

Regulation current to April 1st, 2008

Northwest Territories and Nunavut Mining Regulations

C.R.C., c. 1516

TERRITORIAL LANDS ACT

Northwest Territories and Nunavut Mining Regulations

1. [Repealed, SOR/2007-273, s. 2]

INTERPRETATION

[SOR/2007-273, s. 3(F)]

2. (1) In these Regulations,

"Act" means the *Territorial Lands Act*; (*Loi*)

"adjacent claims" means claims that are contiguous or are intended by the locator to be contiguous; (*claims adjacents*)

"assay" [Repealed, SOR/79-234, s. 1]

"authorized officer" means any person authorized by the Minister to perform any function related to the administration and enforcement of these Regulations; (*agent autorisé*)

"Chief" means the Chief of Financial Analysis and Royalties Administration of the Mineral Resources Directorate of the Natural Resources and Environment Branch of the Department of Indian Affairs and Northern Development; (*chef*)

"claim" means a plot of land located or acquired in the manner prescribed by these Regulations; (*claim*)

"claim inspector" means a person designated as a claim inspector pursuant to section 4; (*inspecteur de claim*)

"co-holder" means a person in whose name a claim is recorded under these Regulations either jointly or in common with another person; (*co-détenteur*)

"Department" means the Department of Indian Affairs and Northern Development; (*ministère*)

"depreciable assets" means buildings, plant, machinery and equipment; (*actif amortissable*)

"Deputy Mining Recorder" means a person designated as a Deputy Mining Recorder pursuant to section 4; (*registraire minier adjoint*)

"engineer of mines" means a person designated as an engineer of mines pursuant to section 4; (*ingénieur des mines*)

"exploration cost" means an expense incurred for the purpose of determining the existence, location, extent, quality or economic potential of a mineral deposit in the Territories, but does not include an expense incurred for the purpose of bringing a mine into production; (*frais d'exploration*)

"exploratory work" means any work done for the purpose of determining the economic potential of a permit area; (*travaux d'exploration*)

"fiscal year" , in respect of a mine, means the fiscal period of the mine's operator as defined in section 249.1 of the *Income Tax Act*; (*exercice*)

"identification tag" means a tag used to mark a corner of a claim and made of a substance and of a size approved by the Minister and issued as one of a set of four by the Mining Recorder; (*plaque d'identification*)

"lease" means a lease of a recorded claim granted to the holder of the claim pursuant to section 58; (*bail*)

"legal post" means a post, tree, mound of earth or stone used for making a claim in accordance with section 14; (*borne légale*)

"lessee" [Repealed, SOR/2007-273, s. 4]

"licence" means a licence to prospect issued under section 8; (*licence*)

"licensee" means a person who holds a licence; (*titulaire de licence*)

"locate" means to mark out a claim in accordance with these Regulations; (*localiser*)

"locator" means a licensee who locates a claim or for whom a claim is located; (*localisateur*)

"mine" means a work or undertaking that produces or has produced minerals or processed minerals from the lands referred to in section 3, and includes the depreciable assets that are located in the Territories, below or above ground and used in connection with the work or undertaking; (*mine*)

"mineral" means any naturally occurring inorganic substance found on or under any surface of land, but does not include native sulphur, construction stone, carving stone, limestone, soapstone, marble, gypsum, shale, clay, sand, gravel, volcanic ash, diatomaceous earth, ochre, granite, slate, marl, loam, earth, flint, sodium chloride or soil; (*minéral*)

"mineral claim staking sheet" means

(a) a map of an area bounded on the north and south by 15-minute intervals of latitude and on the east and west by 30-minute intervals of longitude south of 68 degrees north latitude, or

(b) a map of an area bounded on the north and south by 15-minute intervals of latitude and on the east and west by one degree intervals of longitude north of 68 degrees north latitude; (*feuille de jalonnement d'un claim minier*)

"mining district" means an area established as a mining district pursuant to paragraph 23(g) of the Act; (*district minier*)

"mining property" means

(a) a recorded claim, or a recorded claim that is subject to a lease, within the boundaries of which a mine or part of a mine is situated, or

(b) a group of contiguous recorded claims, whether or not subject to a lease, within the boundaries of which a mine or part of a mine is situated,

(i) that are the property of the same owner, or

(ii) if the mine is operated as a joint venture, that are owned exclusively by the members of the joint venture or parties related to the members of the joint venture, regardless of the degree of ownership of each claim or lease; (*propriété minière*)

"mining reclamation trust" means a trust that is established for a mine and

(a) is created for the purposes of subsection 17(1) of the *Northwest Territories Waters Act* or subsection 76(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, or

(b) is created as a condition of

(i) a lease issued under the *Territorial Lands Regulations*,

(ii) a contract with the Minister relating to the reclamation or environmental management of a mining property, or

(iii) a permit issued under Part 3 or 4 of the *Mackenzie Valley Resource Management Act* or under the *Territorial Land Use Regulations*; (*fiducie de restauration minière*)

"Mining Recorder" means a person designated as a mining recorder pursuant to section 4; (*registraire minier*)

"mining royalty valuer" means a person acting on the Minister's behalf for the purpose of ascertaining the value of minerals or processed minerals produced from a mine; (*évaluateur des*

redevances minières)

"Minister" means the Minister of Indian Affairs and Northern Development; (*ministre*)

"owner" , in respect of a recorded claim, lease, mine or mining property, means any person with a legal or beneficial interest in the recorded claim, lease, mine or mining property; (*propriétaire*)

"permit" means a permit to prospect issued under section 29; (*permis*)

"permittee" means a person who holds a permit; (*titulaire de permis*)

"precious stone" means a diamond, a sapphire, an emerald or a ruby; (*pietre précieuse*)

"processing" means crushing, grinding, floatation, beneficiation, concentrating, milling, roasting, smelting, leaching, recrystallization or refining performed on minerals, and if the output of a mine is precious stones, cleaning and sorting that output; (*traitement*)

"processing assets" means tailings disposal facilities and depreciable assets located in the Territories that are used directly and exclusively in processing; (*biens utilisés pour le traitement*)

"qualifying environmental trust" [Repealed, SOR/2007-273, s. 4]

"recorded claim" means a claim recorded with the Mining Recorder in the manner prescribed by these Regulations; (*claim enregistré*)

"reduced area tag" means a tag used to mark a corner of a claim, the area of which has been reduced in accordance with section 43, and made of a substance and of a size approved by the Minister and issued as one of a set of four by the Mining Recorder; (*plaque de superficie réduite*)

"related" , in respect of two or more persons, means that the persons are

(a) related persons within the meaning of section 251 of the *Income Tax Act*, read without reference to paragraph 251(5)(b),

(b) associated corporations within the meaning of section 256 of that Act, read without reference to subsection 256(1.4),

(c) affiliated persons within the meaning of section 251.1 of that Act, or

(d) other than for the purpose of subsection 67.1(1), owners or operators of the same mine; (*liées*)

"representation work" means work of a kind described in subsection 38(1); (*travaux obligatoires*)

"Supervising Mining Recorder" means the person designated as Supervising Mining Recorder pursuant to section 4; (*registraire minier en chef*)

"surface holder" means the lessee or registered holder of the surface rights to the land on which a mineral claim is or is proposed to be recorded; (*détenteur des droits de surface*)

"Surveyor" has the same meaning as "Canada Lands Surveyor" in the *Canada Lands Surveys Act*; (*arpenteur*)

"Surveyor General" has the same meaning as in the *Canada Lands Surveys Act*; (*arpenteur général*)

"Territories" means the Northwest Territories and Nunavut; (*territoires*)

"undeducted balance" means

(a) in respect of a depreciation allowance, the original cost of the depreciable assets in respect of which the depreciation allowance is claimed, less any depreciation allowances previously claimed in respect of those assets,

(b) in respect of a development allowance, the unamortized balance of costs eligible for a development allowance under paragraph 65.1(1)(*h*), and

(c) in respect of a mining reclamation trust contribution allowance, the total of all contributions made to the mining reclamation trust, less any deductions previously claimed; (*fraction non amortie*)

"year" , for the purpose of representation work, means the period between the date of the recording of a claim and the anniversary date next following, and then from year to year. (*année*)

(2) For the purposes of these Regulations, a person who is related to another person is considered to be also related to any person to whom the other person is related.

SOR/79-234, s. 1; SOR/88-9, s. 2; SOR/92-552, s. 1(F); 1998, c. 14, ss. 101(F), 102(F); SOR/99-219, s. 1; SOR/2007-273, s. 4.

APPLICATION

3. These Regulations apply in respect of territorial lands in the Northwest Territories and in Nunavut referred to in subsections 3(1) and (2) of the Act.

SOR/88-9, s. 3; SOR/2007-273, s. 5.

ADMINISTRATION

4. (1) The Chief shall designate a person to be Supervising Mining Recorder and may designate persons to be engineers of mines or claim inspectors.

(2) For each mining district, the Chief shall designate a person to be Mining Recorder and may designate a person to be Deputy Mining Recorder.

SOR/79-234, s. 2.

5. (1) Subject to subsection (2), all records of recorded claims and all documents filed in the office of a Mining Recorder relating to such claims shall, during office hours, be open to public inspection free of charge, and the Mining Recorder shall, on payment of the applicable fee set out in Schedule I, issue copies of such records and documents to any person applying therefor.

(2) Subject to subsection (3),

(a) no report on geological, geochemical, geophysical, diamond drilling or other investigation of a recorded mineral claim, and

(b) no other report or document certified by the holder of a recorded mineral claim to be confidential,

that is filed with a Mining Recorder as evidence of representation work on a mineral claim shall be open to public inspection for a period of three years from the date on which such report or document was filed or until the mineral claim to which it relates lapses, whichever is the earlier.

(2.1) No copy of a report or document referred to in subsection (2) shall, for the earlier period referred to in that subsection, be issued to anyone except the holder of the mineral claim to which the report or document relates, except for the purposes of the administration or enforcement of these Regulations or legal proceedings related to such administration or enforcement.

(3) Every copy of, or extract from, an entry in any record kept by a Mining Recorder or any document filed in his office relating to a recorded claim certified by a Mining Recorder or Deputy Mining Recorder to be a true copy or extract thereof, shall be received in evidence in all proceedings relating to that claim without proof of the signature or of the official character of the person appearing to have signed the certificate and without proof of his official position.

SOR/79-234, s. 3.

6. Where a claim has been recorded under a claim name, a Mining Recorder may, on receipt of an application therefor in writing from the holder of the claim and upon payment of the applicable fee set out in Schedule I, change the name of the claim in his records.

LICENCE TO PROSPECT

7. Any individual who is 18 years of age or older and any company that is registered with the Registrar of companies pursuant to the *Companies Ordinance* of the Territories, other than an

individual or company who held a licence that was revoked pursuant to subsection 10(3) within the previous 30 days, may apply for a licence.

SOR/88-9, s. 4.

8. (1) An application for a licence or the renewal of a licence shall be made to the Mining Recorder and shall be accompanied by the fee that is appropriate to the licence as set out in Schedule I.

(2) On receipt of an application for a licence and the applicable fee, the Mining Recorder shall

(a) issue to the applicant a receipt in respect of the fee paid;

(b) complete a Prospector's Licence Record in Form 1 set out in Schedule III; and

(c) issue to the applicant a licence in Form 2 set out in Schedule III.

(3) On receipt of an application for the renewal of a licence and the applicable fee, the Mining Recorder shall

(a) issue to the licensee a receipt in respect of the fee paid; and

(b) enter the receipt number and the date of issue of the receipt in the licensee's Prospector Licence Record.

(4) Subject to subsection (5), a licence shall be valid from the date of its issue until March 31 following the date of its issue.

(5) Where a licence is renewed before its expiration date, it shall be valid for a period of one year from March 31 following the date of its renewal.

(6) No person, other than a licensee, shall

(a) prospect for minerals on territorial lands;

(b) make an application to record a claim;

(c) acquire any recorded claim or any interest in a recorded claim by transfer;

(d) submit an application for a certificate of work or a certificate of extension; or

(e) acquire a lease of a recorded claim.

(7) No person shall locate a claim unless the person is 18 years of age or older.

SOR/79-234, s. 4; SOR/97-117, s. 1; SOR/2007-273, s. 6(F).

9. (1) Subject to subsection (6), no licence is transferable.

(2) Every licence shall be numbered and stamped to indicate the office from which it was issued.

(3) If a licence is accidentally destroyed or lost, the licensee may, upon payment of the fee prescribed therefor in Schedule I, obtain a duplicate licence from the office from which the original licence was issued.

(4) Every duplicate licence issued pursuant to subsection (3) shall be marked “duplicate licence”.

(5) No person shall hold more than one licence at any time.

(6) Where a company changes its name or is amalgamated or reorganized under a new name, any licence issued to the company may be transferred to the company under its new name or to the amalgamated or reorganized company.

10. (1) Where a licensee is required to perform representation work or exploratory work, that work may be performed by any person authorized by the licensee.

(2) Any person may locate claims on behalf of a licensee.

(3) Where a licensee or any person acting on behalf of that licensee has wilfully contravened these Regulations, the Chief may, after giving the licensee an opportunity to be heard, revoke the licence of that licensee.

SOR/88-9, s. 5; SOR/97-117, s. 2(F).

WHERE AND BY WHOM CLAIMS MAY BE ACQUIRED

11. (1) No licensee shall prospect for minerals or stake a claim on lands

(a) to which the *National Parks Act* applies;

(b) used as a cemetery or burial ground;

(c) in respect of which a claim has been recorded and has not lapsed;

(d) the minerals in which have been granted or leased by Her Majesty;

(e) set apart and appropriated by the Governor in Council for a purpose set out in section 23 of the Act;

(f) the entry on which for the purpose of prospecting for minerals and locating a claim thereon is

prohibited by order of the Governor in Council, subject to the terms and conditions contained in the order;

(g) under the administration and control of the Minister of National Defence, the Minister of Energy, Mines and Resources or the Minister of Transport, unless the consent of that Minister has been obtained in writing; or

(h) the surface of which has been granted or leased by Her Majesty, unless the grantee or lessee consents thereto or an order authorizing entry thereon has been made pursuant to subsection 72(3).

(i) [Repealed, SOR/88-9, s. 6]

(2) Where a roadway, railway or other right-of-way is included in a recorded claim, the holder of the claim shall not have the right to enter on the right-of-way for the purpose of prospecting or development without the permission of the Mining Recorder for the district in which the claim is situated, which permission shall not be refused unless the holder has first been given the opportunity of being heard.

SOR/88-9, s. 6; SOR/99-219, s. 2; SOR/2007-273, s. 7.

SIZE OF A CLAIM

12. Subject to these Regulations, a licensee or a person authorized by a licensee may, in accordance with section 13, locate mineral claims, but no such claim shall exceed 2,582.5 acres.

SOR/79-234, s. 5.

HOW A CLAIM SHALL BE LOCATED

13. (1) A claim shall, as nearly as possible, be rectangular, except where a boundary of any lands referred to in paragraphs 11(1)(a) to (h) is adopted as a common boundary.

(2) Subject to subsection (3), the length and width of a claim shall each, as nearly as possible, be 1,500 feet or a multiple thereof, but the length of a claim shall not exceed five times its width.

(3) Any land situated between two previously located claims that contains not more than 2,582.5 acres, may be located as a claim.

(4) A claim shall be measured horizontally and its boundaries shall extend vertically downward on all sides and shall, as nearly as possible, run north, south, east and west astronomically.

SOR/79-234, s. 6; SOR/88-9, s. 7.

14. (1) Subject to subsection 15(2), each corner of a claim shall be marked on the ground

(a) in a treed area

(i) by a post of sound wood planted firmly in or on the ground in an upright position and standing not less than four feet above the ground, or

(ii) by a tree found in position and cut off not less than four feet above the ground,

the upper one foot of which has been squared so that each face of the squared portion is not less than 1 1/2 inches in width; and

(b) in a treeless area, by a post described in subparagraph (a)(i) or by a cone-shaped, well-constructed mound of earth or stone that is not less than three feet in diameter at the base and not less than three feet in height.

(2) Subject to subsections (3) and 15(2), legal posts shall be erected along the outer boundaries of a claim at intervals of not more than 1,500 feet, measured horizontally, the posts being numbered consecutively in a clockwise direction, commencing at one, from the northeast corner post, and recommencing at one from each corner post thereafter.

(3) Where a boundary line crosses a body of water or any other natural obstruction or lands described in paragraph 11(1)(h), a legal post shall be placed on the boundary line on each side of the body of water, natural obstruction or lands.

(4) Where two or more claims are being located at the same time by or on behalf of the same licensee and have a common corner or common boundary, one legal post may be used to mark any common corner or common boundary point.

(5) Where wooden legal posts are used to mark a claim, there shall be fastened securely on each of the posts marking the northeasterly, southeasterly, southwesterly and northwesterly corners an identification tag bearing a serial number and the post number namely, "NE 1" for the northeast post, "SE 2" for the southeast post, "SW 3" for the southwest post and "NW 4" for the northwest post.

(6) Where a mound of earth or stone is used as a legal post to mark a claim, the appropriate identification tag shall be inserted in a waterproof container in the apex of the mound.

(7) There shall be clearly inscribed on the identification tag marked "NE 1"

(a) the name of the claim;

(b) the name of the locator;

(c) the licence number of the locator;

(d) the name of the person actually locating the claim if that person is not the locator; and

(e) the date, hour and minute of the placing of the legal post.

(8) There shall be clearly inscribed on each of the identification tags marked “SE 2”, “SW 3” and “NW 4”

(a) the name of the claim;

(b) the name of the locator;

(c) the name of the person actually locating the claim if that person is not the locator; and

(d) the date, hour and minute of the placing of each legal post.

(9) Information that cannot be inscribed on an identification tag because of insufficient space or lack of tags shall

(a) in the case of a wooden legal post, be plainly marked on the legal post; or

(b) in the case of a mound of earth or stone used as a legal post, be legibly written on paper or inscribed on durable material and inserted in a waterproof container in the apex of the mound.

(10) A claim that is marked in a manner described in subsection (9) because of a lack of tags shall not be recorded by a Mining Recorder until the claim has been marked with identification tags in the manner required by these Regulations and where the claim is not so marked within the time prescribed by subsection 24(1), the claim shall not be recorded.

(11) Where a wooden legal post is used to mark the boundary of a claim, there shall be clearly inscribed on each post, other than a corner post, the name of the claim, the appropriate number of the post and

(a) on any north boundary post, the letters “NBP” or “BLN”;

(b) on any east boundary post, the letters “EBP” or “BLE”;

(c) on any south boundary post, the letters “SBP” or “BLS”; and

(d) on any west boundary post, the letters “WBP” or “BLO”.

(12) Where a mound of earth or stone is used as a legal post to mark the boundary of a claim, the inscriptions referred to in subsection (11) shall be legibly written on paper or inscribed on durable material and inserted in a waterproof container in the apex of the mound.

(13) On completing the requirements of subsections (2) to (12) there shall be clearly inscribed on the identification tag marked “NE 1” the minute, hour, day, month and year at which such requirements were completed.

(14) When all corner and boundary posts have been placed and inscribed as required by this section and the time of completion is marked on the northeast corner post as required by subsection (13), the claim shall, for the purposes of these Regulations, be deemed to be located.

SOR/79-234, s. 7; SOR/88-9, s. 8.

15. (1) In this section,

"reference post" means a legal post erected pursuant to subsection (4) to designate the corner of a claim previously designated by a witness post; (*borne de référence*)

"witness post" means a legal post erected pursuant to subsection (2) to designate the corner of a claim. (*borne témoin*)

(2) Where, because of the presence of a body of water or any other natural obstruction in an area, or lands described in paragraph 11(1)(h), it is not practicable or permitted to erect one of the four legal posts required by subsection 14(1), a witness post shall be erected on each boundary line or an extension thereof as near as possible to the place where the legal post would otherwise have been erected.

(3) An identification tag shall be fastened to each witness post on which shall be clearly inscribed

(a) the information required by section 14;

(b) the letters "W.P."; and

(c) the distance in feet and the direction along the boundary line or its extension from the witness post to the place where the legal post would have been erected had it been practicable to do so.

(4) Where a witness post is used to mark a claim and it subsequently appears that it has become possible to mark the claim by erecting a legal post or to erect the witness post nearer to the place where a legal post would otherwise have been erected, a Mining Recorder may order the holder of the claim to erect a reference post

(a) at the place where the legal post would otherwise have been erected; or

(b) at such place nearer to the corner of the claim where the witness post would have been erected had it been practicable to do so, as the Mining Recorder may determine.

(5) Where a reference post is erected pursuant to subsection (4), the witness post to which it relates shall not be moved.

(6) Where the holder of a claim fails to comply with an order of the Mining Recorder made pursuant to subsection (4) prior to making application for the first certificate of work, the Mining Recorder may cancel the record of the claim.

(7) Where a witness post is used to mark a claim and the Supervising Mining Recorder is satisfied that the use of the witness post was unnecessary, he may, after hearing the holder, cancel the record of the claim.

SOR/88-9, s. 9; SOR/92-552, s. 2(F).

16. (1) Before a claim is recorded, a locator shall mark or cause to be marked the boundary lines of the claim in accordance with subsection (2) so that they may be followed throughout their entire length or where it is not possible to mark the entire length, along so much of the length as it is possible to mark.

(2) The boundary lines of a claim shall be marked

(a) in treed areas, by blazing trees and cutting underbrush; and

(b) in treeless areas, by providing

(i) posts not less than four feet in height, or

(ii) mounds of earth or stone not less than 18 inches in height and three feet in diameter at the base.

17. (1) Failure on the part of a locator or a person who locates a claim on behalf of a locator to comply with the requirements of sections 13 to 16 shall not invalidate a claim if that person has

(a) in good faith tried to comply with the requirements of those sections and his failure to do so is not of a character calculated or likely to mislead other persons locating claims; and

(b) stated in his application to record the claim, where he was aware of the requirements of those sections, in what respects he was unable to comply with the requirements and the reasons therefor.

(2) A Mining Recorder may, before recording a claim, order the locator thereof to comply with any of the requirements of sections 13 to 16 that have not been complied with and where the locator fails to comply with such order within the time specified therein, the Mining Recorder shall not record the claim.

18. A claim may be located on any day including a holiday.

SOR/79-234, s. 8.

IDENTIFICATION TAGS

19. (1) On payment of the applicable fee set out in Schedule I, a Mining Recorder shall issue to a licensee applying therefor identification tags for use in marking claims in any mining district.

(2) On payment of the applicable fee set out in Schedule I, a Mining Recorder shall issue to a licensee applying therefor reduced area tags for use in marking the corners of a reduced area, in accordance with subsection 43(2).

(3) Where a licensee loses identification tags or reduced area tags issued to him pursuant to subsection (1) or (2) and files a declaration with a Mining Recorder as to the loss and the circumstances thereof, the Mining Recorder shall issue to the licensee, free of charge, tags equal in number to the number of tags lost.

(4) The Mining Recorder shall cancel in his records the serial numbers of the tags that have been lost and the lost tags shall not thereafter be used.

REMOVAL OR ALTERATION OF LEGAL POSTS

20. Subject to subsection 17(2) and section 21, no person shall move or destroy any legal post and no person shall remove, deface or alter any identification tag or other inscription placed on or in a legal post.

21. (1) Where, in the course of conducting any public work or carrying on any mining operation, it is necessary to move a legal post, a surveyor may, with the permission of a Mining Recorder, move the post to such place as the Mining Recorder may determine.

(2) Every surveyor who moves a legal post pursuant to subsection (1), shall inscribe

(a) in the case of a wooden legal post, on the post, or

(b) in the case of a mound of earth or stone, on paper or other durable material inserted in a waterproof container in the apex of the mound,

the distance in feet and the direction from the new location to the old location of the post.

(3) Where a legal post is moved pursuant to subsection (1), the Mining Recorder shall notify the claim holder of the location to which the post has been moved.

SOR/79-234, s. 9.

22. Where the Supervising Mining Recorder is satisfied that, through no fault of the holder of a recorded claim,

(a) a legal post marking the claim has been moved or destroyed, or

(b) the information recorded on a post is illegible,

he shall, at the request of the holder of the claim and after completing such inquiries as he considers necessary, and if no other holder's rights will be adversely affected, authorize the

holder of the claim to erect a new post to mark the claim or place on the post a new identification tag bearing the information previously on the post, as the case may be.

SOR/88-9, s. 10; SOR/92-552, s. 3(F).

23. (1) Where, on making a survey of a recorded claim or group of recorded claims, the surveyor finds that the area exceeds that allowable under subsection 54(5), he may, with the permission of the holder or holders of the claims, establish a new legal post so that the area remaining in the claim or group of claims does not exceed that allowable under subsection 54(5).

(2) Where a new legal post is established pursuant to subsection (1), the surveyor shall notify the Mining Recorder.

(3) A surveyor who establishes a new legal post pursuant to subsection (1) shall inscribe

(a) in the case of a wooden legal post, on the post, or

(b) in the case of a mound of earth or stone used as a legal post, on paper or other durable material inserted in a waterproof container in the apex of the mound,

all the information placed in or on the post being replaced and the distance in feet and the direction from the new location to the old location of the post.

RECORDING

24. (1) Subject to these Regulations, every locator of a claim or a person acting on his behalf shall make application to record the claim with the Mining Recorder of the mining district within which the claim is situated within 60 days from the date of the locating of the claim.

(2) An application to record a claim shall be submitted, in duplicate, in Form 3 set out in Schedule III and be accompanied by

(a) a plan showing

(i) the position of the claim in relation to permanent topographical features in the vicinity of the claim,

(ii) any adjoining claims,

(iii) the position of the legal posts by which the claim is marked, and

(iv) where witness posts are used, the reasons for using such posts where the reasons are not obvious from the plan; and

(b) the applicable fee set out in Schedule I.

(3) Where a Mining Recorder is satisfied that all the requirements of these Regulations have been complied with, he shall record the claim.

(4) The date on which the application and the fee referred to in subsection (2) are received in the office of the Mining Recorder shall be the date of recording of the claim.

(5) On recording a claim, the Mining Recorder shall endorse on the application the word "Recorded" and return one copy of the application to the person in whose name the claim is recorded at the address set out in the application. SOR/97-117, s. 3.

25. Where a claim has been located but has not been recorded in accordance with subsection 24(3), the area within the claim or any part thereof may be located by or on behalf of another locator.

26. (1) Where a claim under the *Yukon Quartz Mining Act*, as that Act read before April 1, 2003, or under equivalent Yukon law regulating the disposition of quartz mining interests, has been located in the vicinity of the Yukon-Northwest Territories Boundary and such claim or part thereof is found by subsequent survey to be in the Northwest Territories, the holder of the claim may, on satisfying the Supervising Mining Recorder that there has been an error in locating the claim in relation to such boundary, have such claim or part thereof recorded in the proper mining district in accordance with directions issued by the Supervising Mining Recorder, and the recording of such claim or part thereof shall be effective for the purposes of these Regulations as of the time and date of its recording under the *Yukon Quartz Mining Act* or the equivalent Yukon law, as the case may be.

(2) Representation work previously accepted by a Mining Recorder under the *Yukon Quartz Mining Act*, as that Act read before April 1, 2003, or the equivalent Yukon law regulating the disposition of quartz mining interests, shall be accepted by the Mining Recorder when a claim has been recorded in accordance with subsection (1).

(3) Notwithstanding the requirement of subsection 58(1), a lease of a recorded claim described in subsection (2) shall be applied for before the expiration of the 10th year from the date of recording of the claim in the appropriate mining district.

(4) Where a claim lies across or appears to lie across a boundary or boundaries of adjoining mining districts, the locator may apply to have the claim recorded in the office of any one of the mining districts in which any portion of the claim is located or appears to be located.

(5) The Mining Recorder shall forward copies of any applications referred to in subsection (4), together with certified copies of all documents affecting the applications, to the office of the Mining Recorder of the other mining districts affected.

(6) Any person who wishes to file a document affecting any claim recorded under subsection (4) shall file the document in the office of the Mining Recorder who recorded the claim and shall

supply the Mining Recorder with sufficient copies thereof for filing in the offices of the Mining Recorders of the other districts affected.

(7) No Mining Recorder shall charge a fee for filing a certified copy of a document sent to him by another Mining Recorder.

SOR/2003-126, s. 1.

27. (1) No person other than the holder of a recorded claim or the lessee may prospect on, remove minerals or processed minerals from or develop a mine on land within the boundaries of the recorded claim or recorded claim that is subject to a lease.

(2) No person shall remove minerals or processed minerals whose gross value exceeds \$100,000 from a recorded claim, other than for the purposes of assay and testing to determine the existence, location, extent, quality or economic potential of a mineral deposit in the lands constituting the recorded claim, before the holder of the claim has been granted a lease for the claim.

(3) The holder of a recorded claim who has not been granted a surface lease or grant of the land comprised in the claim is not entitled to erect any building to be used as a dwelling or any mill, concentrator or other mine building or create any tailings or waste disposal area in connection with the commencement of production from a mine on that claim.

SOR/99-219, s. 3; SOR/2007-273, s. 8.

28. (1) The recording of a claim may be protested by

(a) any person claiming priority in locating the claim or any part thereof at any time within

(i) the period referred to in subsection 24(1), or

(ii) such additional period as may be fixed by the Mining Recorder not exceeding one year from the expiration of the period referred to in subparagraph (i), or

(b) an engineer of mines, at any time prior to the recording of a survey of the claim,

by filing with the Mining Recorder a notice of protest in Form 4 of Schedule III.

(2) Where the Supervising Mining Recorder is satisfied that the recording of a claim for which a lease has not been granted was obtained by a false or misleading statement knowingly made by the holder of the recorded claim, the Supervising Mining Recorder may, after hearing the holder of the claim or any person appearing on his behalf, cancel the claim.

(3) Where a recorded claim is cancelled by the Supervising Mining Recorder under subsection (2), he shall forthwith serve, by registered mail, a notice of cancellation on any person affected thereby.

(4) Where a recorded claim is cancelled under subsection (2), the claim or any part thereof shall be open for relocation under these Regulations

(a) after 12 o'clock noon on the day following the 30th day after the day of cancellation; or

(b) where a review is made by the Minister and the Minister confirms the cancellation of the claim, after 12 o'clock noon on the day following the 30th day after the day the Minister confirms the cancellation of the claim.

SOR/2007-273, s. 9(F).

PERMIT TO PROSPECT

29. (1) The Territories shall be divided into prospecting permit areas, in accordance with Schedule V except for the area in the vicinity of the city of Yellowknife described as follows:

COMMENCING at a point of intersection of Latitude 60°00' and Longitude 107°00', THENCE, northerly to Latitude 65°00' and Longitude 107°00', THENCE, westerly to Latitude 65°00' and Longitude 120°00', THENCE, southerly to Latitude 60°00' and Longitude 120°00', THENCE, easterly to the point of commencement.

(2) A prospecting permit area shall be based on the National Topographic System as used by the Surveys and Mapping Branch, Department of Energy, Mines and Resources, and shall contain one-quarter the area of a mineral claim staking sheet and shall be designated as the N.E., S.E., N.W. or S.W. quarter.

(3) Every application for a permit shall be in Form 5 of Schedule III and shall be accompanied by

(a) the applicable fee set out in Schedule I;

(b) full particulars of the exploratory work proposed to be carried out; and

(c) a deposit for an amount equal to the amount the applicant is required to undertake to spend on work in the area during the first period as specified in section 31.

(4) An application for a permit shall be made between December 1st and December 31st in any year.

(5) An application for a permit may be sent by mail or delivered by hand to the Chief.

(5.1) On receipt of applications for permits, the Chief shall assign numbers to the applications according to their order of receipt and, where he receives two or more applications at the same time, he shall assign numbers to the applications according to the order in which he opens them.

(5.2) For the purposes of subsection (5.1),

(a) an application that is received at the Chief's office

(i) after 4 o'clock p.m. on a working day, or

(ii) on a holiday

shall be deemed to have been received by the Chief at 9 o'clock a.m. on the next working day; and

(b) an application that is received at the Chief's office before 9 o'clock a.m. on a working day shall be deemed to have been received by the Chief at 9 o'clock a.m. on that working day.

(6) A deposit required under paragraph (3)(c) or subsection 30(1) shall be in the form of

(a) cash;

(b) negotiable bonds of equal value at the date of submission guaranteed by the Government of Canada or a province; or

(c) a guaranteed promissory note of equal value that is payable on demand and that a chartered bank has agreed, in terms acceptable to the Chief, to honour on presentation for payment.

(7) Where a deposit required under paragraph (3)(c) or subsection 30(1) is in the form of a promissory note, it shall be guaranteed for a term of not less than four months after the expiry of the period for which it is deposited.

(8) Where an application for a permit is not accepted, the fee and deposit shall be refunded to the applicant.

(9) Where an application for a permit is withdrawn by the applicant before the permit is issued, the deposit but not the fee shall be refunded to the applicant.

(10) Subject to subsection (11), where exploratory work of value will be undertaken in a prospecting permit area and the granting of a permit will not hinder other mining interests, the Chief may issue a permit, in Form 6 of Schedule III, to an applicant for the exclusive right to prospect for minerals within that area.

(11) The granting of a permit in respect of any prospecting permit area is subject to any rights previously acquired or applied for by any person in the area to which the permit applies.

(12) Permits shall be issued between January 1st and January 31st in each year in order of the numbers assigned by the Chief under subsection (5.1) in respect of applications received during the month of December immediately preceding.

(13) Following the termination of the period during which permits are issued, the Chief shall cause a notice to be

(a) published in a newspaper circulating in the Territories,

(b) published in the *Canada Gazette*, and

(c) posted in the office of every Mining Recorder in and for the Territories,

and such notice shall contain a description of all the areas in respect of which permits have been issued during that year.

(14) Subject to sections 30 to 36, a permit becomes effective on February 1st following the date of issue and remains in effect for a period of

(a) in the case of a permit in respect of an area located south of the 68th parallel of north latitude, three years; and

(b) in the case of a permit in respect of an area located north of the 68th parallel of north latitude, five years.

SOR/79-234, s. 10; SOR/88-9, s. 11.

30. (1) Every permittee shall, before the commencement of the second or any subsequent work period, make a deposit with the Chief equal to the amount that he undertakes to spend during that period in accordance with section 31.

(2) Where a permittee does not make a deposit as required by subsection (1), his permit shall be cancelled.

31. (1) Every permittee shall undertake to spend the following amounts on exploratory work of a type approved by the Chief in a prospecting permit area

(a) north of the 68th parallel of north latitude

(i) during the first two-year work period, an amount determined by multiplying the number of acres in the permit area by \$0.10,

(ii) during the second two-year work period, an amount determined by multiplying the number of acres in the permit area by \$0.20, and

(iii) during the third one-year work period, an amount determined by multiplying the number of acres in the permit area by \$0.40;

(b) south of the 68th parallel of north latitude

(i) during the first one-year work period, an amount determined by multiplying the number of acres in the permit area by \$0.10,

(ii) during the second one-year work period, an amount determined by multiplying the number of acres in the permit area by \$0.20, and

(iii) during the third one-year work period, an amount determined by multiplying the number of acres in the permit area by \$0.40.

(2) Every permittee shall, within 60 days after the termination of each work period, submit to the Chief

(a) a detailed statement of all expenditures; and

(b) a report of the exploratory work performed under the permit setting out the information required for the type of work done in accordance with Schedule II.

(3) No document submitted by a permittee pursuant to subsection (2) shall be open to public inspection for three years after the expiry of the permit unless the permittee has given written authority to the Chief to permit such inspection.

(4) The Chief shall, upon receipt of a report referred to in subsection (2), assess the exploratory work performed and notify the permittee of the approved value of the exploratory work.

(5) For the purpose of subsection (1) and subject to subsection 33(3), the number of acres in each prospecting permit area is set out in Schedule V. SOR/79-234, s. 11.

32. (1) A permittee may apply in writing to the Chief to group not more than four prospecting permit areas that are within a circle having a radius of 20 miles.

(2) An application under subsection (1) shall

(a) state the prospecting permit areas that are to be included in a group; and

(b) be accompanied by the applicable fee set out in Schedule I.

(3) A prospecting permit area may be included in only one group between one anniversary date of the permit and the next following anniversary date.

(4) The value of the exploratory work, approved pursuant to subsection 31(4), performed in any prospecting permit area shall, during the period of grouping and at the request of the permittee, be applied to any or all of the permit areas within the group, but any expenditures applied under one grouping may not be re-applied under subsequent groupings.

33. (1) A permittee who has done the exploratory work required by subparagraph 31(1)(a)(i) or

(b)(i) may locate mineral claims within the permit area.

(2) No person other than a permittee or a person authorized in writing by the permittee to act on his behalf may locate claims within a prospecting permit area.

(3) When a claim has been located and recorded, the area included in the claim no longer forms part of the permit area.

SOR/79-234, s. 12.

34. Sections 24 to 28 apply, with such modifications as the circumstances may require, to the recording of a claim by a permittee, but no Mining Recorder shall record such claim until the Chief is satisfied that the amounts to be spent in accordance with section 31 have actually been spent.

35. (1) That portion of the deposit equal to the value of the exploratory work approved pursuant to subsection 31(4) for any work period as determined by the Chief shall be returned to the permittee.

(2) Subject to subsection (5), that portion of the deposit not returned to the permittee is forfeited to Her Majesty.

(3) Any amount spent on exploratory work and approved by the Chief pursuant to subsection 31(4) during any work period in excess of the amount required to be performed for that period shall, at the request of the permittee, be deemed to be performed for the period or periods next following and the deposit required for the next following period or periods shall be reduced by the amount of such excess expenditure.

(4) Any amount spent on exploratory work and approved by the Chief pursuant to subsection 31(4) in excess of that required under subsection 31(1) and not applied under subsection 32(4) may be applied towards representation work on claims located by the permittee within the permit area.

(5) Where a permittee has not been able to fulfil his undertaking pursuant to subsection 31(1) for a work period, he may make an expenditure during the next following work period equal to the aggregate of

(a) the deposit required for that period, and

(b) that portion of the deposit for the preceding period that has not been returned to the permittee,

and, on approval of the expenditure by the Chief, that portion of the deposit that was not previously returned shall be returned to the permittee.

36. (1) A permittee may, at the end of the first or second work period, relinquish his rights under the permit and the deposit or a portion of the deposit shall be returned to him in accordance with

subsection 35(3).

(2) After a permit has expired, the permittee shall not locate and record claims within the original permit area for at least one year from the date of expiration.

(3) Where a permit is relinquished, the Chief shall cause a notice describing the area to be

(a) published in a newspaper circulating in the Territories;

(b) published in the *Canada Gazette*; and

(c) posted in the office of every Mining Recorder in and for the Territories.

(4) No transfer of a permit shall be effective without the prior written approval of the Chief and payment of the applicable fee set out in Schedule I.

GROUPING

37. (1) Subject to subsection (4), the holder or holders of adjacent recorded claims, the area of which in the aggregate does not exceed 5,165 acres, may apply in Form 7 of Schedule III, to the Mining Recorder of the district in which the claims are located to group those claims for the purpose of applying representation work.

(2) On receipt of an application referred to in subsection (1) together with the applicable fee set out in Schedule I, a Mining Recorder shall, on satisfying himself that the requirements of this section have been met, issue a grouping certificate to the holder or holders of the claims in Form 7 of Schedule III.

(3) The representation work that has been done on a recorded claim and any exploratory work that has been performed under a permit in excess of the amount required under subsection 31(1) and that has been applied on a recorded claim shall, at the request of the holder, be applied to any or all the claims with which the recorded claim has been grouped under a grouping certificate.

(4) No recorded claim shall be grouped with any other recorded claim more than once in any 12-month period.

(5) A grouping certificate shall cease to be valid as a result of

(a) the lapsing or cancellation of any recorded claim in the group; or

(b) the granting by the Minister of a lease of any recorded claim in the group.

(6) Any representation work applied to a recorded claim or claims whether contained in a group or not, shall not be re-applied to other recorded claims in subsequent groupings.

REPRESENTATION WORK

38. (1) For the purpose of these Regulations, the following undertakings in respect of a recorded claim are representation work:

(a) work done in stripping, drilling, trenching, sinking shafts and driving adits or drifts;

(b) geological, geochemical and geophysical investigations of a claim made on the ground or from an aircraft;

(c) exploratory work other than that described in paragraph (a) or (b), of a kind and to the extent approved by an engineer of mines;

(d) a survey of the claim approved by the Surveyor General; and

(e) work done in constructing roads or airstrips to provide access to the claim.

(2) The holder of a recorded claim is entitled to hold it for a period of 10 years from the date the claim is recorded, if

(a) during the two-year period immediately following the date the claim is recorded, he does or causes to be done representation work to the value of at least \$4 per acre or part thereof contained in the claim; and

(b) during each subsequent one-year period, he does or causes to be done representation work to the value of at least \$2 per acre or part thereof contained in the claim.

(3) Subject to subsection (4), where the value of the representation work done on a recorded claim in any period is in excess of the amount required by these Regulations, such excess shall, at the request of the holder, be credited to the value of representation work required to be done on that claim in any subsequent period and be deemed to be work done on that claim in that subsequent period.

(4) Excess representation work referred to in subsection (3) shall not be credited to the value of representation work for a subsequent period unless a statement of the work is filed with a Mining Recorder in Form 9 of Schedule III

(a) within one year and 30 days after the expiration of the period in which the work was performed; or

(b) where a notice is given pursuant to subsection 45(1), within 60 days from the date of the notice.

SOR/79-234, s. 14; SOR/88-9, s. 12; 1998, c. 14, s. 101(F).

39. (1) Subject to subsection (2), but notwithstanding subsection 38(2), a Mining Recorder may

(a) on application by a holder of recorded claims that are within the same mining district, and

(b) on payment of the applicable fee set out in Schedule I,

issue a certificate in Form 8 of Schedule III, giving a common anniversary date of recording for the claims, other than February 29.

(2) Before issuing a certificate pursuant to subsection (1), the Mining Recorder shall satisfy himself that

(a) on each recorded claim listed in the application representation work having a value of \$0.50 per acre or part thereof has been done for each three-month period or part thereof between the anniversary date of the recording of the claim and the day fixed as the common anniversary date; or

(b) a deposit has been made in accordance with subsection 44(8).

SOR/88-9, s. 13.

40. (1) Representation work done on a claim by a holder or a person acting on his behalf before the claim was recorded shall be included in calculating the value of representation work done on the claim in respect of the period of two years from the date of the recording of the claim if the Mining Recorder is satisfied that the work was done for the purpose of developing the claim.

(2) Representation work done on land not included in a recorded claim may be included in calculating the value of representation work done on the recorded claim if the Mining Recorder is satisfied that the work was done for the purpose of developing the claim.

SOR/79-234, s. 15.

41. (1) Subject to subsection 45(1), every holder of a recorded claim who is required to perform representation work shall file with the Mining Recorder

(a) within 30 days after the anniversary date of the recording of the claim, a statement of the representation work done on the claim in the preceding period as required by subsection 38(2); and

(b) within one year and 30 days after the anniversary date of the recording of the claim, a statement of any representation work done on the claim in the preceding period that is in excess of the representation work required by subsection 38(2).

(2) The statement required by subsection (1) shall

(a) be in Form 9 of Schedule III;

(b) be accompanied by the applicable fee set out in Schedule I; and

(c) be accompanied by a plan of the claim showing clearly the location, nature and extent of the representation work done and setting out the information required for the type of work done in accordance with Schedule II.

(3) Unless excess representation work has been done on a recorded claim in a preceding period, a holder of a recorded claim who fails to comply with the requirements of this section in respect of any period shall be deemed to have done no representation work on that claim in that period.

(4) The value of any representation work done on a claim shall be determined by a Mining Recorder in accordance with the values set out in Schedule II.

(5) Where a Mining Recorder is satisfied that the representation work required by these Regulations has been done on a recorded claim, he shall issue a certificate of work to the holder of the claim in Form 10 of Schedule III.

(6) Where geological, geochemical or geophysical surveys or other similar work have been performed on a claim and evidence of such work is submitted as representation work, all data obtained from such work shall be filed with the statement referred to in subsection (1).

SOR/79-234, s. 16; SOR/88-9, s. 14.

42. No representation work is required to be done on a recorded claim for the period beginning on the day on which an application for a lease of that claim is filed with the Mining Recorder and ending on the day on which a lease is granted, if the holder of the claim has met the requirements of section 58.

SOR/2007-273, s. 10.

REDUCED AREA CLAIM

43. (1) The holder of a recorded claim may, before the anniversary date of the recording of the claim, make application to the Mining Recorder in the manner set out in subsection 24(2) to have the area of his claim reduced if

(a) he is a licensee; and

(b) a certificate of work has been issued for the claim in accordance with subsection 41(5).

(2) A reduced area referred to in subsection (1) shall be one parcel located in accordance with sections 13 to 16 except that the tags to be used shall be those referred to in subsection 19(2).

(3) On the anniversary date of a recorded claim, the area of which has been reduced, a notice defining the area to be released and the date on which such area shall be open for relocation shall be posted in the office of the Mining Recorder.

(4) An area referred to in subsection (3) shall be open for relocation under these Regulations after 12 o'clock noon on the day following the expiration of 30 days from the anniversary date.

(5) The holder of a reduced area claim or claims may, subject to these Regulations, hold the reduced area claim or claims for the unexpired term of the original claim.

(6) Any credit for excess representation work shall, at the request of the holder of the claim, be applied to the reduced area.

EXTENSION OF TIME TO PERFORM REPRESENTATION WORK

44. (1) Where, because of illness, the holder of a recorded claim is unable to do representation work on the claim as required by these Regulations, he may make application to the Mining Recorder for an extension of time to perform the representation work.

(2) An application referred to in subsection (1) shall be accompanied by

(a) the applicable fee set out in Schedule I; and

(b) a certificate of a medical practitioner verifying the illness of the holder.

(3) Subject to subsection (4), when a Mining Recorder is satisfied that the requirements of this section have been complied with, he shall issue to the holder of a recorded claim a certificate in Form 11 of Schedule III, extending the time for doing representation work on the claim for a period not exceeding one year.

(4) Where a Mining Recorder has issued a certificate to the holder of a recorded claim pursuant to subsection (3), he shall not issue a further certificate to the holder in respect of that claim for a period of three years from the end of the period for which the certificate was issued.

(5) Subject to subsections (6) to (8), where the representation work required by these Regulations cannot be done on a recorded claim in any year for any reason other than illness of the holder of the claim, the Mining Recorder shall, on receipt of an application from that holder and on payment of the applicable fee set out in Schedule I, issue to that holder a certificate in Form 11 of Schedule III extending the time for doing representation work on the claim for a period not exceeding one year.

(6) Where a Mining Recorder has issued a certificate pursuant to subsection (5) to a holder of a recorded claim for three consecutive periods, he shall not issue a further certificate to that holder in respect of that claim for a period of one year from the end of the third period.

(7) Where a Mining Recorder has issued a certificate to a holder of a recorded claim pursuant to subsection (3) for a period immediately preceding the period for which a certificate is applied for pursuant to subsection (5), he shall not issue a certificate under subsection (5) to the person in respect of that claim for more than two consecutive periods.

(8) A Mining Recorder shall not issue a certificate pursuant to subsection (5) unless the holder of the recorded claim has deposited with him,

(a) prior to the expiration of 30 days after the end of the period in which the representation work is required to be done on the claim, or

(b) where a notice has been given to the holder by the Mining Recorder pursuant to paragraph 45(1)(b), before the expiration of 60 days from the date of the notice,

security of a kind described in subsection 29(6) and in an amount equal to the value of the representation work required by these Regulations to be done on the claim during the period in respect of which the extension is requested.

(9) Where a certificate is issued to the holder of a recorded claim pursuant to subsection (5) and representation work having a value in excess of the amount required by these Regulations is done on the claim by the holder in the year immediately following the period for which the certificate was issued, the excess amount of the work shall be included in calculating the value of representation work required to have been done in the period or periods for which the deposit was made and a portion of the deposit equivalent to the value of the excess work shall be returned to the holder of the claim.

(10) Where a certificate is issued to the holder of a recorded claim pursuant to subsection (5) and the holder thereof

(a) fails to do representation work on the claim as required by these Regulations within the period specified in the certificate, or

(b) makes application for a lease of the claim,

the security deposited with the Mining Recorder prior to the issuing of the certificate shall be deemed to have been forfeited to Her Majesty and, except for the purposes of section 58, the representation work required to be done on the claim in respect of which the certificate was issued shall be deemed to have been done.

45. (1) Subject to sections 80 to 82, where the holder of a recorded claim fails

(a) to comply with subsection 27(2),

(b) to file with the Mining Recorder the statement required by subsection 41(1) within the time fixed for the filing thereof,

(c) to obtain a certificate pursuant to subsection 44(3) or (5), as the case may be, before the expiration of 30 days after the anniversary date of the recording of the claim, or

(d) to apply for a lease within the time fixed by section 58,

the Mining Recorder shall give written notice to the holder specifying the default and informing him that unless the default is remedied within 60 days from the date of the notice, the claim shall be deemed to have lapsed as provided in subsection (2).

(2) Where the holder of a recorded claim fails, within 60 days from the date of a notice given to him pursuant to subsection (1), to remedy the default specified in that notice,

(a) the claim shall be deemed to have lapsed, without any declaration of cancellation or forfeiture on the part of Her Majesty; and

(b) the land within the claim shall be open for relocation under these Regulations after 12 o'clock noon on the day following the first business day following the expiration of the 60 days referred to in subsection (1).

SOR/79-234, s. 17; SOR/2007-273, s. 11(F).

46. Subject to sections 44 and 82, where there is an agreement between co-holders of a recorded claim as to the amount of representation work to be done by each of them and any one of those co-holders fails to do the amount of work he agreed to do, the Minister may, on receipt of an application and on being satisfied that the work has been done by the remaining co-holder or co-holders, vest the claim in the co-holder or co-holders.

INSPECTION

47. (1) An engineer of mines or an authorized officer may, at any reasonable time,

(a) enter on any recorded claim, recorded claim that is subject to a lease, or mining property, and inspect the claim, mining property or mine, and records or books of account and take samples of minerals or processed minerals;

(b) require the operator of a mine to produce for inspection or for the purpose of obtaining copies thereof or extracts therefrom any records or books of account relating to the operation of the mine; and

(c) subject to subsection (2), require the holder of a recorded claim to provide him with copies of any plans, drill logs or reports of geological, geochemical, geophysical, engineering or other surveys relating to exploration, development or operation of the claim or any mine thereon.

(2) Information relating to exploration results not filed as representation work shall be kept confidential until such time as it has been released to the public by the holder of the recorded

claim or until the claim or lease lapses or is cancelled, whichever is the earlier.

(3) Every authorized officer shall be furnished with a certificate of authorization and, on entering any claim, mining property or mine, shall, if requested, produce the certificate to the owner or persons in charge of that place.

(4) The owner or person in charge of any claim, mining property or mine and every person found in that place shall give the authorized officer all reasonable assistance in their power to enable that officer to carry out his or her duties and functions under these Regulations, and shall furnish that officer with any information with respect to the administration and enforcement of these Regulations as may reasonably be required.

(5) No person shall obstruct or hinder an authorized officer in carrying out his duties and functions under these Regulations.

(6) No person shall make a false or misleading statement either orally or in writing to an authorized officer engaged in carrying out his duties and functions under these Regulations.

SOR/88-9, s. 15; SOR/2007-273, s. 12.

48. (1) An engineer of mines may direct

(a) the holder of a recorded claim to carry out any mining work on the claim in a manner that does not interfere with or endanger the safety of the public, any public work, road or right-of-way, or any other mining property or recorded claim; and

(b) the owner of any abandoned mining work to have it filled in, fenced or otherwise made safe.

(2) Every person who is directed to carry out any work pursuant to subsection (1) shall carry out that work without delay.

LAPSING AND SURRENDER OF CLAIMS

49. (1) Subject to section 50, where a recorded claim lapses or is cancelled, the holder of the claim at the time it lapses or is cancelled shall not

(a) relocate or have any interest in the claim or any part thereof, or

(b) have the claim or any part thereof recorded in his name or in the name of any corporation controlled by him

for a period of one year from the date that the claim lapsed or was cancelled.

(2) Except as otherwise provided in these Regulations, where a recorded claim lapses or is cancelled, the claim or any part thereof shall be open for relocation under these Regulations after 12 o'clock noon on the day following the first business day following the day that the claim

lapsed or was cancelled.

50. (1) Subject to subsection 27(2), where a recorded claim lapses or is cancelled, the holder of the claim may, if he is not under an obligation to pay any moneys to Her Majesty in respect of the claim, remove from the claim all his personal property, including any minerals or ore extracted from the claim, at any time within

(a) 180 days from the date that the claim lapsed or was cancelled; or

(b) such additional period, not exceeding one year, as the Mining Recorder may fix.

(2) Any property described in subsection (1) that is not removed from a recorded claim within the time referred to in that subsection shall be deemed to be the property of Her Majesty.

51. (1) The holder of a recorded claim may, at any time, with the approval of the Supervising Mining Recorder surrender the claim for the purpose of relocating it by

(a) filing with the Mining Recorder a notice of surrender in Form 12 of Schedule III; and

(b) paying the applicable fee set out in Schedule I.

(2) Where a recorded claim is surrendered in accordance with subsection (1), the date of surrender shall be the day following the day the notice of surrender is recorded by the Mining Recorder, unless a later day is specified in the notice.

(3) Where a recorded claim is surrendered in accordance with subsection (1), the claim may not be located by or on behalf of any person other than the person surrendering the claim for a period of seven days from the date of surrender.

(4) Where a recorded claim that is surrendered pursuant to subsection (1) is relocated by the person surrendering the claim within the time referred to in subsection (3), the claim shall, for the purposes of these Regulations, be deemed to be the same as the claim surrendered except for the location of the boundaries thereof.

DISPUTES

52. (1) In the case of a dispute as to entitlement to a claim, the person entitled to the claim shall be,

(a) in the case of a claim recorded in accordance with subsection 26(1), the person who first located the claim in accordance with the *Yukon Quartz Mining Act*, as that Act read before April 1, 2003, or under equivalent Yukon law regulating the disposition of quartz mining interests; and

(b) in the case of any other claim, the person who first located the claim in accordance with these Regulations.

(2) In the case of a dispute as to entitlement to a claim, any irregularity that occurred before the date of the last certificate of work in respect of the claim shall not affect the title to the claim and unless fraud is proven the title shall be deemed to be valid up to the date of the last certificate of work.

SOR/2003-126, s. 2.

53. (1) Where a notice of protest is filed with a Mining Recorder pursuant to subsection 28(1) or section 56, the Mining Recorder shall

(a) send a copy thereof, by registered mail, to the holder of the claim;

(b) investigate the allegations contained in the notice of protest;

(c) make a report of the allegations to the Supervising Mining Recorder; and

(d) send copies of the report made under paragraph (c) to each of the parties to the dispute.

(2) Where, in the opinion of the Mining Recorder the circumstances so require, he may, before investigating the allegations contained in a notice of protest,

(a) require the person filing the notice to deposit with the Mining Recorder cash or other security satisfactory to the Mining Recorder in an amount fixed by the Mining Recorder; and

(b) in the case of a recorded claim, the recording of which is protested by a person claiming priority in locating the claim or any part thereof, have a survey of the claim made by a surveyor.

(3) Where a person is required to deposit security under paragraph (2)(a), he may appeal to the Supervising Mining Recorder on the ground that the requirement for a deposit or the amount required to be deposited is unreasonable.

(4) The cost of a survey of a recorded claim ordered by the Mining Recorder under subsection (2) shall be paid by such of the parties to the dispute as

(a) the Supervising Mining Recorder orders, or

(b) where the decision of the Supervising Mining Recorder is appealed, the Minister orders,

or may be retained from any security deposited by the person filing a notice pursuant to paragraph (2)(a).

(5) Where security is deposited under paragraph (2)(a) and the person making the deposit notifies the Mining Recorder of his abandonment of the dispute before it is heard by the Supervising Mining Recorder, the amount of the deposit shall be returned to the person, less the costs of any survey of the recorded claim ordered by the Mining Recorder incurred up to the time of the abandonment of the dispute.

(6) The Supervising Mining Recorder shall, after considering the report of a Mining Recorder made under subsection (1) and hearing the parties to a dispute and such evidence as they may present, give a decision on the dispute in writing and shall send a copy of the decision to each of the parties to the dispute.

SOR/88-9, s. 16.

SURVEYS

54. (1) A survey required by these Regulations shall be made in accordance with the instructions of the Surveyor General.

(2) Where a survey is required in the case of a group of adjacent recorded claims and the aggregate area, as appears in the applications to record, does not exceed 2,582.5 acres, a perimeter survey of the group of claims is acceptable as a survey for the purpose of these Regulations.

(3) Before surveying a recorded claim, the Surveyor shall examine the application to record the claim and the plan accompanying the application.

(4) In surveying a recorded claim, the Surveyor shall accurately mark the boundaries of the claim on the ground and shall examine the claim and the area surrounding it to ascertain whether it is in conflict with any other claim.

(5) Where

(a) in the case of a recorded claim located prior to November 15, 1977, the area surveyed exceeds 51.65 acres,

(b) in the case of a recorded group of claims located prior to November 15, 1977, the areas surveyed exceed the product of 51.65 acres and the number of claims in the group, or

(c) in the case of a recorded claim or a group of claims located after November 15, 1977, the area surveyed exceeds that stated in the application or applications to record,

a charge in respect of the excess area, at the rate of \$2 per acre or part thereof for each year or part thereof from the date of recording the claim, shall be imposed.

(5.1) Where the recording dates of the claims contained in a survey referred to in paragraph (5)(a) or (b) are not the same, the Mining Recorder shall determine the excess acreage charge by dividing the total excess area of the claims contained in the survey by the number of claims in the survey and multiplying the quotient for each claim by \$2 per acre or part thereof for each year or part thereof from the date of recording.

(6) A charge required under subsection (5) or (5.1) shall be reduced by the amount of excess

representation work that has been done on the claim or group of claims.

(7) A charge required under subsection (5) or (5.1) shall be paid by the holder of the claim or claims to the Mining Recorder for the district in which the claim or claims are located.

(8) Where a recorded claim or group of claims has an excess area referred to in subsection (5) or (5.1), the holder of the claim or group of claims may

(a) include the excess area in the claim or group of claims; or

(b) direct the Surveyor to exclude the excess area.

(9) Where a holder of a recorded claim excludes an excess area from his claim, the excluded area shall be open for relocation on a date fixed by the Mining Recorder.

(10) A Mining Recorder shall give 30 days' notice of the date fixed pursuant to subsection (9) by posting such notice in a conspicuous place in his office.

SOR/79-234, s. 18; 1998, c. 14, s. 101(F).

55. (1) On completion of a survey of a recorded claim, the Surveyor shall

(a) send to the Surveyor General

(i) a copy of the field notes made by the Surveyor,

(ii) a plan of survey signed by the Surveyor, and

(iii) a certificate in Form 13 of Schedule III; and

(b) send to the holder of the recorded claim

(i) a copy of the plan of survey, and

(ii) a certificate in Form 13 of Schedule III.

(2) On receipt of a copy of the plan of survey of a recorded claim, the holder of the claim shall

(a) forward a notice in Form 14 of Schedule III, by registered mail, to all holders of adjacent claims at their addresses on record with the Mining Recorder;

(b) request the Mining Recorder to post a copy of the notice in the office of the Mining Recorder for a period of 21 consecutive days commencing on the day the holder complies with paragraph (a); and

(c) deposit a copy of the plan of survey with the Mining Recorder.

SOR/79-234, s. 19; 1998, c. 14, s. 101(F).

56. (1) A survey of a recorded claim may be protested by any person who has any interest in land that is contiguous to the claim and who alleges that such interest will be adversely affected if the plan survey is recorded pursuant to section 57

(a) at any time during the period referred to in paragraph 55(2)(b), or

(b) within 30 days thereafter

by filing with the Mining Recorder a notice of protest in Form 4 of Schedule III.

(2) Where a survey is protested pursuant to subsection (1), the protest shall be heard and determined in accordance with section 53.

(3) A plan of survey of a recorded claim shall not be recorded by the Mining Recorder until the holder of the claim has paid the applicable fee set out in Schedule I and the Mining Recorder is satisfied that

(a) the requirements of section 55 have been complied with;

(b) the plan of survey has been approved by the Surveyor General; and

(c) any charge payable pursuant to subsection 54(5) has been paid.

1998, c. 14, s. 101(F).

57. A survey of a recorded claim made in accordance with these Regulations and recorded by the Mining Recorder is conclusive evidence, for all purposes of these Regulations, of the boundaries of the claim.

LEASES

[SOR/2007-273, s. 13(F)]

58. (1) The holder of a recorded claim may apply for a lease of the claim

(a) where no certificate respecting the claim has been issued under subsection 39(1), not later than 30 days after the 10th anniversary of the recording of the claim; or

(b) where a certificate respecting the claim has been issued under subsection 39(1), not later than 30 days after the common anniversary date next following the 10th anniversary of the original recording date of the claim.

(2) The holder of a recorded claim shall be granted a lease of that claim by the Minister if

(a) the holder has submitted an application pursuant to subsection (1);

(a.1) his title to the claim is not disputed;

(a.2) where the holder has received a notice under subsection (5), he has complied with subsection (6);

(b) he has

(i) recorded representation work on the claim to a value of at least \$10 per acre, or

(ii) undertaken to commence production on his claim;

(c) a survey of the claim has been recorded with the Mining Recorder;

(d) the applicable fee set out in Schedule I and the rental for the first year have been paid to the Mining Recorder; and

(e) an application for a lease in Form 15 of Schedule III has been filed with the Mining Recorder.

(3) In calculating the value of representation work done on a recorded claim for the purposes of subsection (2), the Mining Recorder shall not include representation work of a kind described in paragraph 38(1)(d) having a value in excess of \$2 per acre or of a kind described in paragraph 38(1)(e) having a value in excess of \$2 per acre.

(4) On receipt of an application for a lease, the Mining Recorder shall forward the application to the Chief who may

(a) notify the Minister that the requirements of subsections (1) and (2) have been met; or

(b) reject the application if the applicant has not complied with all the provisions of these Regulations.

(5) Where the Chief rejects an application under subsection (4), he shall give written notice to the applicant stating the grounds for his rejection.

(6) An applicant who receives a notice under subsection (5) may, within 60 days from the date of the notice or such longer period as the Chief may direct, submit evidence satisfactory to the Chief that he has complied with all the provisions of these Regulations.

(7) Where an applicant referred to in subsection (6) does not submit evidence satisfactory to the Chief pursuant to that subsection and the 10th anniversary of the recording of the claim has passed,

(a) the applicant's claim shall be deemed to have lapsed without any declaration of cancellation or forfeiture at the end of the applicable period referred to in subsection (6) and to have been

forfeited to Her Majesty on that date; and

(b) the land comprised within the applicant's claim shall be open for relocation under these Regulations after 12 o'clock noon on the day following the first business day at the end of such period.

(8) [Repealed, SOR/88-9, s. 17]

(9) The Chief shall notify the Mining Recorder of the granting of a lease of a recorded claim and of any assignment of that lease or of any interest therein.

(10) to (12) [Repealed, SOR/88-9, s. 17]

SOR/79-234, s. 20; SOR/88-9, s. 17; SOR/2007-273, s. 14(F).

59. (1) A lease granted pursuant to subsection 58(2) or (8) shall be for a term of 21 years from the date that is stated on the lease to be the effective date.

(2) On the expiry of the term of a lease referred to in subsection (1), including a lease that has previously been renewed, the lessee may apply to the Minister for a renewal of the lease for a further term of 21 years and the Minister shall, on payment of the fee set out in Schedule I and subject to these Regulations, grant the renewal.

(2.1) [Repealed, SOR/99-219, s. 4]

(3) If a lessee does not apply for a renewal of a lease in accordance with subsection (2), the Minister may serve, by registered mail, a notice of expiry on the lessee and if the lessee fails to apply for a renewal of his lease within 60 days of the date of mailing of the notice, the lessee's right to a renewal shall forthwith lapse without any declaration of cancellation or forfeiture.

(4) A part of the area contained in a lease may, at the time of renewal under these Regulations, be surrendered on condition that

(a) the part to be surrendered comprises one or more entire mineral claims that were recorded before the coming into force of these Regulations, or

(b) if the part to be surrendered is a mineral claim recorded after the coming into force of these Regulations or part of such a mineral claim, the area contained in the lease is reduced in accordance with section 43, and

the reduced area is surveyed in accordance with sections 54 to 57.

SOR/79-234, s. 21; SOR/99-219, s. 4; SOR/2007-273, s. 15(F).

60. (1) Subject to subsection (2), the rent for a recorded claim for which a lease has been granted shall be the amount set out in Schedule I.

(2) Where work of a kind described in paragraph 38(1)(a) has been done on a recorded claim for which a lease has been granted pursuant to these Regulations, there shall be deducted from the rent for that lease for the year in which the work was done and for any leases granted pursuant to these Regulations for adjacent recorded claims not exceeding five held by the same lessee, an amount equal to

(a) the amount expended on the work in that year as approved by the Minister, or

(b) 50 per cent of the rent owing on the lease or leases for that year,

whichever is the lesser.

(3) The yearly rent due under a lease shall be paid to the Chief on the date of signing of the lease and on every anniversary of the effective date thereafter.

(4) The Chief shall, 30 days after the date on which the rent is due, send to each lessee who has not paid his rent for the year a notice in Form 16 of Schedule III stating the amount of rent due for the year.

(5) Where the rent due under a lease of a recorded claim is not paid within 60 days from the date indicated on the notice sent pursuant to subsection (4), the Minister may cancel the lease.

SOR/2007-273, s. 16(F).

61. (1) A lessee may, by giving a notice in writing to the Mining Recorder, surrender the lease.

(2) A surrender of a lease is effective on the day on which it is recorded by the Mining Recorder.

SOR/88-9, s. 18; SOR/2007-273, s. 17.

61.1 If a lease expires or is cancelled or surrendered, the area of the recorded claim that formed the subject of that lease shall be open for staking under these Regulations as of noon on the day after the first business day after the day on which the lease expired or was cancelled or surrendered, as the case may be.

SOR/2007-273, s. 17.

TRANSFER OF A CLAIM OR LEASE

62. (1) Subject to subsections (2) to (5) and section 62.1, a holder of a recorded claim or lease or, if the holder has died or become insolvent, an executor, an administrator or a trustee may transfer the claim or lease at any time to a licensee.

(2) All transfers of a recorded claim or lease shall be in a form prescribed by the Minister under section 28 of the Act and shall be signed by the holder of the claim or the lessee and the assignee

and filed with the Mining Recorder, accompanied by

(a) the applicable fee set out in Schedule I; and

(b) in the case of a transfer of a lease, a duplicate original lease.

(3) No transfer of a recorded claim or lease is effective until the Mining Recorder has recorded it.

(4) Subject to subsection 62.1(1), the Mining Recorder shall not record the transfer of a lease if rent owing under the lease is unpaid.

(5) Subject to subsection 62.1(1), the Mining Recorder shall not record the transfer of a recorded claim or lease of a mining property in respect of which mining royalties are due and unpaid, unless security in the amount of the unpaid royalties has been deposited with the Minister.

SOR/88-9, s. 20; SOR/99-219, s. 5; SOR/2007-273, s. 17.

62.1 (1) At the written request of the Minister, the Mining Recorder shall record a transfer of a recorded claim or a recorded claim subject to a lease to Her Majesty if

(a) the Minister has realized on a charge or security over the real property of the holder of the claim or the lessee for the costs of remedying the environmental condition or environmental damage under subsection 11.8(8) of the *Companies' Creditors Arrangement Act* or subsection 14.06(7) of the *Bankruptcy and Insolvency Act*;

(b) the claim or lease has been transferred to Her Majesty by a court order made under the *Companies' Creditors Arrangement Act* or the *Bankruptcy and Insolvency Act*; or

(c) the Minister has accepted the claim or lease as a security in respect of a debt or other obligation owed to Her Majesty and the Minister has realized on the security under section 156 of the *Financial Administration Act*.

(2) In the case of a recorded claim transferred to Her Majesty

(a) the requirements for the payment of fees and for representation work in respect of the claim are suspended for the period during which the claim is held by Her Majesty; and

(b) the periods set out in subsections 38(2) and 58(1) and section 59 are extended by the period during which the claim or lease is held by Her Majesty.

(3) In the case of a lease transferred to Her Majesty, no rent is payable on the lease for the period during which the lease is held by Her Majesty.

(4) A recorded claim or lease that has been transferred to her Majesty under subsection (1) may be transferred to a licensee.

SOR/2007-273, s. 17.

OTHER DOCUMENTS

[SOR/2007-273, s. 17]

63. (1) A Mining Recorder shall register

(a) every judgment or order relating to the ownership of a recorded claim or a lease made by a judge of a court of competent jurisdiction, the Minister, the Supervising Mining Recorder or a Mining Recorder;

(b) against the recorded claims and leases that constitute a mining property or any interest therein, a notice of mining royalties due and unpaid for the amount of any mining royalties payable that have not been paid within 30 days after

(i) the delivery to the Chief of a mining royalty return in respect thereof, or

(ii) where a notice of assessment has been sent under subsection 67.2(1) or (2), the date of the notice of assessment, unless an application for review of the assessment has been made under section 84; and

(c) subject to subsection (2), on the payment of the applicable fee set out in Schedule I, every other document filed in relation to a claim or lease.

(2) No notice of an express or constructive trust shall be recorded against a recorded claim or lease other than those trusts administered by the persons referred to in subsection 62(1).

(3) All persons shall be considered to have received notice of every document registered under subsection (1) as of the date of registration of the document.

(4) A transfer of a recorded claim or lease, or any interest therein, is subject to all judgements, orders, liens and other encumbrances that were registered against the claim or lease, or any interest therein, at the time of registration of the transfer.

SOR/99-219, s. 5; SOR/2007-273, s. 18.

ROYALTIES

[SOR/2007-273, s. 19]

64. (1) For the purposes of these Regulations, the date on which a mine commences production is

(a) where the mine includes a mill or concentrator, the first day of the first 90-day period during which the mill or concentrator operates at an average of at least 60 per cent of its rated capacity; and

(b) if the mine does not include a mill or concentrator, the day the mine begins to produce minerals in reasonable commercial quantities.

(2) For the purposes of these Regulations, a mineral or processed mineral is considered to be produced and to be part of the output of a mine if the mineral or processed mineral is in a saleable form or has been removed from the mine.

(3) For the purposes of these Regulations, a mineral or processed mineral produced from the reprocessing of tailings from a mine is considered to form part of the output of the mine.

(4) For the purposes of these Regulations,

(a) if minerals or processed minerals that have been sold by an operator to a person not related to the operator are later sold to a person related to the operator, those minerals or processed minerals are considered to have been sold by the operator to a related person; and

(b) if minerals or processed minerals that have been sold by an operator to a person related to the operator are later sold to a person not related to the operator and proof of that sale is provided, those minerals or processed minerals are considered to have been sold by the operator to a person not related to the operator.

SOR/88-9, s. 22; SOR/99-219, s. 5; SOR/2007-273, s. 20.

65. (1) Each fiscal year, the owner or operator of a mine shall pay to Her Majesty royalties on the value of the mine's output during that fiscal year in an amount equal to the lesser of

(a) 13% of the value of the output of the mine; and

(b) the amount calculated in accordance with the following table.

TABLE

Column I	Column II
Item Value of output (\$)	Royalty payable on that portion of the value
1. 10,000 or less	0

2.	in excess of 10,000 but not exceeding 5 million	5%
3.	in excess of 5 million but not exceeding 10 million	6%
4.	in excess of 10 million but not exceeding 15 million	7%
5.	in excess of 15 million but not exceeding 20 million	8%
6.	in excess of 20 million but not exceeding 25 million	9%
7.	in excess of 25 million but not exceeding 30 million	10%
8.	in excess of 30 million but not exceeding 35 million	11%
9.	in excess of 35 million but not exceeding 40 million	12%
10.	in excess of 40 million but not exceeding 45 million	13%
11.	in excess of 45 million	14%

(2) The royalties payable to the Receiver General under subsection (1) in respect of a mine accrue during a fiscal year as the output of a mine is produced and shall be remitted to the Chief not later than the last day of the fourth month after the end of that fiscal year.

(3) Subject to paragraph 67.1(1)(b), any person who was an owner or operator of a mine during the fiscal year in respect of which the royalties were payable is jointly and severally liable for the entire amount of the royalties payable in respect of the period during which that person was an owner or operator.

(4) For the purposes of this section, the value of the output of a mine for a fiscal year shall be calculated in accordance with the formula

$$A + B - C + D + E + F + G + H - I + J$$

where

A
is the total of

(a) the proceeds from sales, during the fiscal year, of minerals or processed minerals produced from the mine to persons not related to the operator, if proof of those sales is provided,

(b) the market value of any minerals or processed minerals produced from the mine that were sold or transferred to a person related to the operator, or to any other person if the proof of that disposition is not provided, and

(c) if the minerals or processed minerals produced from the mine are precious stones that have been cut or polished before their sale or transfer, the market value of those precious stones before they were cut or polished,

B

is the market value of any inventories of minerals and processed minerals produced from the mine, as at the end of the fiscal year, determined under subsection (5),

C

is the market value of any inventories of minerals and processed minerals produced from the mine, as at the beginning of the fiscal year, determined under subsection (5),

D

is the lesser of

(a) the amount of any payment received during the fiscal year that is related to a cost that has been claimed as a deduction or allowance under this section, and

(b) that cost,

E

is any excess amount referred to in paragraph 65.1(5)(b),

F

is any amount withdrawn, during the fiscal year, from a mining reclamation trust established in respect of lands referred to in section 3, up to the maximum of the total of the amounts contributed to the trust,

G

is the amount of any proceeds received, during the fiscal year, from insurance on minerals or processed minerals produced from the mine,

H

is the amount of any grants in respect of the mine that were made to the operator, or of any loans to the operator in respect of the mine that were forgiven, by the federal government during the fiscal year,

I

is the total of the deductions and allowances claimed under subsection 65.1(1), and

J

is the total of

(a) the amount by which the sum of the amounts referred to in paragraphs 65.1(8)(d) and (8.1)(e) exceeds the undeducted balance of the depreciable assets eligible for a depreciation allowance at the end of the fiscal year, and

(b) the amount by which the sum of the amounts referred to in paragraphs 65.1(8.1)(c) and (d) exceeds the undeducted balance of the development allowance at the end of the fiscal year.

(4.1) For the purpose of determining the value of A in subsection (4), if a mine is operated as a joint venture whose members deliver separate mining royalty returns under subsection 67.1(1),

(a) a diversion of any or all of the production of the mine from one member of the joint venture to another does not constitute a sale or transfer for the purposes of subsection 69(2), even if consideration is paid for the diversion; and

(b) any consideration paid to the member from whom the production was diverted shall be included by that member as proceeds of sale of minerals or processed minerals produced from the mine.

(4.2) No costs related to the production of or value for minerals or processed minerals from the lands other than those referred to in section 3 shall be taken into account for the purposes of determining the values of A to D, G and I in subsection (4).

(4.3) In the case of a mining royalty return for the last year of production of a mine, the operator may, for the purpose of determining the value of B in subsection (4), elect to use the actual proceeds from the sale to a party not related to the operator of minerals or processed minerals in inventory at the end of the fiscal year, if proof of that sale is provided, rather than the market value of the inventory of minerals or processed minerals at the end of that fiscal year as required under subsection (4).

(4.4) An election made under subsection (4.3) is irrevocable.

(5) If the minerals or processed minerals referred to in paragraphs (b) and (c) of the description of A, and in the descriptions of B and C, in subsection (4) are precious stones, the market value of the precious stones is as follows:

(a) if the mining royalty valuer and the operator agree on a value for the stones, that value; or

(b) if the mining royalty valuer and the operator cannot agree on a value for the stones, the maximum amount that could be realized from the sale of the stones on the open market after they are sorted into market assortments.

(6) For the purpose of subsection (5), the market value shall be determined

(a) when the value is calculated for inventory purposes, at the beginning or end of the fiscal year; and

(b) when the value is calculated for any other purpose, as at the last time the precious stones were valued by the mining royalty valuer.

(7) If the minerals and processed minerals referred to in paragraphs (b) and (c) of the description of A, and in the descriptions of B and C, in subsection (4) are not precious stones, their market value is the price that could be obtained from their sale to a person who is not related to the operator.

(8) For the purpose of subsection (7), the market value shall be determined

(a) when the value is calculated for inventory purposes, at the beginning or end of the fiscal year; and

(b) when the value is calculated for any other purpose, at the time the minerals or processed minerals are shipped from the mine.

(9) Gains and losses from hedging transactions shall not be included in calculating the value of the mine's output.

(10) For the purpose of these Regulations, the Bank of Canada's noon exchange rate shall be used to convert foreign currencies into Canadian dollars:

(a) as at the date of that transaction if a transaction is carried out in a foreign currency; and

(b) as at the last day of the fiscal year if inventories have been valued in a foreign currency.

(11) When operating costs are incurred for operations outside of Canada, the operator may convert foreign currency transactions for those costs into Canadian dollars using the Bank of Canada's average noon exchange rate for the month in which those expenses costs incurred.

SOR/79-234, s. 22; SOR/88-9, s. 23; SOR/98-433, s. 1; SOR/99-219, s. 5; SOR/2007-273, s. 21.

65.1 (1) In calculating the value of the output of a mine for a fiscal year, only the following deductions and allowances may be claimed:

(a) the costs, incurred during the fiscal year, of sorting, valuing, marketing and selling the minerals or processed minerals produced from the mine;

(b) the costs, incurred during the fiscal year, of insurance, storage, handling and transportation to the processing plant or market, in respect of the minerals or processed minerals produced from the mine;

(c) the costs, incurred during the fiscal year, of mining and processing minerals or processed minerals from the mine;

(d) the costs, incurred during the fiscal year, of repair, maintenance or reclamation at the mine;

(d.1) the consideration paid by a member of a joint venture for minerals or processed minerals diverted from another member of the joint venture, when each member is delivering a separate mining royalty return in accordance with section 67.1;

(e) general and indirect costs incurred during the fiscal year for property, employees or operations at the mine that are not otherwise allocated to operating costs;

(f) exploration costs incurred during the fiscal year by an owner of the mine on land referred to in subsection 3(1), other than on the mining property, if those costs have not been otherwise

claimed as an allowance or deduction under these Regulations, in an amount not exceeding 10 per cent of the value of the output of the mine multiplied by the owner's share of that output, calculated

(i) after deduction of the costs referred to in paragraphs (a) to (e), and

(ii) before the deduction of any depreciation allowance, mining reclamation trust contribution allowance, development allowance or processing allowance;

(g) subject to subsection (5), paragraphs (8)(d) and (8.1)(e) and subsection (9), a depreciation allowance for the depreciable assets of the mine, and for the depreciable assets of any facilities located outside the Territories that are used for the processing of minerals or processed minerals produced from the mine in an amount not exceeding the undeducted balance of the cost of those depreciable assets at the end of the fiscal year of the mine;

(h) a development allowance, not exceeding the undeducted balance at the end of the fiscal year of the mine of

(i) exploration costs incurred, prior to the date of commencement of production, on the mining property as constituted on the date of commencement of production and not deducted under paragraph (f) in respect of any other mine,

(ii) all costs incurred before the date of the commencement of production for the purposes of bringing the mine into production less the total of

(A) the value of any minerals or processed minerals produced from the mining property that were sold or transferred before the date of commencement of production, calculated in accordance with section 65, and

(B) the market value of any minerals or processed minerals produced from the mining property that are in inventory on the date of commencement of production, calculated in accordance with section 65,

(iii) exploration costs incurred on the mining property after the date of commencement of production,

(iv) costs incurred after the date of commencement of production for workings designed for continuing use, including the clearing, removing or stripping of overburden from a new deposit at the mine, the sinking, excavation or extension of a mine shaft, main haulage way or similar underground work, the construction of an adit or other underground entry and the construction of a road or of tailings disposal structures at the mine, and

(v) if minerals or processed minerals are being produced in commercial quantities from a recorded claim or recorded claim that is subject to a lease that was incorporated into the mining property after the date of the commencement of production of the mine, or from another mining property that was incorporated into the mine after the date of the commencement of production,

(A) where the claim or lease was purchased, the purchase price of the claim or lease or the amount referred to in clause (B), whichever is the lesser, or

(B) in any other case, the costs referred to in subparagraphs (i) and (ii) that were incurred on the incorporated claim or lease and that have not been previously claimed as a deduction or allowance under these Regulations;

(i) a mining reclamation trust contribution allowance, determined by the operator, not exceeding the undeducted balance at the end of the fiscal year of amounts contributed to the mining reclamation trust with respect to any environmental impact resulting from the mining of minerals from lands referred to in section 3;

(j) if minerals or processed minerals are processed by the operator of the mine before their sale or transfer, an annual processing allowance equal to the lesser of

(i) subject to subsection (2), 8% of the original cost of the processing assets used by the operator in the processing of the output of the mine during the fiscal year, and

(ii) 65% of the value of the output of the mine, after deduction of the amounts referred to in paragraphs (a) to (i); and

(k) if minerals or processed minerals from the mine are processed at another mine, or at any facilities located outside the Territories that are used for the processing of minerals or processed minerals produced from another mine that is owned by the operator or by a person related to the operator, the total of

(i) the amount of the costs of the other mine that are not deductible under paragraph (8)(b),

(ii) the amount by which the processing allowance for the other mine is reduced under paragraph (8)(c), and

(iii) the amount by which the undeducted balance of the original cost of the other mine's depreciable assets is adjusted under paragraph (8)(d).

(2) Where a mine is in production for less than 12 months in a fiscal year or a fiscal year of a mine is less than 12 months,

(a) the deduction for processing allowance calculated under subparagraph (1)(j)(i) shall be multiplied by one-twelfth times the number of months in the fiscal year that the mine was in production or the number of months in the shortened fiscal year, as the case may be; and

(b) each dollar amount in column I of the table to subsection 65(1) shall be multiplied by one-twelfth times the number of months in the fiscal year that the mine was in production or the number of months in the shortened fiscal year, as the case may be.

(3) Where the operator of a mine claims a deduction for costs incurred in a transaction with a

related person, the costs allowed as a deduction under this section shall be the amount of the actual costs incurred by the related person, exclusive of any profit, gain or commission to the related person or to any other related person.

(4) A depreciation allowance may be claimed in respect of a depreciable asset in the fiscal year in which it is first used in the operations of the mine.

(5) Where an operator disposes of, or receives insurance proceeds in respect of, assets for which a depreciation allowance has been claimed,

(a) the undeducted balance of depreciable assets shall be reduced by the lesser of

(i) the proceeds of disposition or insurance proceeds, as the case may be, and

(ii) the original cost of the asset; and

(b) where the lesser of the amounts referred to in subparagraphs (a)(i) and (ii) exceeds the undeducted balance of depreciable assets in the fiscal year in which the assets were disposed of, the excess shall be included in the value of the output of the mine for that fiscal year.

(6) For the purposes of subsection (5), where the operator of a mine sells an asset for which a depreciation allowance has been claimed to a related person or removes the asset from the mine, the proceeds of disposition of the asset shall be the amount that could be expected to be realized from the sale of the asset to a person not related to the operator.

(7) Where the operator of a mine purchases an asset that is eligible for a depreciation allowance from a related person or transfers to the mine an asset from another mine owned by the operator, the cost of the asset for the purposes of calculating a depreciation allowance is the amount that the operator could be expected to pay to purchase that asset from a person not related to the operator.

(8) If, in a particular fiscal year, a mine's operator uses the mine's depreciable assets, or any facilities located outside the Territories that are used for the processing of minerals or processed minerals produced from the mine, to process minerals or processed minerals other than those produced from the mine,

(a) the revenue earned from the sale or processing of those minerals or processed minerals shall not be included in the value of the output of the mine;

(b) the deduction for the costs incurred during the fiscal year under paragraphs (1)(a) to (e) shall be reduced by any costs incurred for the processing of minerals or processed minerals not produced from the mine;

(c) the original cost of the processing assets used to calculate the processing allowance amount under subparagraph (1)(j)(i) shall be reduced by an amount equal to the original cost of the processing assets multiplied by the ratio of the costs incurred during the fiscal year under

paragraphs (1)(a) to (e) of processing minerals or processed minerals not produced from the mine to the total costs incurred during the fiscal year under those paragraphs of processing all minerals or processed minerals at the mine; and

(d) the undeducted balance of the original cost of the mine's depreciable assets at the end of the fiscal year shall be adjusted to exclude an amount equal to the original cost of the depreciable assets used to process minerals or processed minerals not produced from the mine multiplied by the ratio of the costs incurred under paragraphs (1)(a) to (e) during that fiscal year and all prior fiscal years for the processing through those assets of minerals or processed minerals not produced from the mine to the total costs incurred under those paragraphs during that fiscal year and all prior fiscal years for the processing through those assets of all minerals and processed minerals at the mine.

(8.1) If a mine produces minerals or processed minerals from the lands referred to in section 3 and any other lands,

(a) the deduction for the costs incurred during the fiscal year under paragraphs (1)(a) to (e) shall be reduced by any costs incurred for the production of minerals or processed minerals from lands other than those referred to in section 3;

(b) the original cost of the processing assets used to calculate the processing allowance under subparagraph (1)(j)(i) shall be reduced by an amount equal to the original cost of the processing assets multiplied by the ratio of the costs incurred during the fiscal year under paragraphs (1)(a) to (e) for the processing of minerals or processed minerals produced from lands other than those referred to in section 3 to the total costs incurred during the fiscal year, under those paragraphs, for the processing of all minerals or processed minerals at the mine;

(c) the undeducted balance of costs eligible for the mine's development allowance at the end of the fiscal year shall be adjusted to exclude an amount equal to the costs referred to in subparagraph (1)(h)(ii) multiplied by the ratio of the costs incurred under paragraphs (1)(a) to (e) during that fiscal year and all prior fiscal years for the production of minerals or processed minerals from lands other than those referred to in section 3 to the total costs incurred under those paragraphs during that fiscal year and all prior fiscal years for the production of all minerals or processed minerals at the mine;

(d) the undeducted balance of costs eligible for the mine's development allowance at the end of the fiscal year shall be adjusted to exclude an amount equal to the costs of the workings referred to in subparagraph (1)(h)(iv) used in the production of minerals or processed minerals from lands other than those referred to in section 3 multiplied by the ratio of the costs incurred under paragraphs (1)(c) to (e) during that fiscal year and all prior fiscal years for the use of those workings in the production of minerals or processed minerals from lands other than those referred to in section 3 to the total costs incurred under those paragraphs during that fiscal year and all prior fiscal years for the use of those workings in the production of all minerals or processed minerals at the mine; and

(e) the undeducted balance of the original cost of the mine's depreciable assets at the end of the

fiscal year shall be adjusted to exclude an amount equal to the original cost of the depreciable assets used in the production or processing of minerals or processed minerals produced from lands other than those referred to in section 3 multiplied by the ratio of the costs incurred under paragraphs (1)(a) to (e) during that fiscal year and all prior fiscal years for the use of those assets for the production or processing of minerals or processed minerals produced from lands other than those referred to in section 3 to the total costs incurred under those paragraphs during that fiscal year and all prior fiscal years for the use of those assets for the production or processing of all minerals or processed minerals produced at the mine.

(9) The adjustments referred to in paragraphs (8)(d) and (8.1)(c) to (e) shall each be calculated at the end of each fiscal year of the mine with the difference between the amount calculated for that fiscal year and the amount calculated for the previous fiscal year being added to or subtracted from the undeducted balance of the depreciable assets or the undeducted balance of the costs eligible for the development allowance, as the case may be.

(10) Notwithstanding any other subsection of this section, no deduction or allowance shall be made in respect of a mine in relation to

(a) the capital cost of the depreciable assets, other than those subject to the depreciation allowance under paragraph (1)(g);

(b) depletion in the value of the mine or mining property by reason of exhaustion of the minerals;

(c) where an owner or the operator of the mine is a corporation,

(i) remuneration and travel costs of directors,

(ii) stock transfer agents' fees,

(iii) shareholders' meetings or the preparation of shareholders' reports, and

(iv) legal, accounting and other costs incurred in connection with incorporations, reorganizations, financing or security or stock issues;

(d) interest on any debt, including an overdraft, loan, mortgage, advance, debenture or bond, that is capitalized or expensed for accounting purposes;

(e) remuneration of executive officers, administrative and consulting costs and costs in respect of offices not located at the mine site, unless that remuneration or those costs are directly related to operations of the mine or to the marketing and selling of minerals or processed minerals produced from the mine;

(f) the taxes on profits, property or capital, or payments in lieu of those taxes, paid to any level of government and the cost of preparing returns in respect of those taxes, except for customs duties, sales and excise taxes not otherwise refundable to the operator and any taxes related to the employment of employees, and the cost of preparing a return in respect of those taxes;

(g) the royalties paid for the use of mining property or royalties calculated on revenue, production or profits of the mine, and the cost of calculating the royalties, except for the cost of calculating those royalties that are payable under these Regulations;

(h) payments made to an organization, community or corporation, including an aboriginal organization, community or corporation, that are not attributable to the provision of goods and services directly related to the development and operation of the mine or to prospecting and exploration on land referred to in subsection 3(1);

(i) payments made for the use or lease of, or access to, the surface of the land on which the mine is located;

(j) discounts on bonds, debentures, shares or sales of receivables;

(k) increases in reserves or provisions for contingencies, other than in respect of a mining reclamation trust;

(l) dues and memberships for persons other than employees involved in the operation of the mine;

(m) insurance premiums other than those paid for minerals or processed minerals produced from the mine;

(n) costs incurred during the fiscal year to produce revenue that does not form part of the value of the output of the mine;

(o) subject to subparagraph 65.1(1)(h)(v), the purchase price of a recorded claim, a lease or a mine;

(p) the purchase price of any financial instrument;

(q) charitable donations;

(r) advertising costs not directly identified with the output of a particular mine;

(s) any cost not evidenced in accordance with generally accepted auditing standards;

(t) the cost of inventories of fuel, other consumables and spare parts that have not been consumed in the operation of the mine;

(u) the costs of staking or recording a claim, or the cost of surveying the claim for the purpose of taking it to lease;

(v) rent paid for the lease of a recorded claim under these Regulations;

(w) the cost of preparing any financial information not required for the calculation of mining

royalties;

(x) any cost incurred after any precious stones have been last valued by the mining royalty valuer, if those stones were sold or transferred to a related party, or to any other person if proof of the disposition is not provided, or if the stones were cut and polished before their sale or transfer;

(y) any costs related to public, community or government relations unless those costs were incurred for environmental assessments or other regulatory processes; and

(z) any fines, penalties or bribes.

SOR/99-219, s. 5; SOR/2007-273, s. 22.

65.2 (1) A change in the ownership or of the operator of a mine does not affect

(a) the undeducted balance of the depreciable assets eligible for a depreciation allowance;

(b) the undeducted balance of the costs eligible for a development allowance;

(c) the undeducted balance of contributions to a mining reclamation trust; or

(d) the original cost of the assets used for calculating a processing allowance.

(2) Subject to paragraph 65.1(1)(h), where a recorded claim or lease lapses, is cancelled or is surrendered, any costs incurred in respect of that claim or lease that would otherwise be eligible for a development allowance expire and are no longer eligible for a development allowance in respect of any mine.

(3) If a mining property is acquired by the operator of another mine and the operations on the two mining properties are combined to become a single operation, the undeducted balance of the costs eligible for the development allowance, the undeducted balance of the cost of the depreciable assets eligible for the depreciation allowance, the undeducted balance of the contributions to a mining reclamation trust and the original cost of the processing assets eligible for the processing allowance for each mine shall be combined.

(4) For the purpose of subsection (3), if an operator purchases a mining property from the Minister, the value of the undeducted balance of the costs eligible for the development allowance, of the undeducted balance of the cost of the depreciable assets eligible for the depreciation allowance and of the original cost of the processing assets eligible for the processing allowance of the purchased mine shall be the lesser of the value established at the time the Minister acquired the mining property, and the value established in the agreement of purchase and sale for that property.

SOR/99-219, s. 5; SOR/2007-273, s. 23.

66. (1) If, in a particular year, minerals or processed minerals from a recorded claim that is

subject to a lease whose gross value exceeds \$100,000 are treated at a mine, removed from a mine, sold or otherwise disposed of, the lessee shall, within one month after the end of that year, deliver to the Chief a statement setting out

- (a) the name and a description of the mine;
- (b) the names and addresses of all owners, operators and other lessees of the mine;
- (c) the name and address of a person to whom notices may be sent;
- (d) the weight and value of minerals or processed minerals treated at the mine, removed from the mine, sold or otherwise disposed of during the year and during each month of that year; and
- (e) the design capacity of any mill, concentrator or other processing plant at the mine.

(2) A lessee who has delivered a statement under subsection (1) shall forthwith notify the Chief of

- (a) any change in the name and address of the person to whom notices may be sent; and
- (b) any change in the ownership or of the operator of the mine.

SOR/99-219, s. 5; SOR/2007-273, s. 24.

67. (1) On or before the last day of the fourth month after the end of each fiscal year of a mine, including the fiscal year during which the mine commences production and all subsequent years for which there are any amounts that qualify for determining the values of A to H and J in subsection 65(4), the operator of the mine shall deliver to the Chief a mining royalty return, on a form prescribed by the Minister under section 28 of the Act, setting out

- (a) the name and a description of the mine;
- (b) the name and address of the operator;
- (c) the names of processing plants to which minerals or processed minerals have been shipped from the mine for treatment;
- (d) the weight of the minerals or processed minerals produced from the mine during the fiscal year;
- (e) the weight and value of the minerals or processed minerals produced from the mine that were
 - (i) sold or transferred during the fiscal year of the mine to persons not related to the operator;
 - (ii) sold or transferred during the fiscal year of the mine to persons related to the operator;

- (iii) in inventory at the beginning of the fiscal year of the mine, and
- (iv) in inventory at the end of the fiscal year of the mine;
- (f) any costs, deductions and allowances claimed under subsection 65.1(1);
- (g) where exploration costs are claimed as a deduction under paragraph 65.1(1)(f), or where costs are included in the costs eligible for development allowance under paragraph 65.1(1)(h), the recorded claims or leases on which those costs were incurred;
- (h) in respect of depreciable assets,
 - (i) the undeducted balance of depreciable assets at the beginning of the fiscal year,
 - (ii) the cost of additions during the fiscal year to depreciable assets,
 - (iii) the proceeds from the disposition during the fiscal year of depreciable assets,
 - (iv) the undeducted balance of depreciable assets at the end of the fiscal year prior to deduction of a depreciation allowance,
 - (v) the undeducted balance of depreciable assets at the end of the fiscal year after deduction of a depreciation allowance, and
 - (vi) the original cost of depreciable assets disposed of during the fiscal year;
- (i) in respect of development allowances,
 - (i) the undeducted balance at the beginning of the fiscal year of costs eligible for a development allowance,
 - (ii) if the mining royalty return is delivered for the first fiscal year of the mine, the amount of the costs determined under subparagraphs 65.1(1)(h)(i) and (ii),
 - (iii) the amounts of each of the costs identified in subparagraphs 65.1(1)(h)(iii) to (v) incurred during the fiscal year,
 - (iv) the undeducted balance of costs eligible for a development allowance at the end of the fiscal year prior to deduction of a development allowance, and
 - (v) the undeducted balance of costs eligible for a development allowance at the end of the fiscal year after deduction of a development allowance;
- (j) in respect of any mining reclamation trust established for lands referred to in section 3,
 - (i) the total of all amounts contributed to the mining reclamation trust,

(ii) the undeducted balance of contributions of the mining reclamation trust at the beginning of the fiscal year,

(iii) the amounts contributed to the mining reclamation trust during the fiscal year,

(iv) the undeducted balance of contributions to the mining reclamation trust at the end of the fiscal year before any deduction of a mining reclamation trust contribution allowance,

(v) the undeducted balance of contributions to the mining reclamation trust at the end of the fiscal year after the deduction of a mining reclamation trust contribution allowance, and

(vi) the total of all amounts withdrawn from the mining reclamation trust during the fiscal year and in previous fiscal years;

(k) in respect of processing assets,

(i) the original cost of the processing assets at the beginning of the fiscal year,

(ii) the original cost of any new processing assets added to the mine during the fiscal year,

(iii) the original cost of any processing assets that were substituted for other processing assets of the mine during the fiscal year,

(iv) the original cost of any processing assets for which other processing assets were substituted during the fiscal year,

(v) the original cost of any processing assets not used, sold, discarded or otherwise disposed of during the fiscal year, and

(vi) the original cost of the processing assets at the end of the fiscal year;

(l) any payment received during the fiscal year that is related to a cost that has been claimed as a deduction or allowance; and

(m) any amount by which the proceeds of disposition of assets for which a depreciation allowance has been claimed exceed the undeducted balance of depreciable assets at the end of the fiscal year in which the assets were disposed of.

(2) Every mining royalty return shall be

(a) accompanied by the financial statements for the mine or, where the mine has no financial statements, the financial statements of the operator of the mine, and a reconciliation of those financial statements to the mining royalty return; and

(b) signed and include a statement under oath or solemn affirmation by the operator of the mine or, where the operator of the mine is a corporation, by an officer of the corporation, that the

financial statements are to that person's knowledge and belief complete and correct.

(3) If a mine's operator makes an election under subsection 65(4.3),

(a) the operator shall deliver the initial mining royalty return for the fiscal year using the market value of the inventories of minerals or processed minerals and then deliver an amended mining royalty return once those inventories have been sold; and

(b) the operator shall deliver a mining royalty return for the mine's subsequent fiscal years if there are any amounts that qualify for determining the values of D to H in subsection 65(4), or if the mine recommences production.

SOR/99-219, s. 5; SOR/2007-273, s. 25.

67.1 (1) If a mine is operated as a joint venture and each member of the joint venture takes its share of the output of the mine in kind and sells that share separately and independently from other members of the joint venture to purchasers who are not related to any of the members of the joint venture,

(a) each member may deliver to the Chief a separate mining royalty return for the royalty payable under subsection 65(1) on the value of its share of the output of the mine, in lieu of including that information in a mining royalty return delivered under subsection 67(1); and

(b) each member, and any person related to that member, is liable to pay only those royalties attributable to that member's share of the output of the mine.

(2) Where, pursuant to subsection (1), more than one member of a joint venture delivers a mining royalty return to the Chief for a single mine,

(a) each member of the joint venture shall be considered to be a separate operator for the purposes of these Regulations;

(b) each member shall indicate on the mining royalty return the percentage of the output of the mine represented by that mining royalty return;

(c) the value of the output on the mining royalty return for each member shall be calculated in accordance with section 65 using

(i) in respect of costs eligible for deductions under paragraphs 65.1(1)(a) to (e),

(A) a percentage of costs that have been jointly incurred equal to the percentage of the output of the mine received by that member, and

(B) the costs that have been incurred by that member alone,

(ii) in determining a deduction for exploration costs under paragraph 65.1(1)(f), the exploration

costs incurred by that member,

(iii) a depreciation allowance based on

(A) a percentage of the depreciable assets of the mine that are jointly held equal to the percentage of the output of the mine received by that member, and

(B) the depreciable assets of the mine held by the member alone,

(iv) a development allowance based on

(A) a percentage of the costs referred to in subparagraphs 65.1(1)(h)(i) to (v) that were incurred jointly, equal to the percentage of the output of the mine received by that member, and

(B) the costs referred to in subparagraphs 65.1(1)(h)(i) to (v) incurred by that member alone,

(v) a mining reclamation trust contribution allowance equal to the amount contributed to a mining reclamation trust in respect of the lands referred to in section 3 by that member, and

(vi) a processing allowance based on

(A) a percentage of the processing assets of the mine that are jointly held equal to the percentage of the output of the mine received by that member, and

(B) the processing assets of the mine held by that member alone;

(d) the amounts in column I of the table to subsection 65(1) shall be adjusted by multiplying each amount by a percentage equal to the percentage of the output of the mine received by that member; and

(e) each mining royalty return shall be based on the same fiscal year.

SOR/99-219, s. 5; SOR/2007-273, s. 26.

67.2 (1) Within six years after the end of a particular fiscal year of a mine, the Chief shall send to the operator of the mine a notice of assessment of royalties payable for that fiscal year.

(2) The Chief may at any time send a notice of reassessment for the amount of the royalty payable for a fiscal year in respect of a mine if the operator or other person delivering a mining royalty return has made a fraudulent or negligent misrepresentation in completing the mining royalty return or on supplying any other information under section 67 or 67.1.

(3) Where the Chief sends an operator a notice of assessment or reassessment for the amount of royalty payable for a fiscal year, the amount of royalty assessed or reassessed for the fiscal year shall be considered to have been payable on the last day of the fourth month after the end of that fiscal year.

(4) Where the ownership of a mine changes, the operator may file a separate mining royalty return for the portion of the fiscal year before the change of ownership and the portion of the fiscal year after the change of ownership, and each such portion shall be considered to be a fiscal year of less than 12 months for the purposes of subsection 65.1(2).

SOR/99-219, s. 5.

68. (1) Every operator of a mine shall keep at an office in Canada and make available to the Chief, to substantiate information required on mining royalty returns,

(a) records, books of account and other documents evidencing

(i) the weight of all minerals extracted from the mine and of all minerals or processed minerals processed at the mine, whether or not they are produced from the mine,

(ii) the weight and value of all minerals or processed minerals produced from the mine, sold, transferred or removed from the mine by the mine's operator,

(iii) any amounts received from a processing plant and any other amounts received from the sale of minerals or processed minerals, and

(iv) the costs, payments, allowances and other deductions referred to in section 65.1;

(b) the financial statements of the mine and the operator;

(c) a reconciliation between the documents referred to in paragraphs (a) and (b) and the mining royalty return;

(d) if the financial statements of an owner or the operator of the mine are audited by an external auditor,

(i) the audited financial statements and the accompanying signed audit opinion of the external auditor, and

(ii) any working papers and documentation prepared by the external auditor that are in the possession of an owner or the operator;

(e) any documents filed by an owner or the operator with a stock exchange or securities commission;

(f) any documents related to any internal audits of a company that is an owner or the operator; and

(g) any other documents that contain information necessary for ascertaining the amount of royalty payable under section 65.

(2) No person shall disclose information of a confidential nature acquired for the purposes of sections 65 to 69, except

(a) to the extent necessary to determine the amount of royalties payable under section 65;

(b) where required under a land claims agreement referred to in section 35 of the *Constitution Act, 1982*; or

(c) under an agreement entered into by the Minister for the purpose of the administration of section 65 with the government of a country, province or state, or with an aboriginal organization owning mineral rights, under which the officers of that government or aboriginal organization are provided with the information and the Chief is provided with information from the government or aboriginal organization.

SOR/99-219, s. 5; SOR/2007-273, s. 27.

69. (1) Subject to subsection (2), no minerals or processed minerals produced from a mine shall be removed from the mine, other than for the purposes of assay and testing to determine the existence, location, extent, quality or economic potential of a mineral deposit in the lands constituting the mining property, until the weight and any other information necessary to establish the value of those minerals or processed minerals has been ascertained and entered in the books of account referred to in subsection 68(1).

(2) No precious stones shall be removed from a mine, other than in a bulk sample or in a concentrate for the purposes of establishing the grade and the value of the stones in a mineral deposit, or cut, polished, sold or otherwise transferred, until they have been valued by a mining royalty valuer.

(3) The operator of a mine shall provide in the Territories any facilities and equipment, other than computer equipment, necessary for a mining royalty valuer to value any precious stones produced from the mine.

(4) For the purposes of these Regulations, facilities referred to in subsection (3) are considered to be part of the mine and any transfer of the precious stones from one part of the mine to another does not constitute removal from the mine.

(5) No precious stones shall be presented to the mining royalty valuer until the operator of the mine has cleaned the stones so as to remove all substances from the stones that are not part of them.

(6) As soon as any precious stones have been processed into a saleable form, they shall be presented to a mining royalty valuer for valuation.

(7) An operator who produces precious stones and transfers or sells them to persons who are not related to the operator shall present to a mining royalty valuer

(a) all stones that are to be transferred or sold to a person related to the operator, for separate valuation before their transfer or sale; and

(b) all stones that are to be cut or polished by the operator or any related party, for separate valuation before their being cut or polished.

(8) For the purposes of subsections (6) and (7), unless otherwise agreed on by the operator and the mining royalty valuer, an operator shall present to the mining royalty valuer

(a) diamonds with a weight of 10.8 carats or more, individually, together with the weight of each diamond;

(b) diamonds with a weight from 2.8 carats to 10.79 carats, in lots separated according to weight in carats, together with the number of diamonds per lot;

(c) diamonds with a weight from 3 grainers to 10 grainers, in lots separated according to weight in grainers, from which randomly selected samples, accurately representing the composition of each lot, have been separated; and

(d) diamonds with a weight of less than 3 grainers, in lots separated according to industry standard DTC sieve sizes, from which randomly selected samples, accurately representing the composition of each lot, have been separated.

(9) If diamonds are presented to the mining royalty valuer under subsection (8), the operator shall provide an estimate of the market value of each diamond or lot, as the case may be, to the Chief.

SOR/99-219, s. 5; SOR/2007-273, s. 28.

LOCATING ON OCCUPIED LANDS

70. (1) Where a locator wishes to enter, prospect for minerals, locate or have a claim located for him on land that has been granted or leased to a surface holder, the locator may file with the Mining Recorder a notice in Form 19 of Schedule III of his intention to locate, or have located for him, a claim on the land or part thereof described in the notice.

(2) Where the surface holder of any land referred to in subsection (1) refuses entry thereon to a locator or a person acting on his behalf, or sets terms and conditions of entry that the locator considers unreasonable, the locator may file with the Mining Recorder a notice referred to in subsection (1).

(3) Where a locator files a notice referred to in subsection (1), no claim may be located on the land described in the notice by any person other than the locator or a person acting on his behalf for a period of one year from the day of the filing of the notice or until such time as the notice is withdrawn by the locator or ordered removed by the Supervising Mining Recorder pursuant to

subsection 71(4), whichever is the earlier.

(4) Where a locator or person acting on his behalf locates a claim on land referred to in subsection (2) and

(a) wishes to enter on his claim or any part thereof in order to prospect for or develop a mine thereon, and

(b) the surface holder refuses entry or sets terms and conditions of entry that the locator considers unreasonable,

the locator may file with the Mining Recorder a notice in Form 19 of Schedule III of his intention to prospect for minerals or develop a mine on the land or part thereof that is described in the notice.

71. (1) As soon as possible after the filing of a notice referred to in subsection 70(1), (2) or (4), the Mining Recorder shall attempt to effect a settlement of the dispute between the locator and the surface holder.

(2) If a Mining Recorder is unable to effect a settlement between a locator and a surface holder within 30 days after the filing of a notice referred to in subsection (1), he shall make a report to the Supervising Mining Recorder who shall immediately notify the parties to arbitrate.

(3) On receipt of a notice to arbitrate from the Supervising Mining Recorder each of the parties named therein shall, within 15 days from the date of such notice, appoint one arbitrator and the arbitrators so appointed shall, as soon as practicable, appoint a third person to be chairman of the panel of arbitration.

(4) Where a locator who has received a notice to arbitrate from the Supervising Mining Recorder fails to appoint an arbitrator within the time fixed by subsection (3), the Supervising Mining Recorder may order the notice filed pursuant to subsection 70(1) or (2) removed from the records of the Mining Recorder.

(5) Where

(a) a surface holder who has received notice to arbitrate fails to appoint an arbitrator within the time fixed by subsection (2), or

(b) the two arbitrators appointed pursuant to subsection (3) cannot agree on the appointment of a chairman,

the Supervising Mining Recorder may appoint a person to be the representative of the surface holder on the panel or the chairman of the panel, as the case may be.

SOR/88-9, s. 24.

72. (1) The persons appointed to a panel of arbitration pursuant to section 71 shall

(a) determine the extent to which and the terms and conditions on which the locator may enter on the land owned or leased by the surface holder;

(b) determine the amount of compensation to be paid to the surface holder by the locator;

(c) determine the cost of the arbitration and the portions thereof to be paid by the surface holder and the locator, respectively; and

(d) file a written report of their findings and recommendations with the Supervising Mining Recorder.

(2) In determining the extent to which the locator or a person acting on his behalf is to be allowed entry on the surface holder's land, a panel of arbitration may, before determining the amount of compensation to be paid to the surface holder, make a preliminary report to the Supervising Mining Recorder recommending the extent to which and the terms and conditions on which such entry should be allowed.

(3) Where a report of a panel of arbitration recommends that the locator be allowed entry on the land or part thereof owned or leased by the surface holder, the Supervising Mining Recorder shall make an order authorizing entry by the locator on the land or part thereof specified in the order.

PROHIBITIONS AND RESERVATIONS

73. [Repealed, SOR/2007-273, s. 29]

74. (1) Except as provided in subsection (2), no person shall drill a hole in post-precambrian sedimentary rock to a depth in excess of 500 feet unless he

(a) applies to an engineer of mines for a drilling authority; and

(b) complies with the terms of any drilling authority issued by the engineer of mines respecting the safety precautions to be followed in the event that hydrocarbons are encountered.

(2) Where a drilling authority has been issued to a person to drill a hole pursuant to subsection (1) and no hydrocarbons have been encountered in drilling the hole, a second hole may be drilled by that person under the drilling authority if the second hole is within one mile of the first hole and does not exceed it in depth.

(3) No person shall abandon a hole in respect of which a drilling authority has been issued unless he files a notice of abandonment with an engineer of mines and complies with his requirements in respect of abandonment.

(4) No person shall begin any drilling program unless he has notified the engineer of mines

thereof.

(5) A person who carries out a drilling program shall, at the end of each month, file a report to the engineer of mines in Form 20 of Schedule III showing the number of holes and the footage drilled in the program during that month.

(6) Every report filed pursuant to subsection (5) shall not, if requested by the holder of the claim to which the report relates, be open to public inspection for a period of three years from the date on which the report is filed or until the claim lapses, whichever is the earlier.

(7) No copy of a report referred to in subsection (6) shall be issued to any person except the holder of the claim to which the report relates except for the purpose of the administration or enforcement of these Regulations.

SOR/79-234, s. 23.

75. (1) Nothing contained in these Regulations shall be construed so as to limit the right of Her Majesty or of the Commissioner of the Territories to construct and maintain roads or other public works on or over the land comprised in any recorded claim.

(2) The Chief may grant authority to any person to lay out rights of way for electrical transmission or telecommunication lines across, through, along, over or under any mining property acquired under these Regulations together with full right to enter upon the property or such portion thereof as the Chief deems necessary for the construction, maintenance and repair of such lines.

(3) Compensation shall be paid to the owner of a mining property for any damage or loss sustained by reason of any entry on the property for the purpose set out in subsection (2).

(4) In case of any dispute respecting the compensation referred to in subsection (3), the amount thereof shall be determined by the Minister.

76. [Repealed, SOR/88-9, s. 25]

77. (1) Where a person holds a licence continuously for 25 years and submits to a Mining Recorder a sworn declaration to that effect, he shall be entitled to an honorary licence free of charge for the next subsequent year.

(2) Any person who has been granted an honorary licence pursuant to subsection (1) shall be entitled, on application to a Mining Recorder in each subsequent year, to an honorary licence free of charge for that year.

78. [Repealed, SOR/97-117, s. 4]

79. Any affidavit made under these Regulations may be taken before a Mining Recorder or any person duly authorized to administer oaths.

80. (1) Where the holder or a co-holder of a recorded claim for which no lease has been granted dies or is declared by a court of competent jurisdiction to be incapable of managing his affairs and notice thereof, satisfactory to the Mining Recorder, is filed with the Mining Recorder within 90 days of the date of such death or declaration, calculation of the time within which any thing is required by these Regulations to be done by such holder or co-holder with respect to that claim shall be suspended for a period commencing with the day of the death or of the declaration and ending on the third anniversary of such day or on the 30th day from the day the claim or interest therein is transferred to the person administering the estate of such holder or co-holder, whichever is the earlier.

(2) Where, prior to the filing with the Mining Recorder of the notice mentioned in subsection (1), land included in a recorded claim in which a person described in subsection (1) has an interest has been located in accordance with these Regulations by a locator who, in good faith, thought the claim had lapsed or been abandoned, the Mining Recorder may, on being satisfied that the administrator of the estate of that person has, within the time fixed by the Mining Recorder, paid an amount to the locator equal to the costs incurred by the locator in locating the claim, cancel the recording of the claim in the name of the locator and record the claim in the name of the administrator.

SOR/2007-273, s. 30(F).

81. (1) Notwithstanding anything in these Regulations, where a lessee, permittee or holder of a mineral claim is prevented through circumstances beyond his control from fulfilling any requirement of these Regulations, the lessee, permittee or holder may apply to the Chief for an order granting whatever relief is necessary in the circumstances to maintain the lease, permit or claim in good standing for the period within which fulfilment of the requirement is prevented.

(2) On receipt of an application under subsection (1), the Chief may grant such relief as he deems necessary in the circumstances.

(3) Notwithstanding any relief granted by the Chief under subsection (2), the Chief may order the lessee, permittee or holder of a mineral claim to commence and diligently continue to fulfill a requirement referred to in subsection (1) that is necessary to keep the lease, permit or claim in good standing where, in his opinion, the circumstances that prevented the requirement from being fulfilled no longer exist and any period of suspension granted under subsection (1), as shortened by an order under this subsection, shall be added to the term or period of the lease, permit or claim for the purposes of determining compliance with the requirements of these Regulations.

(4) Any relief granted or order made by the Chief under this section shall be recorded in the records of the Mining Recorder or of the Chief, whichever records are relevant.

SOR/79-234, s. 25; SOR/2007-273, s. 31(F).

82. Where, as a result of a strike within the meaning of the *Public Service Staff Relations Act*, the holder of a recorded claim is unable to do anything within the time required by these Regulations

and the Minister is satisfied that such inability is not in any way the fault of the holder of the claim, the time within which anything is required to be done shall be extended for a period ending 15 days after the last day of the strike.

NOTICE

83. For the purposes of these Regulations, written notice shall be deemed to be given by the Mining Recorder, Chief or Minister, as the case may be, to the holder of a recorded claim, when the notice is sent by registered mail to the holder at his address as shown in the records of the Mining Recorder.

REVIEW BY THE MINISTER

84. (1) Any person with a legal or beneficial interest in the subject matter of an order, decision or direction made, or any other action taken or omitted to be taken, under these Regulations by the Supervising Mining Recorder, a Mining Recorder, the Chief, a mining royalty valuer or an engineer of mines may, within 30 days after the making of the order, decision or direction or the taking of the action or, in the case of an omission to take action, within 30 days after the action should have been taken, request in writing that the Minister review the matter.

(2) On receipt of a request under subsection (1), the Minister shall

(a) request, from the applicant or any other person, any documents, further particulars or written argument necessary to determine the matter;

(b) review the matter or conduct a hearing into the matter;

(c) either

(i) confirm the order, decision, direction or action in question, or

(ii) substitute a different order, decision, direction or direct that a different action be taken; and

(d) advise the applicant in writing of his or her decision, and the reasons therefor.

SOR/88-9, s. 26; SOR/92-552, s. 4(F); SOR/99-219, s. 6.

TRANSITIONAL

85. (1) In this section, “prior claim” means any mineral claim acquired before November 15, 1977 under

(a) the *Northwest Territories Quartz Mining Regulations*,

(b) the *Northwest Territories Placer Mining Regulations*, or

(c) the *Canada Mining Regulations* made by Order in Council P.C. 1960-717 of May 26, 1960, and in good standing on November 15, 1977.

(2) Subsections 27(2) and 58(1) do not apply to prior claims.

(3) Notwithstanding subsection 38(2), a certificate of work issued in respect of a prior claim shall remain in force for the full period for which it was issued and no further certificate of work or extension shall be issued for that claim except for the purposes of subsection 54(6).

SOR/88-9, s. 27.

86. (1) In this section, “prior lease” means any lease issued before November 15, 1977 under

(a) the *Northwest Territories Quartz Mining Regulations*,

(b) the *Northwest Territories Placer Mining Regulations*, or

(c) the *Canada Mining Regulations* made by Order in Council P.C. 1960-717 of May 26, 1960,

and in good standing on November 15, 1977 and includes a prior claim as defined in section 85 in respect of which a lease has been issued under these Regulations or the *Canada Mining Regulations* made by Order in Council P.C. 1961-325 of March 3, 1961.

(2) Nothing in these Regulations shall be construed as prejudicing the rights of holders of prior leases or prior claims.

(3) Subsections 59(2) and 60(2) do not apply to prior leases.

(4) Notwithstanding anything contained in these Regulations but subject to subsections (5) and (6), on the expiration of the term of a prior lease the holder of the lease may apply to the Minister for a renewal of the lease for a further term of 21 years and the Minister may, if the holder of the lease has complied with the terms and conditions of the lease, grant the renewal of the lease.

(5) On the renewal of a prior lease under subsection (4), the renewed lease is subject in all respects to these Regulations, other than subsection 60(2), as if the lease has been renewed under subsection 59(2).

(6) If the holder of a prior lease does not apply for a renewal thereof under subsection (4), the Minister may send a notice of expiry to the holder of the lease by registered mail and if the holder of the lease fails to apply for a renewal of the lease within 60 days of the date of the registration of the notice, all rights of the holder of the prior lease in respect thereof terminate forthwith without any declaration of cancellation or forfeiture.

SOR/78-813, s. 1; SOR/88-9, s. 28; SOR/2007-273, s. 32(F).

87. (1) Subject to sections 85 and 86, all licences, mineral claims and leases issued or granted prior to November 15, 1977 and in good standing on November 15, 1977 shall be deemed to have been issued or granted under these Regulations.

(2) Notwithstanding subsections 24(1) and (3) and section 25, but subject to subsection (3), a claim recorded prior to the coming into force of these Regulations shall be deemed to be recorded under section 24 if the holder of the claim complies or agrees to comply with section 38 and thereafter all provisions of these Regulations shall apply to such claim.

(3) A claim deemed to be recorded under subsection (2) is subject to the rights of any recorded owner or any person entitled to record a claim in the area covered by the claim.

SOR/79-234, s. 26; SOR/2007-273, s. 33(F).

88. Any person who has staked a claim or claims in accordance with the former regulations or as nearly thereto as circumstances would permit, and has submitted an application to record his claim within the time prescribed by such regulations, but whose claim has not been recorded, may have his claim recorded pursuant to these Regulations if

(a) he satisfies the Mining Recorder that

(i) a *bona fide* attempt was made to comply with the former regulations, and

(ii) the failure to observe any of the requirements therein prescribed was not of such a character as to mislead other persons; and

(b) he complies, within a reasonable time, with such requirements of these Regulations as the Mining Recorder deems necessary.

89. The fee set out in column II of an item in Schedule I is the fee to be paid for a licence, service, certificate or permit set out in column I of the item.

SOR/97-117, s. 5.

SCHEDULE I

(Sections 5, 6, 8, 9, 19, 24, 29, 32, 36, 37, 39, 41, 44, 51, 56, 58, 59, 60, 62, 63, 86 and 89)

FEES

Column I	Column II
Item Licence, Service, Certificate or Permit	Fee

1.	Individual Prospector's Licence	\$ 5.00
2.	Company Prospector's Licence	50.00
3.	Duplicate Prospector's Licence	2.00
4.	Application to record a claim, per acre contained in the claim	0.10
5.	Grouping Certificate	10.00
6.	Certificate of Representation Work, per acre contained in the claim or claims	0.10
7.	Certificate of common anniversary, per acre contained in the claim or claims	0.10
8.	Recording any document affecting a claim, per entry	2.00
9.	Notice of Surrender, per claim	10.00
10.	Prospecting Permit	25.00
11.	Copies or certified copies of any document, per page	1.00
12.	Lease of a claim or renewal thereof	25.00
13.	Recording a transfer of a lease or Prospecting Permit	25.00
14.	Recording a survey of a claim, per claim	2.00
15.	Changing the name of a claim, per claim	25.00
16.		2.00
	(a) Identification tags, per set	
		2.00
	(b) Reduced area tags, per set	
17.	Certificate of Extension, per acre contained in the claim or claims	0.10
18.	Rental under lease, per acre per year	
		1.00
	(a) for the initial 21 year period	
		2.00
	(b) for each 21 year renewal period	

SOR/97-117, s. 6; SOR/99-219, ss. 7, 8; SOR/2007-273, ss. 34(F), 35(F).

SCHEDULE II

(ss. 31 and 41)

EXPLORATORY AND REPRESENTATION WORK

The following Schedule sets out the value of exploratory work and representation work and the information required to be submitted in relation to that work.

Trenching and Stripping

1. (1) Value

(a) excavation through earth, gravel or loose material

By hand — first six feet from surface — \$6 per cubic yard,

By hand — over six feet — \$12 per cubic yard,

By mechanical means, hydraulicing or ground-sluicing — \$1 per cubic yard;

(b) excavation through rock or frozen material not requiring drilling and the use of explosives

By hand — \$15 per cubic yard,

By mechanical means — \$1.50 per cubic yard;

(c) excavation through rock or frozen material requiring drilling and the use of explosives

By hand — \$30 per cubic yard,

By mechanical means — \$14 per cubic yard;

(d) blasting rock formations where explosives are placed in natural crevices and fissures, or for rock or frozen mudcapping — \$1 per cubic yard.

(2) Information

An accurate sketch in duplicate showing the location of trenches or other surface workings relative to the local topography and claim boundaries (including the distance and direction from a legal post), the dimensions of the workings, the nature of the material excavated and identified assay results of samples taken from the workings.

Shafts, Adits and Other Underground Work at Least 10 Feet Below the Surface

2. (1) Value

(a) through rock not requiring the use of explosives — \$25 per cubic yard;

(b) through rock or frozen material requiring the use of explosives — \$40 per cubic yard.

(2) Information

An accurate map in duplicate showing the location of the shaft, adit or work relative to the local topography and claim boundaries (including the distance and direction from a legal post), assay locations and results and the nature, extent and dimensions of the work together with an explanation, in duplicate, of the material excavated.

Diamond Drilling

3. (1) *Value*

- (a) where the total length of the hole is less than 10 feet — \$5 for each foot of core;
- (b) where the total length of the hole is 10 feet or more but less than 100 feet — \$13 for each foot of core;
- (c) where the total length of the hole is 100 feet or more and
 - (i) the drill core is over one inch in diameter — \$15 for each foot of core,
 - (ii) the drill core is over 1 1/2 inches in diameter — \$18 for each foot of core,
 - (iii) the drill core is over two inches in diameter — \$21 for each foot of core;
- (d) where the total length of the casing is 10 feet or less — \$3 for each foot of casing;
- (e) where the total length of the casing is over 10 feet — \$5 for each foot of casing.

(2) *Credits*

An engineer of mines may authorize delivery of all or a representative portion of diamond drill core to a core library and may determine the amount of assessment work credit to be given to compensate for the cost of transporting the diamond drill core at a rate of \$1 per foot or such greater rate as may be supported by vouchers and certificates.

(3) *Information*

- (a) an accurate map in duplicate showing the location of drill holes relative to the local topography and claim boundaries (including the distance and direction from a legal post), and their bearing and dip;
- (b) details in duplicate of the location of core storage;
- (c) complete drill logs and assay of core or sections of core in duplicate and if no assays are provided, the reason for their absence; and
- (d) diamond drill core delivered to a core library shall be properly identified, filed in core boxes and accompanied by the documents referred to in paragraphs (a), (b) and (c).

Rotary, Percussion or Other Similar Drilling

4. (1) *Value*

Where rotary, percussion or other similar drilling is used to obtain cuttings for sampling — \$13

per foot.

(2) Information

(a) an accurate map, in duplicate, showing location of drill holes relative to the local topography and claim boundaries (including the distance and direction from a legal post), and their bearing and dip;

(b) assays of cuttings, when taken, that have been sampled, in duplicate;

(c) samples of cuttings if requested by an engineer of mines.

General

5. (1) Where the actual cost of trenching and stripping, sinking shafts or driving adits, diamond drilling, rotary drilling or other physical work referred to in sections 1 to 4 is greater than the value as determined in accordance with those sections, the Mining Recorder may determine the value to be the actual cost of the work if

(a) the statement of representation work done is supported by

(i) receipts and vouchers or certified statements of proper accounting records, and

(ii) such other material that, in the opinion of the Mining Recorder, is necessary to determine the actual cost of the work; and

(b) any costs incurred outside the Territories are directly related to the work and approved by the Mining Recorder.

(2) In determining the actual cost of work referred to in sections 1 to 4, the Mining Recorder may include a reasonable allowance for equipment owned by an individual prospector and used in the performance of work in respect of his claim.

(3) Where the actual cost of work referred to in subsection (1) is supported by receipts and vouchers or certified statements of proper accounting records with copies provided if requested, there may be included in determining the actual cost a labour cost of \$50 per day on the following conditions:

(a) the holder of the claim must be an individual or in a registered partnership with one or more individuals;

(b) the work must be performed by the holder of the claim with respect to his or her own claim or claims; and

(c) the labour costs must, in the opinion of the Mining Recorder, be directly related to the work.

Geological, Geochemical, Geophysical and Evaluation Surveys

6. (1) The value of geological, geophysical, geochemical or evaluation surveys shall be the aggregate of the costs that

(a) were incurred in the Territories in performing the survey and preparing the report;

(b) were incurred outside the Territories in performing assays, tests and analyses, compiling maps and plans and preparing the reports, if an engineer of mines is satisfied that such costs were necessary; and

(c) are verified by filing with the report certified statements of proper accounting records and such other material that, in the opinion of the engineer of mines, is necessary to determine such value.

(2) Information and Manner of Submitting

(a) a full report of the survey, in duplicate, typewritten on good grade bond paper of either 8 1/2" × 11" or 8 1/2" × 14" size.

(b) reports shall be bound in suitable folders in such manner that all the text of every page and every map, when unfolded, may be seen readily;

(c) maps and plans if not bound securely in the folder shall be inserted in an envelope or pocket that is fastened securely to the folder;

(d) the following data shall appear on the front cover of the folder:

(i) the nature of the report, i.e. geological, geophysical, etc.,

(ii) the name of the claims or groups of claims to which the report refers, the claim sheet number and the location of the property described by precise latitude and longitude,

(iii) the name of the author and, if not the same, the name of the person under whose supervision the work was done, and

(iv) the dates between which the work was done;

(e) each report shall contain a table of contents;

(f) a list of the claims by name and tag number, the name of the claim holder and the name of the person or company for whom the work was done shall be included in the report;

(g) each report shall describe and interpret the data collected during the survey and the manner in which the data was collected and shall disclose any information obtained from other sources;

(h) plans that accompany reports shall have on them a scale, a north arrow and prominent topographical features and at least one plan shall be provided which shows claim names, tag numbers and boundaries and the relationship to prominent topographic features and to adjacent claims;

(i) all geological, geophysical, geochemical or evaluation surveys performed for assessment work shall be conducted under the supervision of, and all reports shall be prepared by one or more professional engineers, geologists, geophysicists, geochemists or otherwise properly qualified persons and where such persons are members of a professional association, the report shall bear the official stamps, a statement of their qualifications, relevant training and experience and any professional affiliations;

(j) the report shall, where applicable, indicate the method of survey control and the amount of line-cutting and all cut and surveyed lines and tie-ins shall be shown on at least one plan;

(k) the report shall set out the names and addresses of all persons employed in performing the survey and preparing the report and the time employed therein;

(l) geological survey reports shall include

(i) a table of geological formations,

(ii) detailed geological information concerning rock types, structures, veins and mineralized zones occurring on the claims,

(iii) an interpretation of the geological observations made,

(iv) conclusions and recommendations, and

(v) a plan showing structural data, location of mineralization, trenches, drill holes and other workings and the location of outcrops and their designation by symbol and a legend giving a full description of all symbols employed;

(m) geophysical survey reports shall include

(i) references to available geology,

(ii) a description of the methods and equipment used,

(iii) copies of geophysical readings, tracings or profiles,

(iv) pertinent calculations,

(v) an interpretation of the data collected,

(vi) conclusions and recommendations, and

(vii) plans showing flight lines or traverse lines, direction of flight or traverse, reference points, contours and a legend giving a full description of all symbols employed;

(n) geochemical survey reports shall include

(i) references to available geology,

(ii) a description of the methods and equipment used and the method of collecting and analyzing the samples,

(iii) copies of all analyses (except where adequate contoured maps are provided showing the data in graphic form) and reference to the sample location,

(iv) an interpretation of the data collected,

(v) conclusions and recommendations, and

(vi) plans showing all the locations where samples were taken and a legend giving full description of all symbols employed;

(o) evaluation survey reports shall include

(i) a summary of all previous relevant investigation,

(ii) details of surface evaluation,

(iii) details of evaluation based on underground work,

(iv) a description of the methods of sampling employed and the methods of analyzing and assaying,

(v) tabulated results of all analyses and assays,

(vi) conclusions and recommendations, and

(vii) plans showing, in accurate detail, the extent and location of all mineral occurrences, trenches, pits, diamond drill holes and underground workings and all the locations where samples were obtained.

Surveys, Road and Airstrip Construction and Other Exploratory Work

7. (1) *Value*

The value of a legal survey, location survey, road and airstrip construction, and the value of other exploratory work approved by an engineer of mines, shall be the actual cost of such survey,

construction or work incurred within the Territories and verified by certified statements of proper accounting records and other material that, in the opinion of the engineer of mines, is necessary to determine the actual cost.

(2) Information

(a) road and airstrip construction shall be for the purpose of providing access to the claim or claims and all specifications and details requested by an engineer of mines shall be supplied;

(b) line-cutting and picketing for the purpose of geological, geophysical and geochemical surveys may be accepted as exploratory work if a Mining Recorder is satisfied that such line-cutting and picketing are necessary and that no part of the costs are or will be claimed as costs of the surveys;

(c) simple geological, geophysical and geochemical surveys usually carried out by an individual prospector may be accepted as representation work if prior approval has been given by the engineer of mines, and in determining the actual cost of the work the Mining Recorder will allow the inclusion of applicable expenses under subsections 5(2) and (3), with the conditions attached thereto.

SOR/79-234, ss. 27 to 30; SOR/99-219, s. 9.

SCHEDULE III

(ss. 8, 24, 28, 29, 37, 38, 39, 41, 44, 51, 55, 56, 58, 60, 62, 67, 70 and 74)

FORMS

GRAPHIC IS NOT DISPLAYED, SEE C.R.C., C. 1516, P. 13507 TO 13528; SOR/79-234, S. 31; SOR/88-9, S. 29; SOR/97-117, SS. 7 TO 9; SOR/99-219, S. 10; SOR/2007-273, SS. 36, 37.

SOR/79-234, s. 31; SOR/88-9, s. 29; SOR/97-117, ss. 7 to 9; SOR/99-219, s. 10; SOR/2007-273, ss. 36, 37.

SCHEDULE IV

[Repealed, SOR/88-9, s. 30]

SCHEDULE V

(ss. 29 and 31)

Location	Permit
North Latitude	Area in Acres
60°00' to 60°15'	47,830
60°15' to 60°30'	47,468
60°30' to 60°45'	47,107

60°45' to 61°00' 46,742
61°00' to 61°15' 46,377
61°15' to 61°30' 46,012
61°30' to 61°45' 45,647
61°45' to 62°00' 45,280
62°00' to 62°15' 44,912
62°15' to 62°30' 44,543
62°30' to 62°45' 44,172
62°45' to 63°00' 43,805
63°00' to 63°15' 43,433
63°15' to 63°30' 43,058
63°30' to 63°45' 42,687
63°45' to 64°00' 42,313
64°00' to 64°15' 41,938
64°15' to 64°30' 41,561
64°30' to 64°45' 41,183
64°45' to 65°00' 40,810
65°00' to 65°15' 40,428
65°15' to 65°30' 40,051
65°30' to 65°45' 39,670
65°45' to 66°00' 39,290
66°00' to 66°15' 38,908
66°15' to 66°30' 38,527
66°30' to 66°45' 38,143
66°45' to 67°00' 37,760
67°00' to 67°15' 37,376
67°15' to 67°30' 36,988
67°30' to 67°45' 36,505
67°45' to 68°00' 36,217
68°00' to 68°15' 71,661
68°15' to 68°30' 70,886
68°30' to 68°45' 70,105
68°45' to 69°00' 69,325
69°00' to 69°15' 68,543
69°15' to 69°30' 67,763
69°30' to 69°45' 66,976
69°45' to 70°00' 66,195
70°00' to 70°15' 65,407
70°15' to 70°30' 64,621
70°30' to 70°45' 63,833
70°45' to 71°00' 63,040

71°00' to 71°15' 62,246
71°15' to 71°30' 61,458
71°30' to 71°45' 60,658
71°45' to 72°00' 59,865
72°00' to 72°15' 59,072
72°15' to 72°30' 58,272
72°30' to 72°45' 57,472
72°45' to 73°00' 56,672
73°00' to 73°15' 55,872
73°15' to 73°45' 54,265
73°45' to 74°00' 53,458
74°00' to 74°15' 52,658
74°15' to 74°30' 51,846
74°30' to 74°45' 51,040
74°45' to 75°00' 50,233
75°00' to 75°15' 49,421
75°15' to 75°30' 48,607
75°30' to 75°45' 47,801
75°45' to 76°00' 46,988
76°00' to 76°15' 46,170
76°15' to 76°30' 45,356
76°30' to 76°45' 44,543
76°45' to 77°00' 43,725
77°00' to 77°15' 42,905
77°15' to 77°30' 42,092
77°30' to 77°45' 41,273
77°45' to 78°00' 40,447
78°00' to 78°15' 39,628
78°15' to 78°30' 38,810
78°30' to 78°45' 37,983
78°45' to 79°00' 37,158
79°00' to 79°15' 36,338
79°15' to 79°30' 35,513
79°30' to 79°45' 34,687
79°45' to 80°00' 33,862
80°00' to 80°15' 33,037
80°15' to 80°30' 32,205
80°30' to 80°45' 31,379
80°45' to 81°00' 30,548
81°00' to 81°15' 29,722
81°15' to 81°30' 28,889

81°30' to 81°45'	28,058
81°45' to 82°00'	27,226
82°00' to 82°15'	26,394
82°15' to 82°30'	25,562
82°30' to 82°45'	24,729
82°45' to 83°00'	23,898
83°00' to 83°15'	23,059
83°15' to 83°30'	22,228
83°30' to 83°45'	21,389
83°45' to 84°00'	20,557

RELATED PROVISION

-- SOR/99-219:

11. (1) Notwithstanding subsection 67(1) of the Regulations as amended by section 5, the operator of a mine the fiscal year of which does not end on May 14, 1999 shall deliver to the Chief, for the fiscal year of the mine during which these Regulations come into force,

(a) both

(i) a mining royalty return for the portion of the fiscal year occurring before the coming into force of these Regulations, on Form 18 of Schedule III as it read before the coming into force of these Regulations and calculated in accordance with section 65 of the *Canada Mining Regulations* as it read before the coming into force of these Regulations, and

(ii) a mining royalty return for the portion of the fiscal year occurring after the coming into force of these Regulations, on a form prescribed by the Minister under section 28 of the *Territorial Lands Act* and calculated in accordance with section 65 and subsection 67.1(2) of the Regulations, as amended by section 5; or

(b) a mining royalty return for the entire fiscal year, on a form prescribed by the Minister under section 28 of the Act, with the information required by section 67 of the Regulations, and the royalties payable calculated in accordance with sections 65 to 65.2 and subsection 67.1(2) of the Regulations, as amended by section 5.

(2) For the purposes of calculating the royalty payable for a period referred to in subparagraph (1)(a)(i),

(a) the depreciation allowance and the preproduction allowance shall be a percentage equal to 15 per cent multiplied by one-twelfth times the number of complete and partial months in the fiscal year before the coming into force of these Regulations;

(b) the processing allowance shall be a percentage equal to 8 per cent multiplied by one twelfth times the number of complete and partial months in the fiscal year before the coming into force of these Regulations; and

(c) the dollar amounts in paragraphs 65(1)(a) to (d) of the *Canada Mining Regulations* as they read before the coming into force of these Regulations shall be reduced by multiplying each amount by one-twelfth times the number of complete and partial months in the fiscal year before the coming into force of these Regulations.

(3) For the purposes of calculating the royalty payable for a period referred to in subparagraph (1)(a)(ii),

(a) the processing allowance shall be a percentage equal to 8 per cent multiplied by one twelfth times the number of complete months in the fiscal year after the coming into force of these Regulations; and

(b) the dollar amounts in column I of the table to subsection 65(1) of the Regulations as amended by section 5 shall be reduced by multiplying each amount by one-twelfth times the number of complete months in the fiscal year after the coming into force of these Regulations.

(4) For the purposes of paragraph 65.1(1)(g) of the Regulations as amended by section 5, the cost of a depreciable asset of a mine that was not used in the production of the output of the mine is not eligible for depreciation allowance if the cost was incurred before the coming into force of these Regulations. (5) Where an operator files a mining royalty return under paragraph (1)(b) for the entire fiscal year, the cost of a depreciable asset of a mine that was not used in the production of the output of the mine is not eligible for depreciation allowance if the cost was incurred before the beginning of that fiscal year. (6) Notwithstanding subsections (4) and (5), all depreciable assets of a mine that commences production on or after August 29, 1998 are eligible for a depreciation allowance, including costs in respect of those assets incurred before the coming into force of these Regulations. (7) Notwithstanding subsection 67.2(1) of the Regulations as amended by section 5, in respect of any fiscal year of a mine that ended before the coming into force of these Regulations, the Chief may send to the operator of the mine a notice of assessment of royalties payable for that fiscal year that is different from the royalties paid for that fiscal year within six years after the coming into force of these Regulations.

-- SOR/2007-273, s. 38:

38. (1) Despite subsection 67(1) of the *Canada Mining Regulations*, as amended by section 25 of these Regulations, the operator of a mine for a fiscal year that has not ended on the day on which these Regulations come into force shall deliver to the Chief, for that year,

(a) both

(i) a mining royalty return for the portion of the fiscal year occurring before the coming into force of these Regulations, on a form prescribed by the Minister under section 28 of the *Territorial Lands Act*, with the royalties calculated in accordance with sections 65 and

65.1 of the *Canada Mining Regulations* as they read immediately before the coming into force of these Regulations, and

(ii) a mining royalty return for the portion of the fiscal year occurring after the coming into force of these Regulations, on a form prescribed by the Minister under section 28 of the *Territorial Lands Act*, with the royalties calculated in accordance with sections 65 and 65.1 of the *Canada Mining Regulations*, as amended by sections 21 and 22 of these Regulations; or

(b) a mining royalty return for the entire fiscal year, on a form prescribed by the Minister under section 28 of the *Territorial Lands Act*, with the royalties calculated in accordance with sections 65 and 65.1 of the *Canada Mining Regulations*, as amended by sections 21 and 22 of these Regulations.

(2) For the purposes of calculating the royalties payable for a period referred to in subparagraph (1)(a)(i),

(a) the processing allowance shall be a percentage equal to 8% multiplied by one-twelfth times the number of complete and partial months in that portion of the fiscal year before the day on which these Regulations come into force; and

(b) the amounts set out in column I of the table to subsection 65(1) of the *Canada Mining Regulations* shall be multiplied by one-twelfth times the number of complete and partial months in that portion of the fiscal year before the day on which these Regulations come into force.

(3) For the purposes of calculating the royalty payable for a period referred to in subparagraph (1)(a)(ii),

(a) the processing allowance shall be a percentage equal to 8% multiplied by one-twelfth times the number of complete months remaining in the fiscal year after the day on which these Regulations come into force; and

(b) the dollar amounts set out in column I of the table to subsection 65(1) of the *Canada Mining Regulations* shall be multiplied by one-twelfth times the number of complete months remaining in the fiscal year after the day on which these Regulations come into force.

(4) For the purposes of paragraph 65.1(1)(g) of the *Canada Mining Regulations*, as amended by subsection 22(3) of these Regulations, the original cost of the depreciable assets of any facilities located outside the Territories that are used for the processing of minerals or processed minerals produced from the mine during the fiscal year in which these Regulations come into force shall be added to the undeducted balance of depreciable assets eligible for a depreciation allowance.