



Online Map Selection of Mineral Claims in Nunavut

Proposed changes to the Mineral Regime

Claim Number: F89976
 Claim Status: ACTIVE
 District: 1
 Issued Date: 2004-09-22
 Cancelled Date:
 Recorded Date: 2004-09-22
 Anniversary Date: 2014-09-22
 Area (Ha): 1045.1
 Owner Name: Triex Minerals Corpora
 Claim Name: HL 43
 Area: 0.00214699379212313
 Length: 0.186779058977087

Nunavut Mining Symposium

Iqaluit April 5, 2016

Emilie Lemieux-Guenard,

Petroleum and Mineral Resources Management Directorate,
Northern Affairs Organization



Outline

- Mining Legislation on Crown Lands in Nunavut
- What is Map Selection?
- Why Nunavut Map Selection?
- Nunavut Map Selection Project – Background
- Overview of the proposed Regulatory Amendments
- Conversion of claims
- Transitional period
- Consultation process
- Next Steps



Mining Legislation on Crown Lands in Nunavut

Nunavut Mining Regulations:

- Crown lands in Nunavut are managed pursuant to the ***Territorial Lands Act*** (federal) and its related Regulations, including:
 - Nunavut Mining Regulations
 - Territorial Coal Regulations
 - Territorial Quarrying Regulations
- Modernization and splitting of the Northwest and Nunavut Mining Regulations (2014):
- New Nunavut Mining Regulations:
 - Prepare for the Northwest Territories Devolution (April 1st, 2014);
 - Prepare for Nunavut online mineral rights acquisition system (planned for 2017).





What is Map Selection?

- Mineral claim staking is the physical activity used to mark out an area on the ground using wooden posts/mounds of stones with metal tags to acquire a mineral claim.
- Map Selection:
 - is a virtual staking activity carried out on the internet, using an online map which is overlaid with a predefined grid to select available units of land.
 - is a project involving a change from physical mineral claim staking to online Map Selection.
 - streamlines the application process to allow clients to receive immediate approval and ownership of mineral claim(s), complete administrative tasks, perform online searches of mineral statistics and pay for services.
 - reduces approval wait times for the majority of the mineral tenure processes.



Why Nunavut Map Selection?

- To maintain competitiveness as current trend around the world is towards more modern automated systems of mineral rights administration.
- Map Selection is used :
 - British Columbia, Québec, Newfoundland and Labrador (online map)
 - Inuit-owned lands in Nunavut and Nova Scotia (paper map)
- Nunavut is only accessible by plane and helicopter and is very remote, therefore physically staking mineral claims is expensive.
- Staking mineral claims usually involves sustained, low level helicopter travel. Low level flights are known to disturb animals such as caribou.
- Money previously spent on a ground staking program can be utilized to complete geological exploration work.
- There is a need to update the database used to administer mineral tenure to a web-based system that uses standard software, includes regular upgrades and long term support and maintenance.



Nunavut Map Selection Project – Background

- Project includes two main components:
 - A large multi-year IT project to develop the online system (servers located in Ottawa); and
 - Amendments to the *Nunavut Mining Regulations* to implement the electronic system
- The IT system is developed in multiple phases:
 - Release 1 - Avril 2014 : Implementation of the new internal system for the management of mineral tenure (to coincide with Northwest Territories Devolution)
 - April 2015: Nunavut Map Viewer was made public and geographic information on mineral tenure became available through the Open Data portal
 - Release 1.5 - Spring 2016: allowing clients to obtain a username and a passcode to access to limited functionality (making inquiries and print reports)
 - Release 2 – December 2016: delivering of the complete Map Selection System functionality



Overview of the proposed Regulatory Amendments

Lands – Duration

- Duration of claims from 10 to 30 years (+ suspensions or extensions)
- Maximum of 5 periods of cash extension to do work
- Application for a mining lease during the 29th year at the latest

Lands – Reopening after recording of claim cancellation

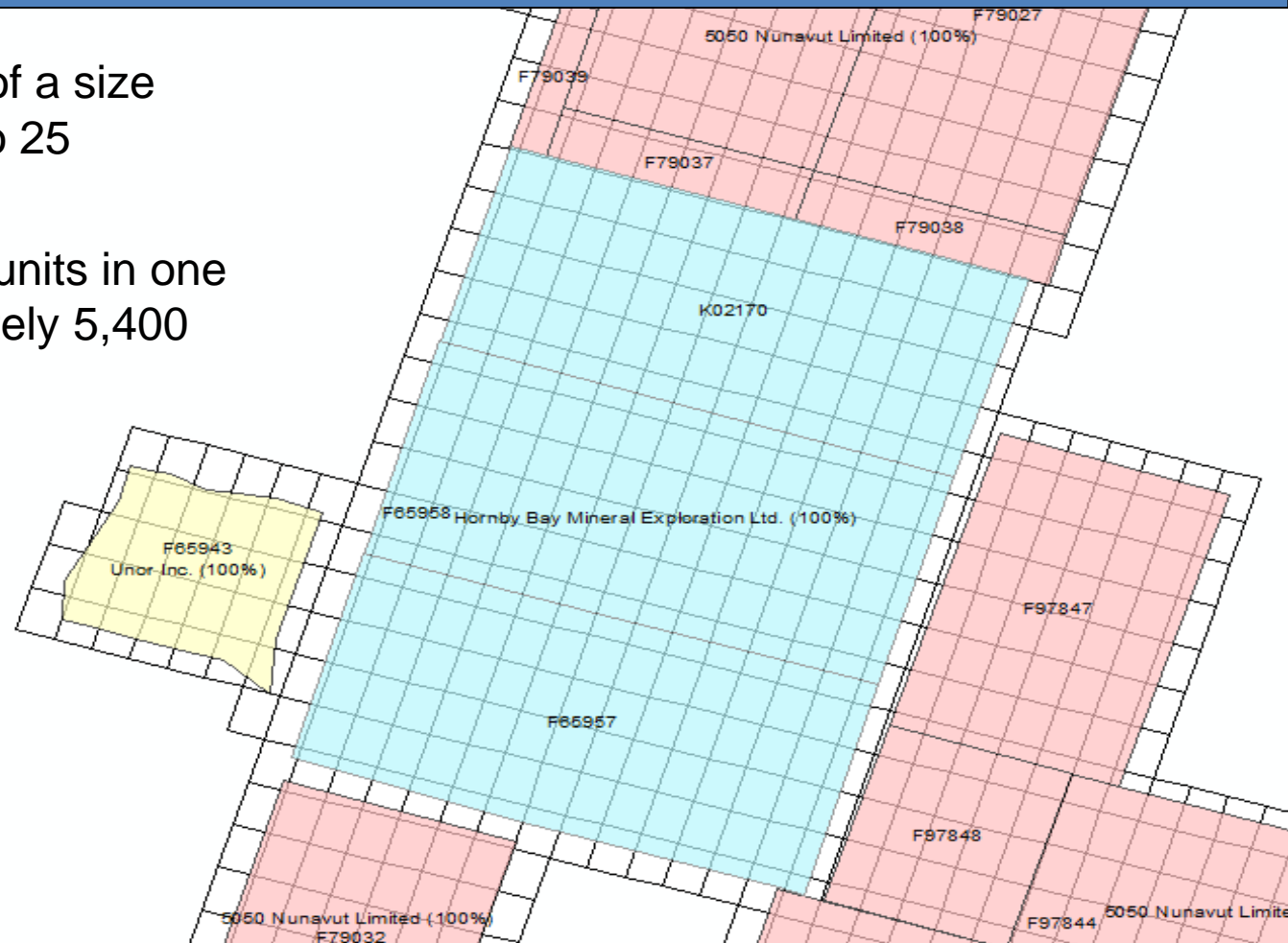
- Uniform reopening of lands after 30 days
- Exceptions:
 - Unremedied environmental damages
 - Pending ministerial review



Overview of the proposed Regulatory Amendments

Lands – size

- Predefined units of a size varying from 10 to 25 hectares
- Maximum of 300 units in one claim (approximately 5,400 ha)





Overview of the proposed Regulatory Amendments

Recording of claim

- Immediate
- Up-front refundable work charge (\$20/unit – \$1,11/ha)
- Units can be selected as a claim on Inuit Owned surface lands but to prospect on these lands authorization from the Designated Inuit Organization will continue to be requested
- Units will be available for selection even if they include a portion of lands not available for prospecting
- It is the claim holder's responsibility to determine the boundaries of his mineral claim
- Change of the anniversary date for mineral claims (once)



Overview of the proposed Regulatory Amendments

Mineral Lease

- A lease of a unit claim can be applied for if \$1,450/unit (equivalent to 10 years worth of work) has been performed on the claim
- A survey of the lease will continue to be required
- Term of 21 years for lease (no change)
- Uniform annual rental of \$5/hectare
- Unlimited renewals (no change)
- No more reduction of existing (ground) mineral leases
- Only grid-based claims can be reduced by removal of units at renewal time.



Overview of the proposed Regulatory Amendments

Cost of work to maintain a claim

- Charges and work to be carried out for full units
- Current charges are \$5/ha per year
- New escalatory scale

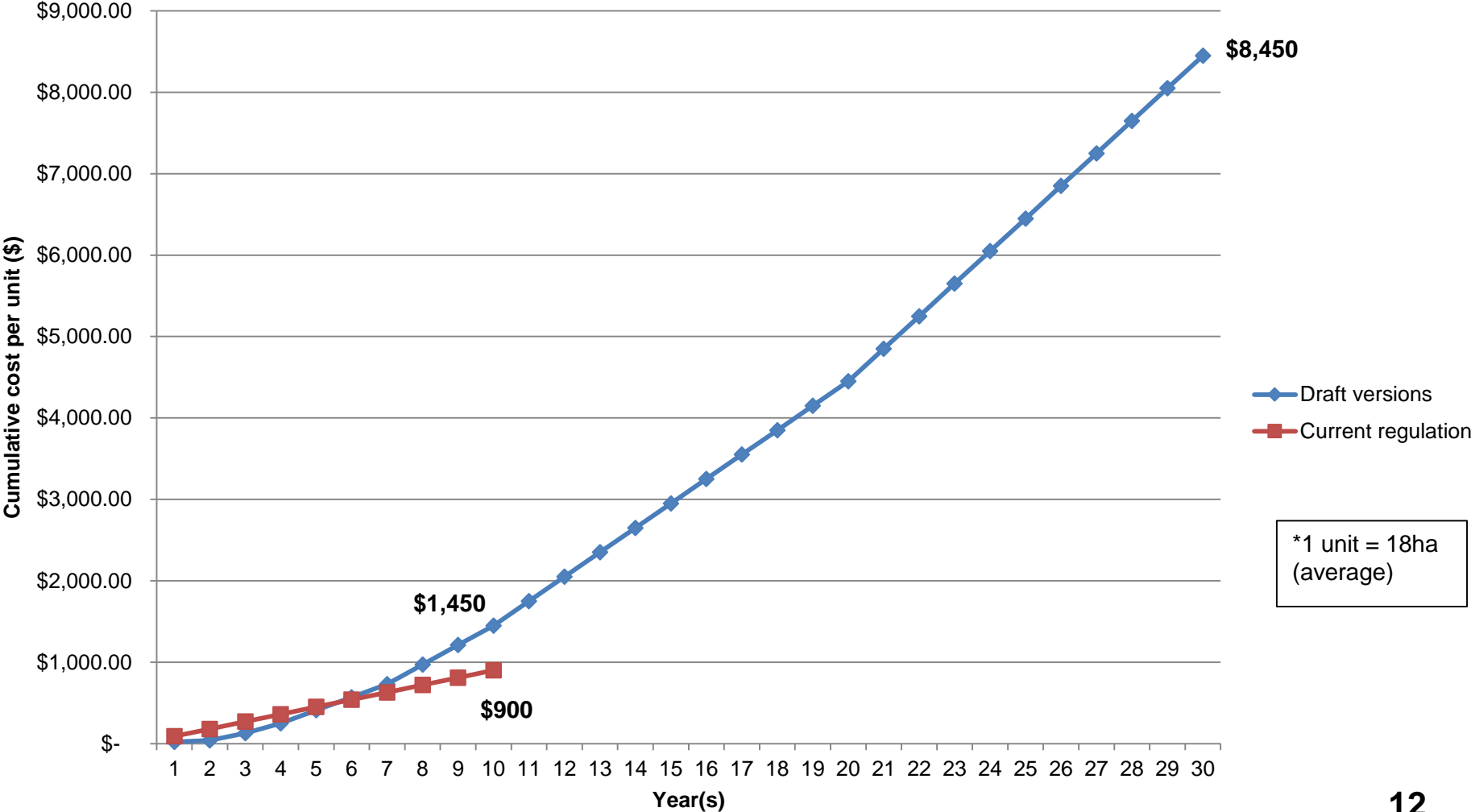
*1 unit = 18 ha in average
 1 hectare (ha) = 10 000 m²
 100 ha = 1 km²

Years	Work charges / per unit
Years 1	\$20 (\$1.11/ha)
Years 2	\$20 (\$1.11/ha)
Years 3	\$90 (\$5.00/ha)
Years 4	\$120 (\$6.67/ha)
Years 5 to 7	\$160 (\$8.89/ha)
Years 8 to 10	\$240 (\$13.33/ha)
Years 11 to 20	\$300 (\$16.67/ha)
Years 21 to 30	\$400 (\$22.22/ha)



Overview of the proposed Regulatory Amendments

Comparative of cumulative cost per unit*





Overview of the proposed Regulatory Amendments

Prospecting permits

- No issuance of new prospecting permits
- Prospecting permits will be allowed to exist until they expire or are cancelled
- Current holder of prospecting permits will not lose their exclusive right to acquire a claim within their permits zone.

Online submissions

- For all of documents except report on work and royalty return
- Only accepted mode of online payment – credit card and debit
- Repealing of some administrative fees (duplicate licence, claim and reduced-area claim tags, application to record a claim or reduced-area claim, certificate of work, application for extension to do work and request to cancel the recording of a claim)



Overview of the proposed Regulatory Amendments

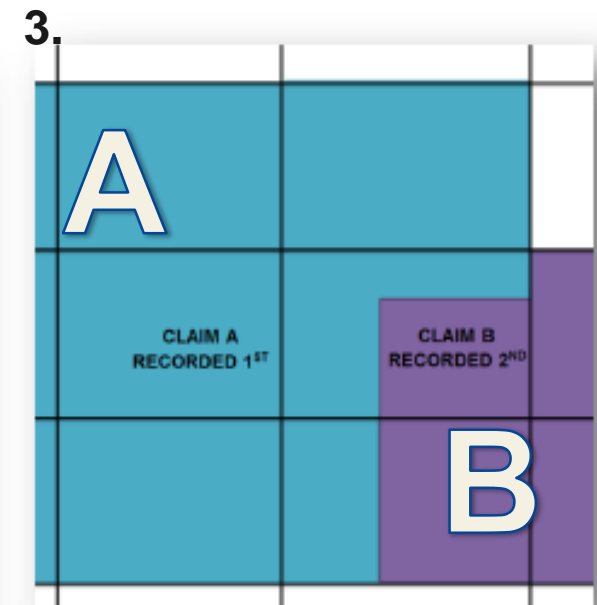
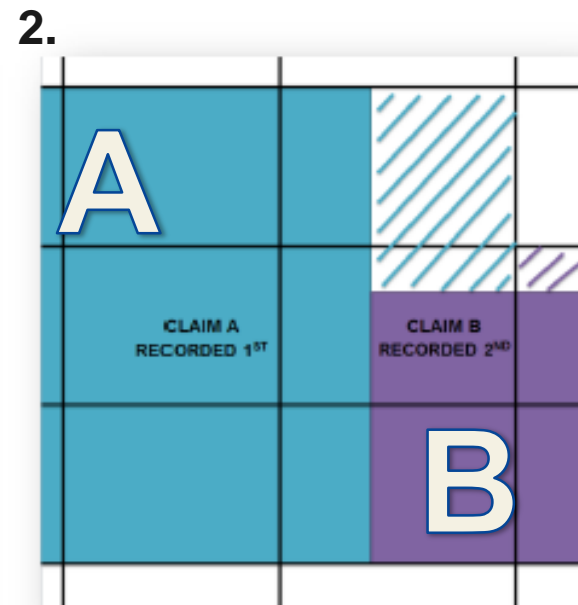
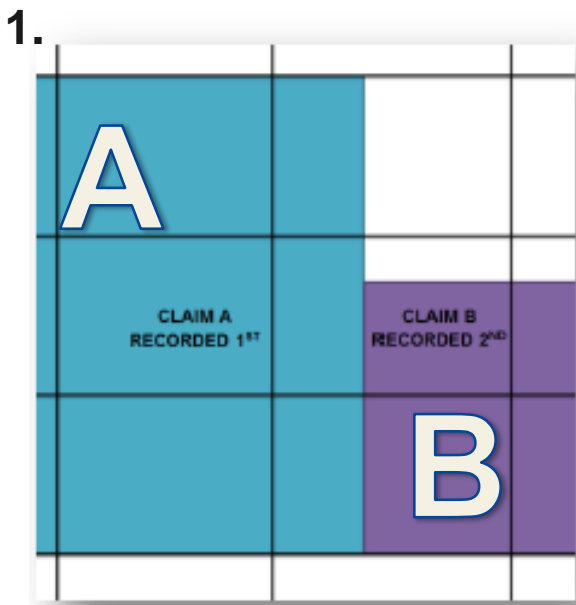
Conversion – Protection of existing rights

- Mandatory one-time conversion of all existing mineral claims :
 - To avoid patchwork effect
 - Increase the total area of claims by ~ 7%
 - Predefined unit size (between 10-25 ha – average of 18 ha)
 - Unit claims area of 300 units maximum
- Two steps process:
 - 1) Confirmation of the existing claims location - before coming into force of the new regulations
 - 2) Bringing ground claims to the grid (ground claims expansion to match the grid) - after coming into force of the new regulations
- Exception to conversion :
 - Claims subject to leases (existing lease will not be converted)



Overview of the proposed Regulatory Amendments

Claim Conversion



- Existing claim
- free space to be converted
- Unit to be reduced
- Open Crown lands (free space)
- encumbrance (park, prospecting permit, mining lease, conservation zone, Inuit owned surface/sub-surface lands)



Overview of the proposed Regulatory Amendments

Reduction of claims

- Available through the removal of units
- No fee
- Once a year, but the effect of reduction on the cost of work requirement will only apply on the subsequent year
- Requirement:
 - The equivalent of 2 years of work must have been done (\$40/unit in the claim)



Transitional period – 90 days

- Specific regime for existing mineral rights:
 - Limited applications and requests related to claims, in accordance with the 2014 regulations, will be accepted and processed by the Mining Recorder
 - Recording of ground claim will be accepted if they were staked during the 60 days preceding the coming into force of the new regulations
- Prospecting to continue as usual
- No ground staking allowed - moratorium on staking and acquisition of claim
- Reports on work will not be accepted
- Claims will not be cancelled for lack of work or unpaid charges
- Management of lease to continue as usual
- Validity period of claim will be extended / work requirements and charges will be suspended
- On the 91st day, location of all claims will be displayed on the map and the computer system will be fully operational



Consultation process

- 2006 – Stakeholders have been consulted and were supportive of the project
- Reach out was done in 2012-2013 - Extensive consultation with 400 stakeholders
- Progress on the project shared while participating to specific mining conventions across Canada
- INAC website – last update December 2015
- Pre-publication in Canada Gazette I aiming for December 2016 - Inputs and feedback will be sought in



Next Steps

- Continue to work with the Department of Justice on the development of the draft regulations
- Continue to develop the IM/IT system (Release 2)

June 2017
Targeted date for the registration
of the Amended Regulations *

* The effective date for the coming into force will be set so the 90 day period of moratorium on claim acquisition does not coincide with the summer field season.

Questions?

Emilie Lemieux-Guenard

Petroleum and Mineral Resources Management Directorate

Northern Affairs Organization

Department of Indigenous and Northern Affairs Canada

Emilie.Lemieux-Guenard@canada.ca

819-639-7462



ANNEX

CONVERSION SCENARIOS



Overview of the proposed Regulatory Amendments

What will remain the same?

- Licences to prospect
- Royalties sections
- Schedule 2 (reporting on exploration work) – except we propose to no longer accept reports on environmental baselines studies
- No increase of administrative fees – removal of most of them



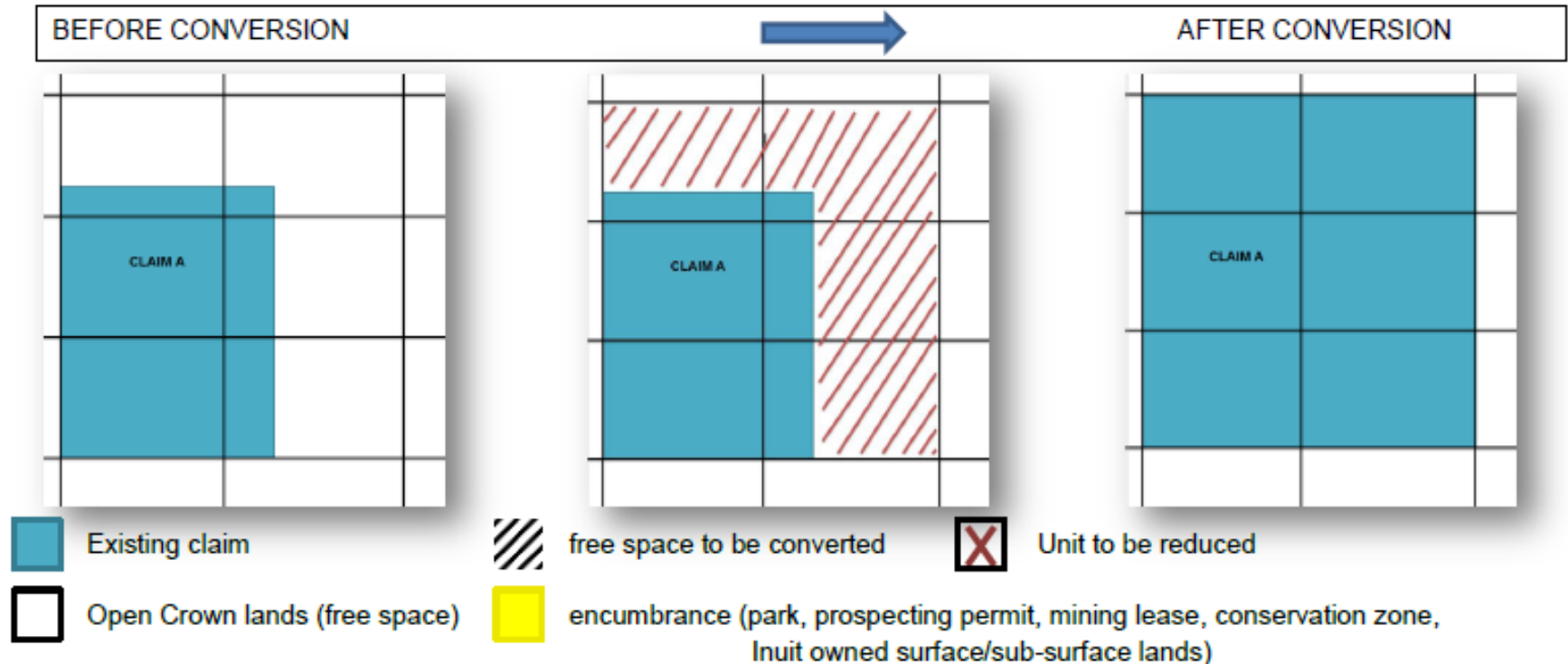
NUNAVUT MAP SELECTION – CONVERSION OF STAKED CLAIMS INTO UNIT CLAIMS

Expansion principle

On the 91st day after the coming into force of the new regulations, there will be a one-time mandatory conversion of all staked (ground) mineral claims except claims subject to a mining lease. All existing (ground staked) claims that are not contiguous to other claims will be expanded to include the entire available area of all grid units they occupy. The objective is to eliminate all areas of open Crown lands (free spaces) within a unit. Multiple ground claims within a unit will be dealt with based on the “first come, first served” principle, i.e. the claim that was recorded first will be expanded to fill all the open (free) space within a unit. No claim will be reduced as a consequence of the one-time mandatory conversion, but the possibility to reduce a claim will be offered to claim owners afterwards.

1) Claim not contiguous with another claim

An existing claim that is not contiguous with other claims will be expanded to include the entire available area of all grid units it occupies.



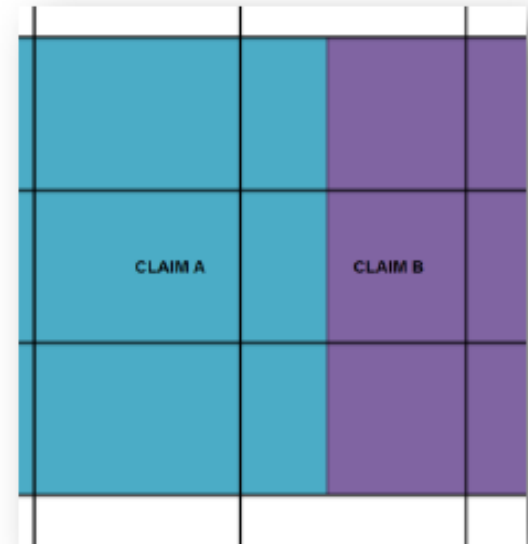
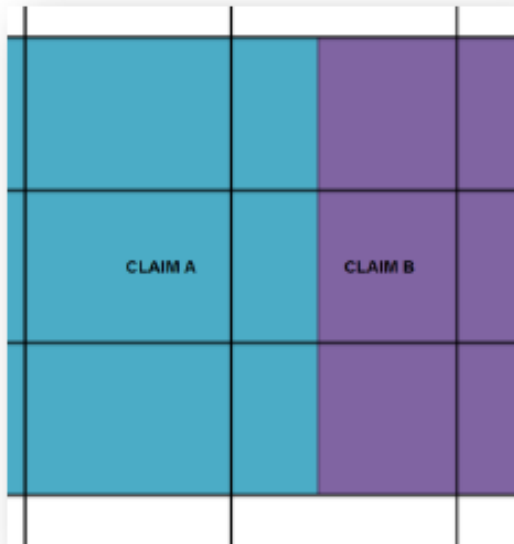


NUNAVUT MAP SELECTION – CONVERSION OF STAKED CLAIMS INTO UNIT CLAIMS

Expansion principle (cont'd)

2) Two or more claims contiguous without any free space

In a situation where there are two or more claims and no free space in a unit, no claim will be expanded. All claims will keep their initial boundaries.



- Existing claim
- free space to be converted
- Unit to be reduced
- Open Crown lands (free space)
- encumbrance (park, prospecting permit, mining lease, conservation zone, Inuit owned surface/sub-surface lands)

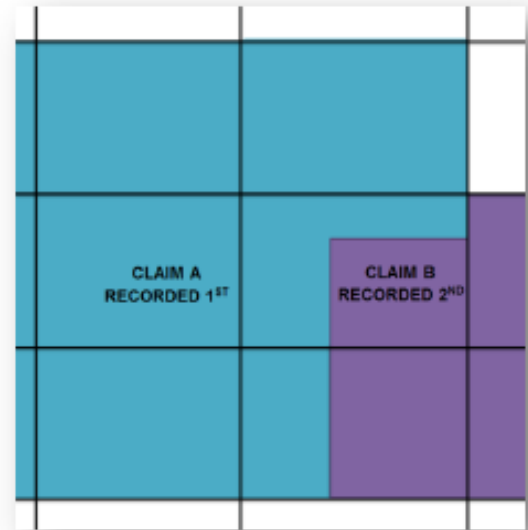
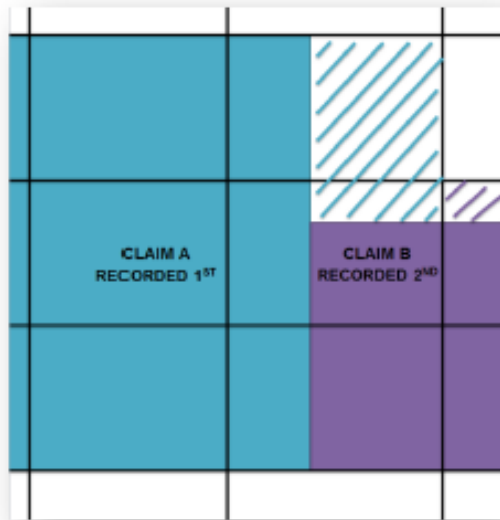
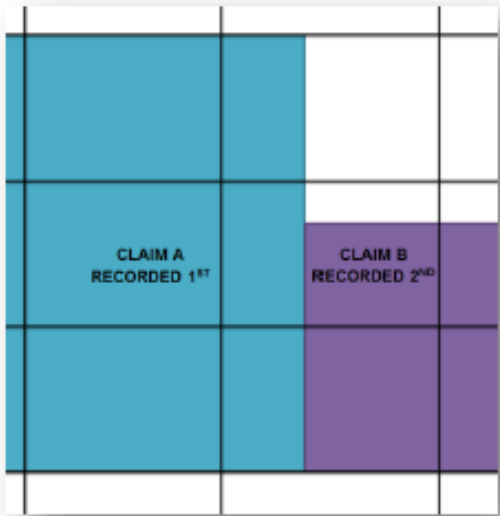


NUNAVUT MAP SELECTION – CONVERSION OF STAKED CLAIMS INTO UNIT CLAIMS

Expansion principle (cont'd)

3) Two or more claims and free space in a unit

In a situation where there are two or more claims and free space in a unit, the claim that was recorded first will be expanded to include the entire free space in the grid unit the claim occupies.



- Existing claim
- free space to be converted
- Unit to be reduced
- Open Crown lands (free space)
- encumbrance (park, prospecting permit, mining lease, conservation zone, Inuit owned surface/sub-surface lands)



NUNAVUT MAP SELECTION – CONVERSION OF STAKED CLAIMS INTO UNIT CLAIMS

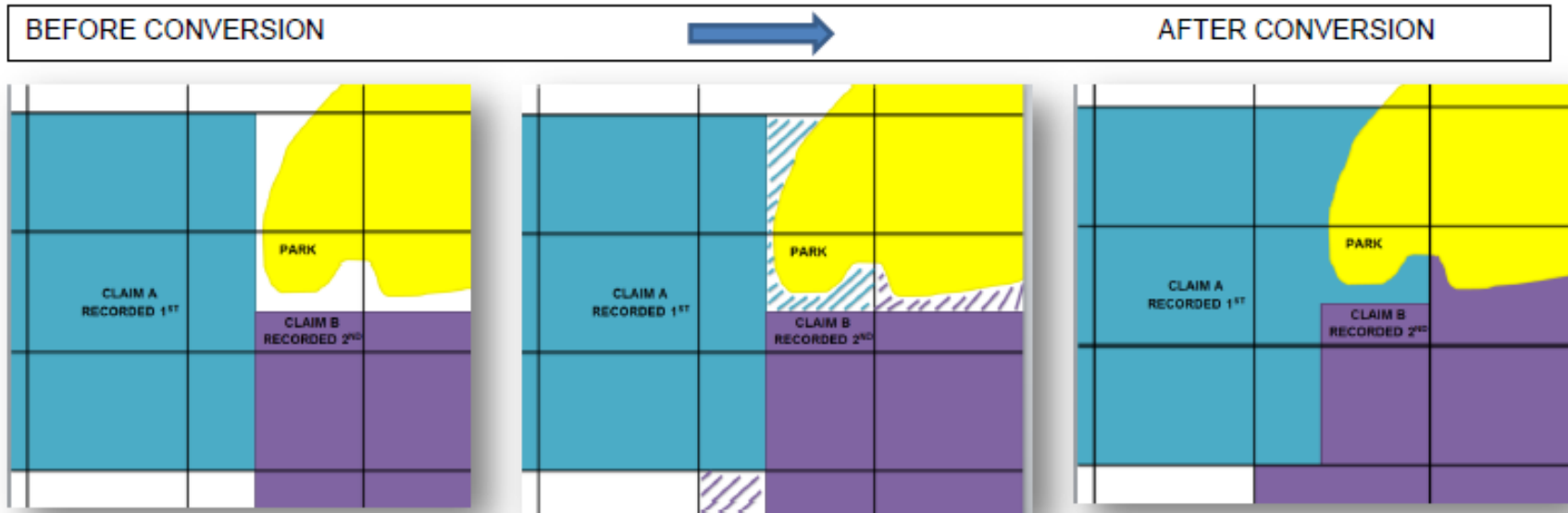
Expansion principle (cont'd)

4) One or more claims, an encumbrance and free space in a unit

We defined "encumbrance" as land within a unit that can't be acquired as part of the claim.

In a situation where there are one or more claims, an encumbrance and free space in a unit, the claim that was recorded first will be expanded to include the entire free space in the grid unit the claim occupies, excluding the area covered by the encumbrance.

First scenario



- Existing claim
- Open Crown lands (free space)
- free space to be converted
- encumbrance (park, prospecting permit, mining lease, conservation zone, Inuit owned surface/sub-surface lands)
- Unit to be reduced

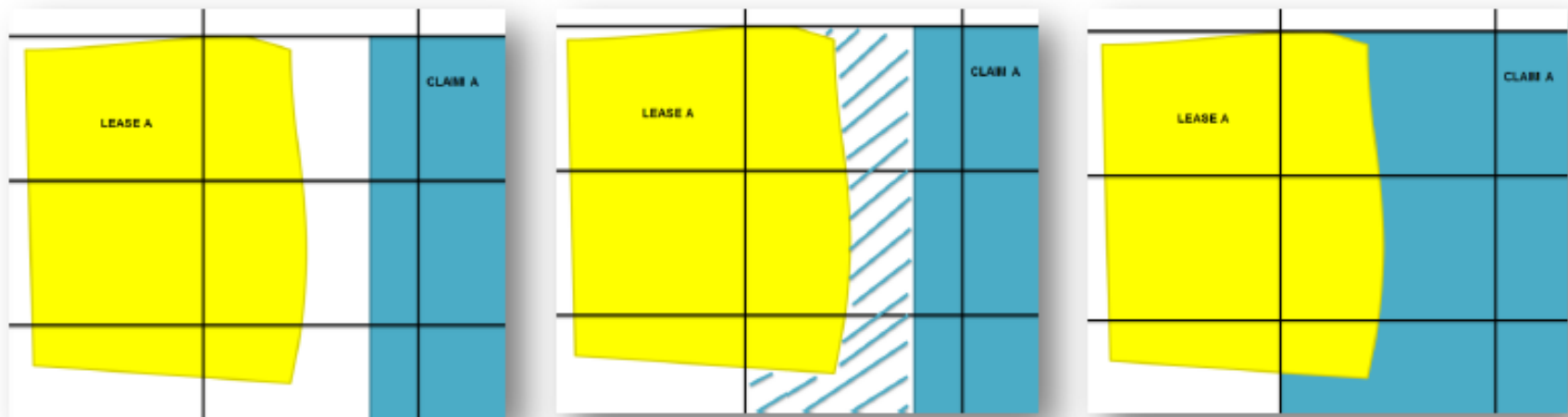


NUNAVUT MAP SELECTION – CONVERSION OF STAKED CLAIMS INTO UNIT CLAIMS

Expansion principle (cont'd)

Second scenario

Claims subject to a lease issued under the former (2014) regulations will not be converted into unit claims. In a situation where there is a mining lease (encumbrance), an existing claim and free space in a unit, the existing claim will be expanded to include the area of the unit that is not occupied by the leased claim.



Existing claim



free space to be converted



Unit to be reduced



Open Crown lands (free space)



encumbrance (park, prospecting permit, mining lease, conservation zone, Inuit owned surface/sub-surface lands)



NUNAVUT MAP SELECTION – CONVERSION OF STAKED CLAIMS INTO UNIT CLAIMS

Reduction principle

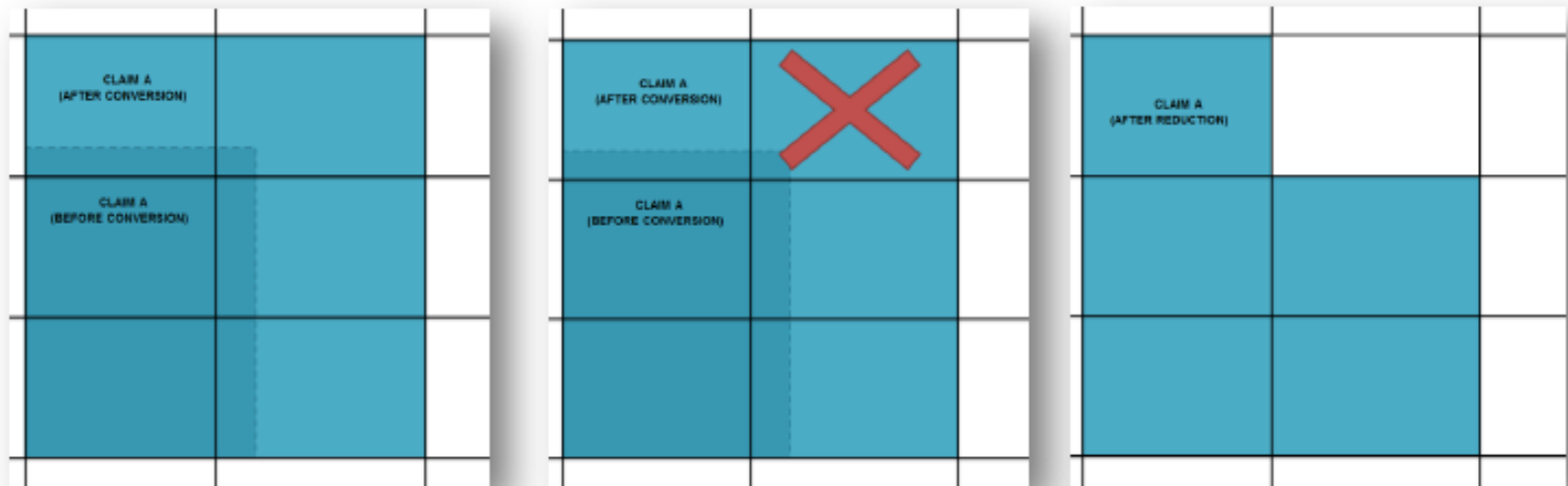
There will be no fee for reduction under the new regulations and there will be no limit to the number of units that can be removed from a claim; however, the units comprised in any claim after reduction will need to be contiguous and “donut claims” will not be allowed. In addition, during the first year of the coming into force of the new regulations, the obligation to have done work on converted claims in order to reduce them will not apply.






1) Claim not contiguous with another claim

In a situation where:

- a claim, not contiguous with any other claim, was expanded to fill all the free space in a unit, and
- the claim holder does not want to keep all the units included in his expanded claim,

the claim holder can apply to reduce the area of his claim by removing entire units.



	Existing claim		free space to be converted		Unit to be reduced
	Open Crown lands (free space)		encumbrance (park, prospecting permit, mining lease, conservation zone, Inuit owned surface/sub-surface lands)		



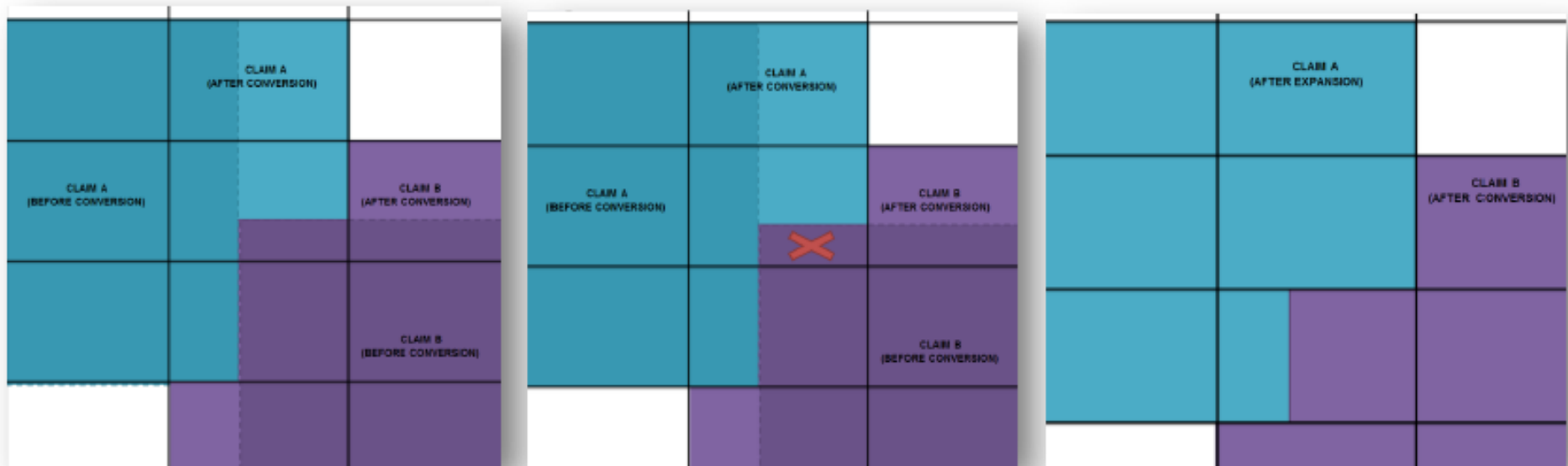
NUNAVUT MAP SELECTION – CONVERSION OF STAKED CLAIMS INTO UNIT CLAIMS


Reduction principle (cont'd)


2) Two claims in a unit


In a situation where there are two claims in a unit and one claim holder doesn't want to keep his part of claim in this unit; the claim holder can apply to reduce the area of his claim by removing his part of claim from the unit.


First scenario – Claim holder B applies to reduce his claim part in one of the unit: Claim A will be expanded to fill all the space left by Claim B.




 Existing claim

 free space to be converted

 Unit to be reduced

 Open Crown lands (free space)

 encumbrance (park, prospecting permit, mining lease, conservation zone, Inuit owned surface/sub-surface lands)

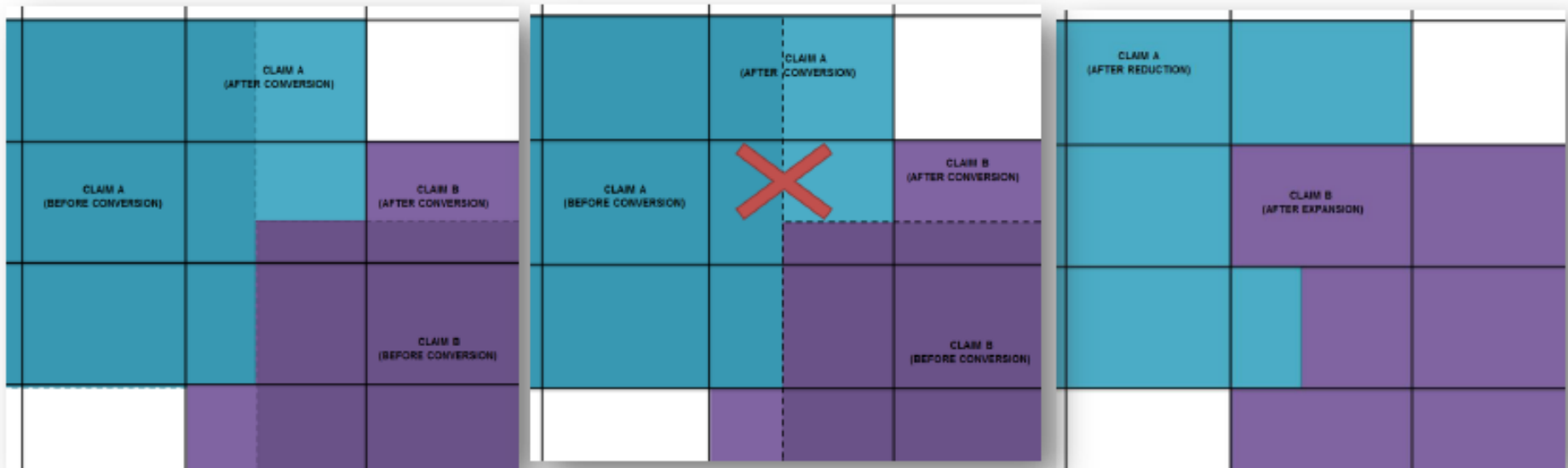


NUNAVUT MAP SELECTION – CONVERSION OF STAKED CLAIMS INTO UNIT CLAIMS

Reduction principle (cont'd)

2) Two claims in a unit (cont'd)

Second scenario – Claim holder A applies to reduce his claim part in one of the unit: Claim B will be expanded to fill all the space left by Claim A.



- Existing claim
- Open Crown lands (free space)
- free space to be converted
- encumbrance (park, prospecting permit, mining lease, conservation zone, Inuit owned surface/sub-surface lands)
- X Unit to be reduced



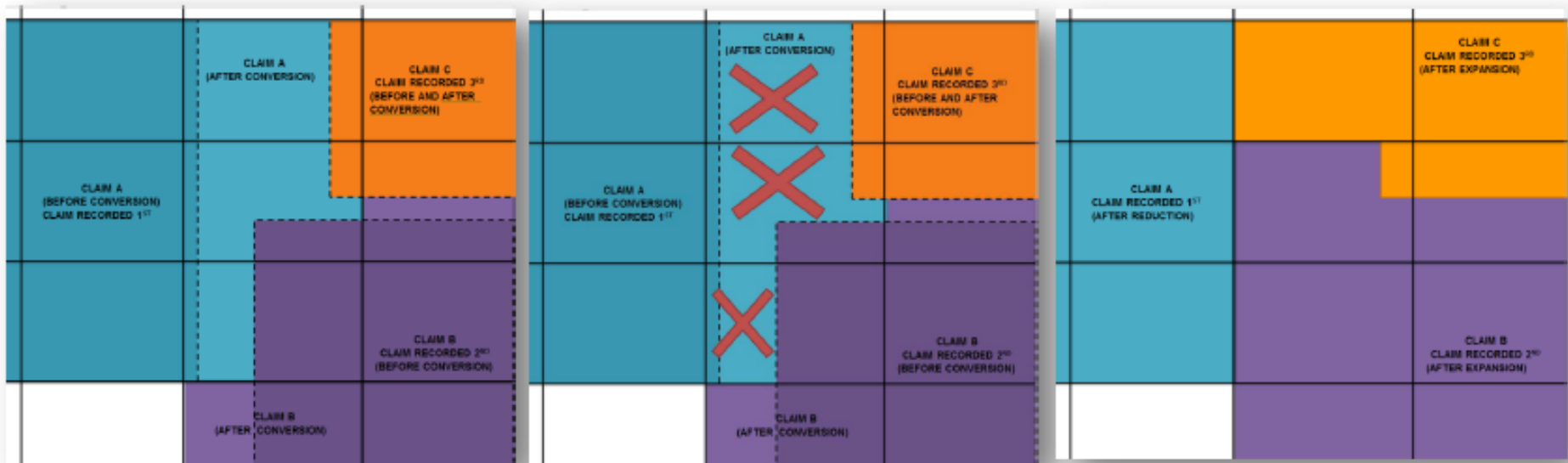
NUNAVUT MAP SELECTION – CONVERSION OF STAKED CLAIMS INTO UNIT CLAIMS

Reduction principle (cont'd)

3) More than two claims in a unit

In a situation where there are more than two claims in a unit and one claim holder doesn't want to keep his part of the claim in this unit; this claim holder can apply to reduce the area of his claim by removing his part of claim from the unit. After the reduction of one of the claim, the claim holder that had his claim recorded first among the remaining claims will be next to be expanded to fill all the newly free space in the unit.

In the example below, Claim holder A applies to reduce his claim part in the three units that are contiguous with Claims B and C. In the unit that comprises the three claims, Claim B - which was the second to be recorded - will be expanded to fill all the space left by Claim A.



- Existing claim
- Open Crown lands (free space)
- free space to be converted
- encumbrance (park, prospecting permit, mining lease, conservation zone, Inuit owned surface/sub-surface lands)
- X Unit to be reduced



NUNAVUT MAP SELECTION – CONVERSION OF STAKED CLAIMS INTO UNIT CLAIMS

Prospection permits principles

The provisions of the Nunavut Mining Regulations on prospecting permits will be repealed. It will no longer be possible to apply for a prospecting permit. The life cycle of the prospecting permits in the former (2014) Regulations will be followed which means that permits will be allowed until they expired or cancelled. A permittee will continue to have the exclusive right to acquire a claim within his permit zone if he satisfies to the minimal cost of work requirements *i.e.* at least \$0.25 per hectares in the permit. Then, the area covered by the unit claim acquired by the permittee will no longer form part of his permit zone.

1) No unit claim adjacent to the prospecting permit

Boundaries of prospecting permits coincide with longitudes and latitudes – they do not coincide with unit claims grid boundaries. For that reason, units on prospecting permits boundaries typically include a free space. In a situation where there is a prospecting permit and a free space within a unit, the permittee who wish to select a claim within this unit will acquire the full unit as a claim. If a licensee is not the permittee, for instance Mr. C in the example below, this licensee can acquire a claim adjacent to the prospecting permit zone but his claim will exclude the permit area.



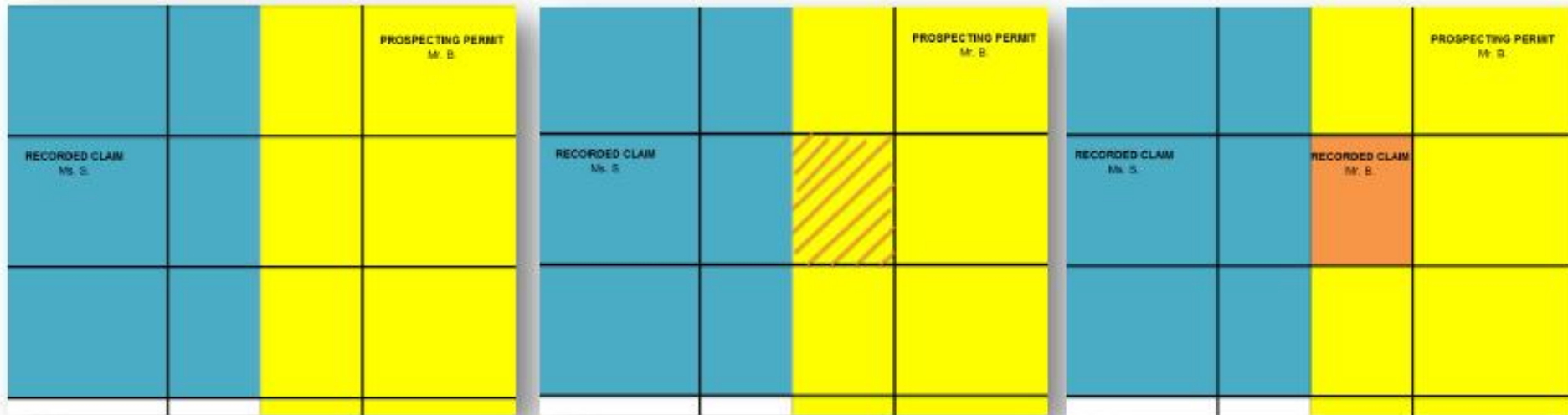
- Existing claim
- free space to be converted
- X Unit to be reduced
- Open Crown lands (free space)
- encumbrance (park, prospecting permit, mining lease, conservation zone, Inuit owned surface/sub-surface lands)








NUNAVUT MAP SELECTION – CONVERSION OF STAKED CLAIMS INTO UNIT CLAIMS

2) Unit claim adjacent to a prospecting permit

In a situation where an existing unit claim is adjacent to a prospecting permit boundary, the permittee can acquire a unit claim within his prospecting permit zone only. The permittee cannot acquire a claim within the portion of the unit that is covered by the existing claim.



-  Existing claim
-  Open Crown lands (free space)
-  free space to be converted
-  encumbrance (park, prospecting permit, mining lease, conservation zone, Inuit owned surface/sub-surface lands)
-  Unit to be reduced