 per cent of the original cost of the depreciable assets used in processing the ore; or, in the case of base metal mines, the deduction shall not be smaller than the following proportion of the net profit:

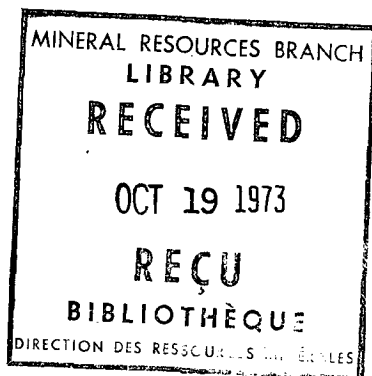
- (a) Where both copper and nickel are recovered, each in amounts which exceed in value 5 per cent of the total value of metals recovered—40 per cent.
- (b) Where both lead and zinc are recovered, each in amounts which exceed in value 5 per cent of the total value of metals recovered—30 per cent.
- (c) Where both copper and zinc are recovered, each in amounts which exceed in value 5 per cent of the total value of metals recovered—20 per cent.
- (d) In other cases—15 per cent.

*British Columbia* .....All minerals from mineral claims and placer claims and from placer-mining leases issued after May 1, 1948, are subject to royalty, but the amounts to be paid have not yet been set.

## Bounties

In cases where it is considered advisable for the Government to encourage the production of a particular commodity, bounties paid by the Government are recognized substitutes for protective duties.

In the past they have been made use of by Canada to a considerable degree. The only bounties at present being paid are those on coal. The bounty on bituminous coal was the outcome of a recommendation of the Royal Commission on Maritime claims relating to the use of Canadian coal in the manufacture of iron and steel. The rate is 49½ cents per short ton of coal.



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