ACQUIRING MINERAL RIGHTS
AND
MANAGING YOUR MINERAL EXPLORATION LICENSE

Prepared by:
Mineral Claims Recorders Office
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The acquisition of Mineral Rights in the province is by online map staking using the Province’s Mineral Rights Administration System (MIRIAD).

Individuals aged 19 years or older and corporations have the right to obtain map staked licences (‘licenses’) granting the exclusive right to explore for minerals over the area of the license.

Individuals or corporations intending to stake claims must be registered with the Mineral Claims Recorders office. Registration forms must be completed in full and mailed to the Mineral Claims Recorder. Electronic copies will not be accepted. Activation of staking accounts will be completed in one to two business days. Upon account activation, the Mineral Claims Recorder’s office will supply the client with a client number, user name and password. Note that clients are required to change their user password when first accessing the system.

The basic unit of map staking in Newfoundland and Labrador is the claim. A claim is a 25 ha (500m x 500m) square being one quarter of a UTM grid square - bounded by one corner of a UTM grid square. The UTM grid square referred to is the one thousand metre grid used on the 1:50,000 National Topographic Map Series NAD 27.

An application for a map staked licence can be for a maximum of 256 claims and all the claims in the electronic application must be coterminous. Coterminous is defined as having at least one side in common. There are no restrictions on the shape or mineral licenses. Licenses extended past year twenty have a maximum size of 100 claims.

Details on the procedures to stake claims online as well as descriptions of the navigational tools to be used can be reviewed using the online staking help page www.claimstaking.gov.nl.ca.

Each claim staked in a license requires a fee of $65. This includes a non-fundable $15 recording fee and a $50 security deposit that is refunded upon submission and acceptance of the report covering the first year work requirements. However, designated prospectors may stake up to thirty claims in no more than five licences in a calendar year without posting a staking security deposit. Staking fees are payable at the time of staking by VISA or Mastercard. Please note that MIRIAD does not save credit card numbers.
GENERAL

A map staked licence is issued for a term of five years. However a map staked licence may be renewed and held for a maximum of thirty years provided the required annual assessment work is completed and reported upon and renewal fees are paid as required.

The minimum annual assessment work required to be done on a licence is:

- $200/claim in the first year
- $250/claim in the second year
- $300/claim in the third year
- $350/claim in the fourth year
- $400/claim in the fifth year
- $600/claim/year for years six to ten inclusive
- $900/claim/year for years eleven to fifteen inclusive
- $1200/claim/year for years sixteen to twenty inclusive
- $2000/claim/year for years twenty one to twenty five inclusive
- $2500/claim/year for years twenty six to thirty inclusive.

The renewal fees are:

- for year five $25/claim
- for year ten $50/claim
- for year fifteen $100/claim
- for years twenty to thirty $200/claim/year

In each year of the licence the minimum annual assessment work must be completed on or before the anniversary date. The assessment report must then be submitted within 60 days after the anniversary date. If a report cannot be completed and submitted on schedule, a partial report acceptable to the Mineral Claims Recorder may be submitted and a (Condition 3) sixty day extension of time applied for in order to submit the completed report. The partial report, at a minimum, must contain a title page, a table of contents, a brief description of work completed and a ballpark statement of expenditures.

Excess assessment work above what is required to be completed on the license in any one year is credited to the licence and can be carried forward to satisfy the expenditure requirements in future years. Excess expenditures credit incurred in years one to twenty can be carried forward for a maximum of nine years; however, no excess expenditure credit can be carried past year twenty. Excess expenditure incurred in years twenty one to thirty can be carried forward for a maximum of five years.

When a licence holder is unable to complete the assessment work required to be done in any twelve month period an application for a (Condition 2) twelve month extension of time in which to complete the work may be approved. An extension of time does not relieve a licence holder from performing and reporting the assessment work for the ensuing twelve months on schedule.
An extension of time (Condition 2) requires that the licence holder post a security deposit in the form of cash, cheque or an irrevocable letter of credit for the amount of the deficiency. The security deposit must be delivered to the Mineral Claims Recorder prior to the anniversary date of the year for which the extension is requested. When the deficient work is completed and accepted the security deposit will be refunded, otherwise, the security deposit will be forfeited.

For map staked licences, a (Condition 2) twelve month extension of time for the first year will result in the staking security deposit of $50/claim being refunded.

Where approved work cannot be completed in any year and the delay is caused by environmental considerations imposed under the exploration permit, the requirement for delivery of the security deposit for a (Condition 2) twelve month extension of time shall be waived at the request of the licencee. Note that the staking security deposit of $50/claim will not be refunded in this situation.

**SECURITY DEPOSIT**

The security deposit submitted with the application for a map staked licence will be refunded to the current licence holder upon the completion and acceptance of the first year assessment work. As well, if a map staked licence has been partially surrendered in the first year and the assessment work required to be done has not been completed, a portion of the deposit, in proportion to the partial surrender shall be forfeited. As well, if a map staked licence is cancelled or surrendered in the first year, the security deposit is forfeited.

**EXPLORATION APPROVAL**

Any license holder who intends to conduct an exploration program must obtain an exploration approval from the Department of Natural Resources before the activity can commence.

**ASSESSMENT WORK**

Expenditures on the following, within the area of the licence, shall be credited as assessment work when carried out for the purpose of exploration.

(a) prospecting
(b) trenching, pitting and stripping
(c) line cutting and flagging
(d) surface and underground geological surveys
(e) airborne, surface underground geochemical surveys
(f) airborne, surface, underground geophysical surveys and borehole geophysical surveys.
(g) photogeological and remote imagery interpretations
(h) drilling, and core transportation to storage facilities of the Department of Natural Resources
(i) land surveys
(j) topographic surveys
(k) shaft sinking and other underground exploration work
(l) engineering evaluation reports
(m) beneficition studies, analysis, assays and microscopic studies, and
(n) others as may be approved by the Minister

Note: Staking costs are not an acceptable assessment expenditure

PARTIAL SURRENDERS

Portion(s) of a map staked licence may be surrendered at any time during its currency. This is accomplished for mapped staked licences by submitting a request containing a sketch of the area clearly showing what claims are surrendered versus the claims being retained.

Note: There are no recording fees payable when submitting applications for partial surrender. The assessment work requirements will be reduced for the twelve-month period during which the partial surrender is made; the work requirements will be based on the number of claims retained in the licence(s). Areas retained need not be coterminous and may result in more than one reduced licence being issued. Excess assessment credit will be proportioned over the area of the separate licences.

GROUPING

Any number of coterminous map staked licences may be grouped to form a single licence provided that the number of claims grouped does not exceed 256. Only licences which have passed their first anniversary date or have first year assessment reports submitted and accepted and are in good standing are eligible to be grouped. There is no formal application form; a letter of request containing the licences to be grouped is sufficient. Licenses extend past twenty years may not be grouped with other licenses.

The issue date for the new licence will be the same as the issue date of the earliest licence in the group. The excess assessment credit for the grouped licence, if any, is calculated by taking the actual expenditure on each licence in the group and applying it to the grouped licence as if it were spent on the grouped licence from year one.

SPLIT LICENCES

A map staked licence may be split by submitting new sketches for the split areas. Excess assessment credit will be applied proportionally to all new licences produced.

The effective date of any partial surrender, grouping and splitting is the date the request is received by the Mineral Claims Recorder. Retroactive requests will not be accepted.
MINING LEASES

At any time during its currency, provided the equivalent of the first three years assessment work has been completed and acceptable reports submitted, a licence holder has a right to a mining lease for the minimum area necessary to cover an identified mineral resource. As well, the applicant for a mining lease must demonstrate to the satisfaction of the Minister of Natural Resources, that a mineral resource exists under the area of application that is of significant size and quality to be potentially economic. This must be confirmed by a qualified person. A qualified person is 1) an engineer or geoscientist with at least 5 year’s experience in mineral exploration, mine development or operation or mineral project assessment or a combination of these; 2) has experience relevant to the subject matter of the project and the technical report, and 3) is a member in good standing of a professional association of engineers and geoscientists. An application for a mining lease made pursuant to a map staked licence is to be accompanied by a legal survey of the area being applied for. Two original copies of the legal survey, description and sketch is required. The surveyor’s notes must also be submitted.

Mining leases are charged an annual rental of $105/ha, payable in advance. In addition the first year rental must be paid before the lease is issued by the minister.

SURFACE LEASES

In order to develop a mineral resource it is also necessary to obtain title to the surface rights to the area of the mining lease and areas for siting the required infrastructure incidental to the mineral development. The application for a surface lease is to be accompanied by a legal survey; two original copies of the legal survey description and sketch are required. The surveyor’s notes must also be submitted. Upon receipt of an application the Minister of Natural Resources in consultation with the Minister appointed to administer the Lands Act shall issue a surface lease.

TRANSFERS AND OPTIONS

A licence may be transferred at any time during its currency by completing and forwarding to the Mineral Claims Recorder a duly executed transfer document. As well, all options and agreements relating to minerals or rights to or in respect of minerals must be registered in registries maintained by the Mineral Claims Recorder’s office, Department of Natural Resources. Otherwise the transaction is not valid and has no effect in law.

Note: For the purposes of document registration all instruments must comply with the requirements for formal validity set out in the Registration of Deeds Act. These rules for formal validity require, at a minimum, that instruments show original execution by the party from whom an interest passes or by whom an obligation is undertaken and that the execution be “proved” before a person authorized to administer oaths. Persons authorized to administer oaths include a) the Registrar of Deeds, b) a judge of the Court of Appeal or the Trial Division, c) an officer appointed under the Registration of Deeds Act, d) a commissioner of the Supreme Court, e) a justice of the peace, f) a notary public under his/her official seal or g) a commissioner of oaths in and for the province.
This brochure is prepared for convenient reference only, the Mineral Act, RSN 1990, Chapter M-12 and the Mineral Regulations should be consulted for purposes of interpreting and applying the law.