GUIDEBOOK

TO

EXPLORATION, DEVELOPMENT

AND MINING

IN

NEWFOUNDLAND AND LABRADOR

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Disclaimer: This guide has been prepared for convenient reference only. The completeness or currency of any of the information provided is not guaranteed. The relevant legislation, as noted herein, should be consulted for purposes of interpreting and applying the law.
1. INTRODUCTION

The purpose of this Guide is to assist the mineral industry in navigating the regulatory requirements of prospecting, exploration and mining in the Province of Newfoundland and Labrador. It provides an overview of these requirements and highlights some of the resources and services provided by government to assist the mineral industry.

Mineral exploration and mining in the Province are regulated by the Government of Newfoundland and Labrador and other key public institutions, principally through the provincial Department of Natural Resources (“the Department”). This Guide identifies the roles of the key regulatory agencies and the relevant legislation for mineral activities, as well as the standards, policies and procedures used to administer this legislation.

The Guide is intended to function as a “roadmap” by providing links and contact information for existing legislation, policies and offices that play a key role in the exploration and development regulatory processes. Existing literature/documents are not reproduced herein so that this Guide may be kept concise for ease of use.

2. MINERAL EXPLORATION

A mineral is defined in the Mineral Act (RSNL 1990, Chapter M-12) as a naturally occurring inorganic substance including coal and minerals contained in mine tailings, but does not include water, quarry materials as defined in the Quarry Materials Act, stratified deposits other than coal from which oil can be extracted by destructive distillation, or petroleum as defined in the Petroleum and Natural Gas Act (RSNL 1990, Chapter P10).

Companies intending to carry out exploration in the Province must be registered with the Registry of Companies, as per the Corporations Act (RSNL 1990, Chapter C-36). In addition, under Sections 16 and 18 of the Engineers and Geoscientists Act (RSNL 2008, Chapter E-12.1), company personnel are obligated to be licensed in order to practice geoscience in the Province. Applications for permits and licences to practice are available through the Newfoundland and Labrador Professional Engineers and Geoscientists website.

Acquiring a Mineral Licence

General

Acquisition of Mineral Rights under the Mineral Regulations (1143/96) is by online map staking (as per Regulation 10) through the Province’s Mineral Rights Administration System, known as MIRIAD. Registration forms can be found on the Department’s website. In order to stake claims, one must be at least 19 years of age or a corporation, and must be registered with the Mineral Claims Recorders Office. A prospector’s licence is not required to stake claims or conduct mineral exploration in the Province. Details about how to stake claims can be found on the Mineral Rights Claims Brochure (the “Claims Brochure”).

Land Tenure

A mineral licence gives the licensee the exclusive right to explore for minerals in, on or under the area of land described in the licence. A mineral exploration licence is issued for a five-year term and may be renewed and held for a maximum of twenty years, provided the required annual assessment work is completed, reported and accepted by the Department, and the renewal fees are paid. A licence holder has the right to convert any part of a mineral licence to a mining lease provided all provisions of Section 31 of the Mineral Act are met.

Fees

The cost to stake a claim is $60: this includes a $10/claim recording fee and a $50/claim security deposit. The security deposit is refundable upon submission and acceptance of the first-year’s assessment work report. The required annual assessment work increases from year to year, as outlined in the Claims Brochure.

Genuine Prospector Designation

Individuals designated as Genuine Prospectors (as per Mineral Regulation 13(2)) may stake up to thirty claims in no more than five licences in a calendar year without posting a security deposit. To qualify for Genuine Prospector status, applicants should have completed the Department’s Prospector Training Course. The designation is renewable.

Maintaining a Mineral Licence

General Requirements

Annual assessment work must be completed on or before the anniversary date of licence issuance. The amount and type of expenditures allowed are outlined in Sections 47 and 48 of the Mineral Regulations and can also be found in the Claims Brochure.

If the licence holder is unable to complete the required assessment work for any twelve month period, he/she may
apply for a 12-month work extension as per **Condition 2** of the Mineral Act. This requires posting a refundable security deposit to keep the claims in good standing as described in the **Claims Brochure**. The delivery of a security deposit may be waived in the event of certain environmental considerations, as per Condition 2 (4). There is no provision to allow payment in lieu of assessment work.

**Assessment Reporting**

Expenditures on exploration and development activities within the area of a mineral licence are credited as assessment work, and must be reported. The report must be submitted within 60 days after the anniversary date, in the assessment year the work was performed. If a report cannot be submitted on schedule, a 60-day reporting extension may be requested as per **Condition 3** of the Mineral Act. In order to grant the extension, the Department requires a partial report (described in **Claims Brochure**) and a reason for the extension request.

A sample assessment report, Guidelines for the Form of Assessment Reports, and a Checklist of items and formats required for assessment report submission are all available on the Mineral Rights webpage.

**Licence Renewal**

A mineral licence must be renewed every five years during its currency. Renewal fees and procedures are listed in the **Claims Brochure**.

**Grouping, Splitting and Surrendering Licences**

Details of how to group, split, or partially surrender a mineral licence are described in the **Claims Brochure**. Any number of coterminous map-staked licences may be grouped to form a single licence, provided the number of claims grouped does not exceed 256, licences are in good standing and held by the same individual or corporation, no Condition 2 extensions are active, and first-year assessment reports are submitted and accepted. A map-staked licence may be split by providing new sketches for the split areas; excess assessment credit will be applied proportionally to all new licences that result from the split. Part(s) of a map staked licence may be surrendered at any time and work requirements will be based on the number of claims retained.

**Transfers and Other Agreements**

A licence may be transferred at any time during its currency by forwarding an original, duly executed transfer to the Mineral Claims Recorder. Options and other agreements relating to mineral rights must be registered with the Mineral Claims Recorder’s Office; otherwise the transaction is not valid and has no legal effect. Further information on Transfers and Options can be found in the **Claims Brochure**. A Licence Transfer form is available online.

**The Exploration Approval Process**

**General**

Any person who intends to conduct an exploration program must submit prior notice with a detailed description of the activity to the Department. An exploration program that may result in ground disturbance or disruption to wildlife habitat must have an Exploration Approval from the Department before the activity can commence. **Applications** are available online. Recommended best operating practices for exploration companies are available in Environmental Guidelines for Construction and Mineral Exploration Companies. Some exploration activities, such as bulk sampling and road construction, or activities in designated sensitive areas, may require registration for environmental assessment as defined in the Environmental Assessment Regulations (54/03). Further information may be obtained from the Environmental Assessment Division of the Department of Environment and Conservation.

The online permitting system, Mineral Exploration Approval Management System (MEAMS), when activated, will provide a one-stop shop for most permits required for mineral exploration in the Province.

**Aboriginal Land Claims**

A land claims agreement was reached between the Governments of Newfoundland and Labrador and Canada and the Labrador Inuit Association (LIA) in 2005. The Labrador Inuit Land Claims Agreement Act (SNL2004 CHAPTER L-3.1) created a limited, self-governing region called Nunatsiavut. Of most significance to the mineral industry, the agreement provided the Inuit with surface rights to 15,800 km², or about 5.4% of Labrador, an area known as Labrador Inuit Lands (LIL). Regulations governing development standards and economic benefits for projects in LIL lands are specified in the Labrador Inuit Land Claims Agreement. **Implications for exploration and development** in Labrador Inuit Lands are further clarified online.

The Province has also signed an historic agreement-in-principle (subject to ratification) with the Innu Nation of Labrador, in September 2008. The Tshash Petapen (“New Dawn”) Agreement provides for, among other matters, the transfer of legal title to almost 13,000 km², or about 4.4%
of Labrador, to the Innu Nation. The Innu will have jurisdiction to make laws in relation to specified matters and share in resource royalties on these lands. The Innu will also have special rights and benefits concerning resource royalty sharing on an additional 23,000 km² of provincial land.

Further information may be obtained from the Director of Mineral Lands.

Exploring on Labrador Inuit Lands

Exploration Standards for Labrador Inuit Lands are available online and legislated through the Labrador Inuit Land Claims Agreement Act.

Any person wishing to carry out an exploration program on Labrador Inuit Lands must submit a Work Plan to the Department of Natural Resources and the Nunatsiavut Government detailing the proposed exploration program.

Quarry Materials

Quarry material is defined as a substance used in its natural form for construction or agricultural purposes and includes clay, sand, gravel, rock, soil, peat and slag but does not include stone used as dimension stone. The Quarry Materials Act and the Quarry Materials Regulations are available online. The cost, duration, and conditions of permit/lease are also available online.

Quarry Permits and Leases

A Quarry Permit may be issued for up to one year and allows the permit holder the right to excavate, remove and sell quarry materials from the permit area. A Quarry Lease is issued only if the proponent can identify a demonstrable long-term need for exclusive rights to the area. The term of a Quarry Lease ranges between 5 and 20 years. A Quarry Materials Exploration Licence grants the holder exclusive rights to explore for quarry materials and to apply for a quarry permit. The term of issuance is four months for domestic use and one year for intended export. Exploration Approval is required in order to explore for quarry materials on a Quarry Materials Exploration Licence.

Other permits for quarry materials include Beach Quarry Permits and Subordinate Quarry Permits.

For more information related to quarry materials, contact the Manager of Quarry Materials.

3. DEVELOPING AND OPERATING A MINE

INTRODUCTION

This section encompasses the main components of commercial extraction and processing of minerals in Newfoundland and Labrador: mine development, mine operation, and mine rehabilitation and closure.

Once a project has reached the development stage, several milestones must be achieved before production can take place. These include:

- obtaining a mining lease and any required surface rights,
- release from environmental assessment,
- environmental approval,
- submission of development and rehabilitation and closure plans to the satisfaction of the Minister of Natural Resources, and
- positive acceptance and provision of financial assurance.

Mining Lease

A mining lease, issued under the provincial Mineral Act (RSNL 1990, Chapter M-12) confers upon the lessee the exclusive rights to develop, extract, remove, deal with, sell, mortgage or otherwise dispose of all the unalienated minerals, or those specified in the lease, in, on or under the land described in the lease.

Regulations governing the acquisition and maintenance of a mining lease are provided in the Mineral Act and are informally summarized in the Claims Brochure. Further information may be obtained from the Mineral Claims Recorder.

Surface Rights

A project operator must obtain surface rights, including rights of way, sufficient to cover the entire footprint of the mine and related infrastructure. Provisions for the granting of surface rights are included in the Mineral Act, and procedures for their acquisition are summarized in the Claims Brochure.

Quarries (in support of mine development)

Quarries in support of mine development do not require a separate permit if they are located within the boundaries of the Mining Lease. Quarries outside the mining lease will require a permit under the Quarry Materials Act (see Quarry Materials in the section MINERAL EXPLORATION).
Mining Camps

The establishment of a construction camp for project development or mining will require Exploration Approval and/or a Licence to Occupy issued by the Department of Environment and Conservation, on referral from the Department of Natural Resources. Permission for a temporary fly camp is normally obtained by an Exploration Approval issued during the exploration stage, and this may be upgraded to a Licence to Occupy as the project develops. Permission for water use is obtained through the same applications. Guidelines for establishing a temporary camp are also available online. Further information may be obtained from the Director of Mineral Lands.

Environmental Assessment

In order for a mineral development project to proceed, it must be registered for environmental assessment under the Environmental Protection Act (SNL2002 Chapter E-14.2). During this stage, the project is evaluated for its bio-physical and socio-economic impacts. Proponents may be expected to include employment and benefits policies as part of the environmental process. Regulatory and procedural information is available under the Environmental Assessment Regulations (54/03). A comprehensive Guide to the Environmental Assessment Process is available online.

Further information may be obtained from the Environmental Assessment Division of the Department of Environment and Conservation.

Development Plan and Rehabilitation and Closure Plan

Before the commencement of a mining operation, the proponent must file a Development Plan and Rehabilitation and Closure Plan, and provide financial assurance for rehabilitation and closure, all to the satisfaction of the Minister of Natural Resources. These are required under the Mining Act (SNL1999 CHAPTER M-15.1) and/or the Mining Regulations (42/00). During the term of the mining lease, the proponent must also file an annual report on operations for the previous year and an operating plan for the upcoming year. Other records required to be kept during the lease are listed in the Mining Act. Details on format and content of these reports are provided in the Guidelines to the Mining Act.

Further information may be obtained from the Director of Mineral Development Division.

Operational Plans

No later than one month before the start of any operating year of a mine, the proponent must file an annual operating plan containing an ore reserve statement and detailed descriptions of exploration, mining and rehabilitation work planned for the upcoming year. The plan must detail and explain any variance from the Development Plan. Other requirements for the Operational Plan are listed in the Guidelines to the Mining Act.

Annual Report on Operations

No later than two months after the end of any operating year, the proponent must file an annual report on operations containing an ore reserve statement and results of exploration, mining and rehabilitation work conducted in the previous year. Other requirements for the Report on Operations are listed in the Guidelines to the Mining Act.

Progressive Rehabilitation

Throughout the term of the mining lease, the project operator is required to take all reasonable steps to progressively rehabilitate the mine site, whether or not the closure phase has commenced. The proponent is required to submit a description of progressive rehabilitation work plans for each year of the mining lease term. These work plans must be submitted as part of the Rehabilitation and Closure Plan as prescribed in the Guidelines to the Mining Act.

Rehabilitation and Closure

Rehabilitation measures to be taken are described in the Guidelines to the Mining Act. Financial assurance in a form and amount acceptable to the Minister must also be provided, as described in the Guidelines. In the event that a project operator fails to comply with the Rehabilitation and Closure Plan, rehabilitative measures may be implemented by the Minister of Natural Resources. Costs incurred by the Crown in implementing these measures may be recovered by drawing on the financial assurance provided by the proponent. Any required cost expenditures over and above the financial assurance provided will be considered a debt by the proponent to the Crown.

Mill Licence

If the proponent intends to operate a mill in conjunction with a mining operation, then a mill licence is required, and is issued by the Department to the holder of a mining lease. Further details are listed in the Guidelines to the Mining Act.
Other Operational Considerations

4. GEOSCIENCE

Environmental Protection

A Certificate of Approval to build and operate a mine is required, and is issued under Section 78 of the Environmental Protection Act. This certificate will encompass all measures needed to protect the environment in and around a mine site, including:

- waste management,
- air- and water-quality management,
- site contaminants management,
- dangerous goods management, and
- pesticides management.

Water Rights

Water rights and the protection of water are governed under the Water Resources Act SNL2002 CHAPTER W 4.01. This Act governs water use, the construction and maintenance of tailings dams and other water-control structures. Further information may be obtained from the Water Resources Management Division.

Occupational Health and Safety

In all phases of exploration, development and mining, project proponents must adhere to all conditions and requirements of the provincial Occupational Health and Safety Act (RSNL1990 CHAPTER O-3) and Regulations (1145/96).

Small Scale Projects

Under the terms of the Small Scale Operations Regulations (41/00), small scale mineral development projects may be exempted from the application of the Mining Act if the project fulfills the criteria for exemption prescribed in the Guidelines to the Mining Act. These criteria relate to the amount of production and characteristics of the materials.

Taxes and Royalties

Provincial taxes, royalties and other levies, and tax credits, applicable to mining operations in Newfoundland and Labrador are administered by the Department of Finance under the Revenue Administration Act (SNL2009 CHAP- TERTER R-15.01) and Mining and Mineral Rights Tax Regulations 19/03.

5. INDUSTRY SUPPORT & SERVICES: STRATEGIC INITIATIVES

Financial Support for Exploration

An exploration incentive program funded by the Department provides financial support on a cost-shared basis to junior companies and individuals working in the Province. Eligibility criteria and application forms for Junior Exploration Assistance and Natural Stone Assessment are available online. For further information, contact the Manager of the Mineral Incentive Program.
Drill Core Libraries

The Department maintains storage facilities for diamond drill core at 6 locations throughout the Province. Drillcore and related documentation from mineral exploration projects are available for examination at these facilities. Further information may be obtained from core-storage staff.

Selected core samples from some onshore petroleum exploration wells are stored at the Pasadena facility. Samples and cuttings from offshore exploration wells are held at a storage facility maintained by the Canada-Newfoundland Offshore Petroleum Board.

Mineral Exploration and Geoscience Documents (GEOFILES)

The Department maintains an extensive collection of documents on the geoscience of the Province, including mineral-exploration assessment reports, published reports and maps, open file reports and maps, university theses, books and book excerpts, and unpublished reports and maps. Many mineral-exploration assessment reports can be downloaded in pdf format, through a database of geoscientific publications, also available online. These documents are searchable by key bibliographic, geological or mineral exploration terms either online or in house. Further information is available from staff of the Geoscience Publications and Information Section.

Assistance for Prospectors

Training, Grants and Genuine Prospector Status

A number of programs are offered by the Department to provide training, financial assistance and other resources for local prospectors. A two-week Prospectors Training Course is conducted annually in Stephenville on the west coast of Newfoundland and is also offered in Goose Bay, Labrador, as demand warrants. Graduates of the course are eligible to apply for Genuine Prospector status, which confers certain privileges on the holder (see Genuine Prospector Designation). Application forms to obtain or renew Genuine Prospector status are online.

Financial assistance is also offered to prospectors in the form of Prospecting Grants. Eligibility criteria and application forms are available online.

Matty Mitchell Prospectors Resource Room

The Matty Mitchell Prospectors Resource Room is a government–industry–university partnership developed by the Department to provide assistance to the Province’s prospecting community. The Resource Room delivers technical support as well as advice, mentoring and promotional services to prospectors, rock hounds, mineral collectors and other interested members of the public. The facility is located in the Department’s Geological Survey in St. John’s, and is dedicated to pioneering prospector Matty Mitchell.

Consultation and Research Services

A wide variety of expertise is available to the mineral industry through consultations with staff of the Department, particularly from the main office building located at 50 Elizabeth Avenue in St. John’s. Most initial enquiries can be addressed to the Mineral Exploration Consultant, who will provide referrals to other services as required. Queries regarding mineral claims and land tenure are best directed to the Mineral Claims Recorder. Other key contacts are listed at the end of this document.

Promotion and Investment Attraction

The Department undertakes a number of initiatives designed to help promote the Province’s mineral industry and mineral potential. These include participation in national and international conferences, exhibitions and trade shows. At most of these venues, space is made available for prospectors and/or companies to display their properties and promotional materials. These displays are operated in partnership with the Newfoundland and Labrador Chamber of Mineral Resources.

The Department organizes an annual Mineral Resources Review in St. John’s, in partnership with the local branch of the Canadian Institute of Mining and Metallurgy. This is Eastern Canada’s largest mineral industry conference and trade show, which examines all aspects of Newfoundland and Labrador’s mining and mineral exploration sector. In addition to displaying the Department’s current projects, the Review showcases exploration, mining and related geoscience activities in the Province, prospector’s properties and local service companies. With an average attendance of over 500 delegates, it is considered by many to be an essential event for networking and business development in the local mineral industry.

Finally, the Department monitors all mineral industry activities and related expenditures in the Province and provides mining and exploration summaries of these in various publications, and on its website.
KEY CONTACTS

Department of Natural Resources
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