Frequently Asked Questions on Prospecting

- Prospecting – Basics
- Mineral Claims – Mineral Licenses
- Claim Maintenance Assessment Work
- Minerals - Quarries - Rights
- Geochemistry - Assays
- Prospector Support
- Prospecting – Nuts and Bolts (Rocks and Minerals!)
Prospecting – Basics

What is Prospecting?
Prospecting covers a range of activities from fossil collecting to gold panning for the purpose of searching for economic minerals.

Even though I don’t have any background in geology or mining, is prospecting an activity I could pursue as I have a great love of the outdoors?
Anyone with a love of the outdoors can be a prospector.

Do I need a license or permit to prospect in the province?
A license is not required in order to do basic prospecting (i.e., no environmental disturbance) in the Province.

Is there any formal certification for prospectors?
Yes, there is a “Genuine Prospector” designation: this refers to a prospector who has several years of experience in prospecting either with a company or on his/her own and/or, someone who has taken the two-week-long prospector course either in Stephenville or Happy Valley-Goose Bay.

What tools do I need for prospecting?
All you need to be a successful prospector are a rock hammer, hand lens and a GPS (global positioning system) unit. A GPS will accurately tell you where you are in the bush to within several metres.

Am I allowed to pan for gold or visit mineral showings on other prospector’s/company’s properties?
This should only be done after obtaining permission from the owner(s) of the properties.

How do I know if someone owns mineral rights to an area?
Current (live) land tenure status is shown on the interactive Geoscience Atlas on the Department of Natural Resources’ website at http://gis.geosurv.gov.nl.ca/

I (think I) have discovered gold and/or base metal mineralization – what should I do next?
If you think the mineralization is significant, you could stake a mineral claim over the mineralization. This gives you the exclusive right to explore the area covered by the claim(s).

Mineral Claims – Mineral Licenses – Claim Maintenance - Assessment Work

What is a Mineral Claim?
A Mineral Claim is a piece of land measuring 500 metres by 500 metres (25 hectares or 62 acres).
What is a Mineral License?
A Mineral License is a permit to carry out mineral exploration in mineral claims on which someone holds mineral rights. A mineral license can consist of 1 up to a maximum of 256 claims; this grouping of claims has to be contiguous. The mineral license gives you exclusive rights to explore for minerals within its boundaries and to apply for a mining lease if you are successful in finding economic mineralization.

Can anyone stake Mineral Claims in the province?
Anyone 19 years of age or over, or a company can stake a mineral claim (see details below).

Do I have to have claims in order to prospect?
No, anyone can prospect on land which is open (i.e., not staked), outside of provincial or federal parks or wilderness areas and other protected habitats.

How do I stake a claim?
Mineral claims are staked online by accessing the staking section of the Province’s Mineral Rights Administration System (MIRIAD) at https://www.claimstaking.gov.nl.ca/. To stake a claim, you must first register with the Mineral Claims Recorder (729-6437), to be issued a password and PIN number. You can obtain an application form online at http://www.nr.gov.nl.ca/nr/forms/mines/index.html. The cost to stake one claim is $60, of which $10 is a recording fee and $50 is a refundable security deposit. Payment must be made online and with a valid credit card.

How many claims should I stake?
If the mineralization is confined to one small outcrop, then one claim would be sufficient to cover it. If the mineralization is clearly extensive and can be tracked for several hundred metres, then several claims are required to cover it. The number of claims staked also depends on the size of your pocket book!

Is there any way for prospectors to save money on staking claims?
Yes, if you are a “Genuine Prospector”, you are allowed to stake up to 30 claims in a calendar year and only pay the recording fee of $10. If more than 30 claims are staked in a year, the prospector has to pay the additional $50 per claim security deposit. This deposit is refundable when you complete the necessary work and file a report covering this first year work requirement.

Once a claim is staked is there any requirement to do work on it?
Yes. Every year a certain amount of money has to be spent on each claim and documented in an “Assessment Report”; for further information on maintaining claims, please refer to the Claims Brochure at: http://www.nr.gov.nl.ca/mines&en/mqrights/ClaimsBrochureMarch%202009.pdf

What is an Assessment Report?
An assessment report must be completed at the end of every year by the owner of a mineral
claim. It comprises a brief description of the work done on the license in the preceding year and a statement of expenses—these are called “assessment credits”.

If I spend more money than necessary on my claims, do I get the money back? No, the excess money spent is carried over to the next year’s assessment credits.

Are there any options available if I am unable to complete all or part of the assessment work on my claims? Yes. A 12-month extension of time may be applied for. There is no formal application but note that the request for the extension must be received by the Mineral Claims Recorder’s office (DNR) on or before the anniversary date of the license and be accompanied by a security deposit equal to the amount you are deficient in assessment work. The security deposit is refundable only if you do the required work.

Can I get an extension of time to submit an assessment work report? Yes. A 60-day extension to complete an assessment work report is available provided a preliminary version of the report together with reason(s) why the completed report cannot be submitted on schedule, is forwarded to the Mineral Claim Recorders office on or before the Work Report due date.

Can I combine adjoining mineral licenses? Yes. This is called Grouping. Mineral licenses can only be grouped if they are held by the one company/individual, the licenses are adjoining and total no more than 256 claims, the first year assessment work report has been filed and no 12-month extensions exist on any license.

Can I drop some of the claims in a license? Yes. This is called a Partial Surrender. Simply notify the Mineral Claim Recorders office by email. Include a map description of the area you wish to retain as well as a sketch (copy of the claim map) that clearly identifies the area of the claims you wish to retain as well as the claims you wish to surrender.

How can I profit from making a mineral discovery? If the property has verified mineralization present, then consider making a deal with an exploration company to carry out the work required on your property. This work should be designed to fully investigate the extent of the mineralization and to assess whether the property/mineralization is economically viable to mine. This deal is called an Option Agreement.

Option Agreements

What is an Option Agreement? An option agreement is similar to a lease. The prospector signs an agreement with a company which allows the company to earn an interest in the prospector’s property. In
return, the prospector is typically given annual payments and/or shares in the company, as well as a small retained interest, called a Net Smelter Royalty (NSR). Every option agreement is different and has to be negotiated between the company and the prospector and then checked out by each party’s lawyers.

Can I sell my property?
Prospectors don’t normally sell their property. The preferred marketing strategy is to option the property to an exploration company.

Do most prospectors option their claims?
When prospectors have done some work on their claims, they are in a position to decide whether to hold on to the property or cancel it if no mineralization has been found. If some interesting mineralization has been found, more advanced surveys are then required to further develop the property: this work can be very expensive and near impossible for most prospectors to accomplish both logistically and financially. At this stage, it is best to option the claims to an exploration company which has the resources to carry out expensive surveys on the property, which possibly could include drilling.

Who can I ask for advice on Option Agreements?
Other prospectors who have successfully optioned properties; lawyers who have experience with these option agreements; several people at DNR –Phil Saunders (729-6193) the Mineral Exploration Consultant who can direct you to the right person. In addition, you can check with the Matty Mitchell Room geologist for guides on negotiating Option deals.

Are there any fees required when I transfer title of my claim to a company or register an option agreement on my claims.
No.

Minerals / Quarries / Rights

If I own the surface rights (say some land with a cabin on it), do I automatically own the mineral rights?
No. Mineral rights are a separate matter, and can only be obtained by online staking.

What do mineral rights refer to?
Mineral rights are given to the person who has staked a mineral claim on a property. These rights allow the person to conduct work on the claim, develop any mineral deposit, such as gold, base metals etc., or they can option / lease that property to a mineral exploration company.

Do I get surface rights when I stake a claim?
No. Permission from surface rights holders in the area of your claims must first be obtained before exploration can begin.

If I own the land, do I own the quarry rights?
No. Individuals have to make an application for a permit to open or lease a quarry.

Do I get quarry (aggregate) rights when I stake a claim?
No. Rights to quarry materials are obtained under the Quarry Materials Act 1998. For further information on quarry rights, contact Gerald Kennedy, Manager - Quarry Materials at 709-729-6447.

Do I get Petroleum rights when I stake a claim?
No. Petroleum Rights are acquired through a bid process under The Petroleum and Natural Gas Act.

Do Mineral Rights take precedence over Quarry Rights or vice versa?
No. The owners of the Mineral Rights and the Quarry Rights have to negotiate a mutually acceptable agreement.

What materials are included in the term “Minerals”?
The term Mineral refers to any naturally occurring inorganic substance and includes gold, base metals, coal etc. and materials contained in mine tailings.

What materials are included in the term “Quarry Material”?
Quarry Materials are substances used in their natural form for road works, civil construction or agricultural purposes and include clay, sand, gravel, rock, soil, peat and slag.

What is “Dimension Stone”?
Dimension Stone is different from “Minerals” and “Quarry Materials” as defined above and includes slate, marble, granite and other rocks used as dimension stone for flooring, countertops, building facades etc.

Assays

What is an assay?
An assay refers to a method to analyze or reveal what substances are present in a sample whether it be rock, soil, water, etc. An assay, also referred to as an analysis, also gives the amount of those substances in the sample.

How big does a sample have to be?
A rock sample is typically about 2 – 4 pounds or double your fist size.

Does the government do assays for prospectors?
No.

Are there private assay labs in the province?
Yes. Eastern Analytical Ltd. is an assay lab in Springdale and is generally used by people throughout the province. The address is
How much does it cost to get an assay done?
Preparation (crushing/pulverizing) costs for a regular sample are about $8 (all samples have to be prepared in this fashion). Assay costs vary with the type of analysis requested, e.g. to get 34 elements analysed in a sample (package is called “ICP 34 plus Au”) costs about $26.

How long does it take to get the results?
Depending on the time of year and the number of companies using the lab, the turn-around time for assays is typically 2 weeks (approximate).

Who can I call to help me with interpreting the assay results?
You can contact the geologist at the Matty Mitchell Room (Pat O’Neill, 729-2120) or the Exploration Consultant in the Publications Section (DNR) (Phil Saunders, 729-6193). All information is confidential for 3 years.

Prospecting – Nuts and Bolts (Rocks and Minerals!)

What is mineralization?
“Mineralization” refers to the presence of ore minerals (which contain metals of economic interest and suitable for use in various applications) in a rock. These metals include Gold, Copper, Lead, Zinc, Nickel, Molybdenum, Iron etc.

What is Economic Mineralization?
Mineralization becomes economic when there is a sufficient quantity of it in one place that it can be mined economically.

Do economic minerals have to be visible in a rock to make them ore grade?
No. Gold for example, is commonly not visible in some economic gold deposits.
What would be good indications that a rock might contain mineralization?
The most obvious indicator of mineralization in the rock is what is referred to as staining. “Stains” occur when certain ore minerals such as those containing copper, react in the presence of water and air to form thin films of new minerals on the surface of the rock. These new mineral stains are commonly very brightly coloured. Some examples include: malachite (bright green), azurite (bright blue) – both copper stains; uranophane (bright yellow) – uranium; erythrite (pink) - cobalt

What is a gossan?
A gossan is a heavily oxidized, very rusty rock. It is the prospector’s friend because it indicates the presence of mineralization and is easy to identify! A gossan is produced when massive to semi-massive sulphides are exposed to weathering (water and air) and the metals are leached out and the iron combines with water to form limonite/rust.

In Newfoundland and Labrador, what are the key indicator ore minerals?
Key indicator ore minerals in NL include the sulphides: pyrite, chalcopyrite, chalcocite, galena, sphalerite, molybdenite, stibnite and the oxides: magnetite and hematite. Note that on the island, gold is commonly visible particularly in quartz veins.

How can I best learn to identify the common ore minerals?
The Matty Mitchell Room has a large collection of rocks and minerals commonly found in rocks in NL. Feel free to come and browse the collection.

Prospector Support

I have found some mineralization, what’s my next step?
Let’s assume that you have staked the property. First you might try to establish the grade of the mineralization by taking rock samples called grab samples. If these samples test positive and if there is good rock exposure (called outcrops), take more samples. At the same time, you would try to trace the extent of the mineralization by prospecting along the trend of the zone, (if this can be established). If the rock exposure is poor, you may want to take soil, stream or till samples. If these samples test positive, take a sufficient number that you define an anomaly in the material (i.e., soil) being sampled. Stronger soil anomalies might then become a target for trenching to expose the bedrock under the soil or till. Seek advice on what to do next.

What equipment do I need to take soil samples?
A soil auger and the appropriate sample bag (which can be purchased at the Springdale laboratory) are the only tools you need for soil sampling. Augers are available on loan from the Matty Mitchell Room. Equipment can also be easily purchased online.

Is there any other equipment available?
Yes, the Matty Mitchell Room also has plastic rock sample bags, Kraft soil/stream or lake sediment paper bags, lake sediment samplers and plastic gold pans available for loan.
Personnel looking after the prospector assistance grants program (at DNR) also have some easy-to-use geophysical equipment available for loan.

How secretive should I be about my new discovery?
It’s best to keep quiet about your discovery until you have it staked!

How should I proceed with promoting my property?
Talk to the geologist at the Matty Mitchell Room or the Mineral Exploration Consultant at DNR.

How can I connect with the right people in exploration companies?
There are several ways to go about this:

- Check out the list of companies working in Newfoundland and Labrador at [http://www.geosurv.gov.nl.ca/minesen/mineral_exploration/](http://www.geosurv.gov.nl.ca/minesen/mineral_exploration/)
- Attend trade shows in order to network with the exploration companies’ reps
- Talk to the geologist at the Matty Mitchell Room or the Mineral Exploration Consultant at DNR.

Where can I learn more about Prospecting?
Visit the “Matty Mitchell Prospectors Resource Room”, First Floor, Department of Natural Resources (DNR) Building, St. John’s; email matty@gov.nl.ca or Ph 709-729-2120. There are also a multitude of resources online and, locally, e.g., check out the NLPA (Newfoundland and Labrador Prospectors Association).

Is there a prospecting association?
Yes. Prospectors in the province can become members of the Newfoundland and Labrador Prospectors Association (“NLPA”). Their website can be viewed at: [http://nlprospectors.org/](http://nlprospectors.org/)

What other kind of support is available?
The most important alternate support is through the Mining Association of Newfoundland and Labrador (MINL) – got to [http://www.miningnl.com/](http://www.miningnl.com/). Prospectors can join MINL for a minimal fee ($25). MINL helps prospectors promote their properties partly by funding prospectors to go to national/international conventions such as the PDAC in Toronto and the Roundup in Vancouver.

What is the “Matty Mitchell Room”?
The Matty Mitchell Prospectors Resource Room is an office in DNR dedicated to helping prospectors in all aspects of their work. It is a private/public partnership sponsored by the DNR and the provincial mining association (MINL).

Are there other “Prospector Resource Rooms” around the province?
No. The “Matty Mitchell Room” is the only dedicated prospector resource room in the province.
Does the government offer prospector training courses?
Yes. The Prospectors Assistance Program offered by DNR provides professional instruction and other resources in a comprehensive, two-week training course in basic prospecting skills. The tuition-based course is delivered through the College of the North Atlantic (CNA) and is open to everyone. The course is currently offered annually in Stephenville in late May / early June. When demand is sufficient, the same course is offered in Happy Valley/Goose Bay.

How much does the course cost?
The all-inclusive cost of the course (in 2014) is $900 ($600 for tuition and $300 for accommodations and meals). The only thing not covered by the cost is beer!

Can I get financial assistance for the course?
Local exploration companies have frequently sponsored people in the past and HRDC (through their Advanced Skills Program) has also sponsored people. In Labrador, the Inuit / Innu / Metis have helped fund their members to do the course in Happy Valley/Goose Bay.

Are there any other courses offered around the province?
The NLPA is currently working on a program of short course offerings (evenings, half days, weekends etc.). Check out the website regularly at http://nlprospectors.org/ as updates on these new offerings are continuously being made.

Does the provincial government offer any financial assistance to individual prospectors?
Yes. The Prospectors Assistance Program (“PAP”) is a provincially funded program which provides direct financial support, through grants, to individuals. Please visit the following website for more information on the financial assistance program and the guidelines which govern the program. Contact Dale O’Reilly (Mineral Incentive Geologist) at 1-855-729-6448 or daleoreilly@gov.nl.ca for all inquiries regarding the PAP.

http://www.nr.gov.nl.ca/nr/mines/exploration/mip/prospectorast.html

Where can I obtain air photos, topo maps and forest access road maps locally?
The Air Photo Library (Crown Lands Division) at the Howley Building on Higgins Line in St. John’s should be able to provide you with these necessities.

Can I obtain prospecting gear and supplies along with field guidebooks locally in the province?
There are several sites online from which you can acquire anything you need in the prospecting line; e.g., http://www.bapequipmentstore.com/index.php?l=product_list&c=828. In addition, local surveyor stores such as Cansel Wade and OnGrade NL Inc. can supply some of the necessary supplies prospectors require.

I have collected some interesting rock and mineral samples from my area. Where can I send them to be identified?
You can either bring them into the “Matty Mitchell Prospectors Resource Room” in person or
send them in by mail (see address below). Samples can also be sent to the Exploration Consultant at the same address.

I live in a remote area of the province: who can I call to help me with questions about my property?
Call Phil Saunders (709-729-6193) to help you with any question on your property. Phil is the Exploration Consultant at DNR’s Publications and Information Section.

What’s the best place to access information about the mineral resources of NL?
The best source of information is the Geoscience Atlas at http://gis.geosurv.gov.nl.ca/
This website contains a huge repository of geological, geochemical and geophysical information based on more than 100 years of mineral exploration and mining in the province.

Are there any major or junior mining companies (exploration) with local offices?
Most mining and exploration companies are based in Vancouver and Toronto, but some junior exploration companies do have local offices. Go to the following website for addresses and contact information.
http://www.geosurv.gov.nl.ca/minesen/mineral_exploration/

Will exploration companies assay samples for prospectors?
Sometimes, mineral exploration companies will pay for the cost of assays for a prospector; in return for which, the company gets the “right of first refusal” on optioning the property.

Is an area which has had past mining activity still a good place to explore?
Yes. A good example of this would be the Buchans area. Mining finished there in 1984 and now another company is in the process of developing a mining plan to bring it back into production.

What are the first steps in deciding how to select an area to go prospecting in?
Accessibility. You have to be able to walk or drive to it; favorable geology, preferably with known mineral occurrences.

Where can I obtain a rock and mineral collection (set). Does the provincial government provide these to new prospectors?
The Department does have a rock/mineral kit but it is only for distribution to schools. The only place to get rock and/or mineral kits is by going online, e.g. http://geology.com/store/collections/mineral-kit.shtml and also on eBay.

Is there a local government geologist whom I can call on to look at the rocks on my claim?
The Geological Survey (part of DNR) has geologists who work in various areas of the province. Call Phil Saunders to be put in touch with the geologist in your area.

Do prospectors form partnerships?
Sometimes, two or more prospectors who know each other well form a partnership. The
agreement can be registered with the Mineral Claims Recorder.

Do prospectors form companies?
Yes. Several experienced prospectors have graduated from merely prospecting to being the CEO’s of publicly traded junior exploration companies. Examples include the Stares brothers and Kevin Keats from Benton (Metals Creek Resources, Golden Dory Resources).

Newfoundland and Labrador has had a long history of mining. Is there really much potential left for new mineral discoveries in the province?
Less than 5% of the province has exposed rock. This means that most of the bedrock in the province is covered by bog, forest, soil, glacial debris or a mixture of these materials. Much detective work must be done to uncover hidden mineralization. Each year, prospectors still make new mineral discoveries. Also, until recently there were relatively few companies and prospectors exploring the province, compared to more established mining jurisdictions such as Ontario and Quebec.

Is it worth staking historic mineral occurrences?
Any mineral occurrence might be the first clue to a larger deposit either at depth, or under cover nearby. Every prospector brings a different approach and abilities to each property. Your approach may be the successful one!

If I discuss my assay results or other results of my prospecting activities with a government geologist, will they be treated confidentially?
All government employees sign confidentiality agreements regarding knowledge they acquire at work – this includes information from prospectors.

Does the government keep records of previous exploration work in the province?
All reports are kept by the Department of Natural Resources.

Are there certain times of the year when prospecting will be restricted?
Yes. When permits are applied for, such issues as caribou calving areas, salmon spawning rivers, etc. will arise and need to be assessed.

Are there any other restrictions on prospecting with respect to time of the year or area of interest?
Prospecting is not allowed in public parks, wilderness areas etc. When staking claims online, such areas called Exempt Mineral Lands (“EML”) will be off limits to staking.

Are there any differences in prospecting “does and don’ts” in Labrador?
When prospecting in Labrador be aware of Inuit and Innu lands restrictions.
<table>
<thead>
<tr>
<th>Contact</th>
<th>Position</th>
<th>Phone</th>
<th>email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pat O’Neill</td>
<td>Posters, promotion</td>
<td>709 729 2120</td>
<td><a href="mailto:matty@gov.nl.ca">matty@gov.nl.ca</a></td>
</tr>
<tr>
<td>Phil Saunders</td>
<td>Exploration consultant</td>
<td>709 729 6193</td>
<td><a href="mailto:philsaunders@gov.nl.ca">philsaunders@gov.nl.ca</a></td>
</tr>
<tr>
<td>Justin Lake</td>
<td>Claims recorder</td>
<td>709 729 6437</td>
<td><a href="mailto:justinwlake@gov.nl.ca">justinwlake@gov.nl.ca</a></td>
</tr>
<tr>
<td>Dale O’Reilly</td>
<td>Prospector’s grants</td>
<td>855 729 6448</td>
<td><a href="mailto:daleoreilly@gov.nl.ca">daleoreilly@gov.nl.ca</a></td>
</tr>
</tbody>
</table>

Natural Resources website: [http://www.nr.gov.nl.ca/nr/](http://www.nr.gov.nl.ca/nr/)


Surface mail: Matty Mitchell Prospectors Resource Room  
First Floor, Natural Resource Building  
PO Box 8700, 50 Elizabeth Avenue, St. John’s, NL  
A1B 4J6

Courier: Matty Mitchell Prospectors Resource Room  
First Floor, Natural Resource Building  
50 Elizabeth Avenue, St. John’s, NL  
A1A 1W5

List of Resources / printed materials available from the Matty Mitchell Room

**Guidelines for Mineral Exploration**

- Guidebook to Exploration, Development and Mining in Newfoundland and Labrador
- Staking and Maintaining Claims

- Sample Assessment Report

- Sample of Property Ownership Agreement

Permitting – The Exploration Approval Process and Other Relevant Permits Necessary to Conduct Mineral Exploration in Newfoundland & Labrador