

### Section 3.—Mining Legislation

**Federal Mining Laws and Regulations.**—As of Jan. 1, 1966, the mineral rights vested in the Crown in right of Canada are those situated in the Yukon Territory and the Northwest Territories, those in the islands in Hudson Bay and under Hudson Bay and Hudson Strait, and those under Canada's continental shelves. There are also some small and usually isolated parcels scattered throughout the provinces. The Department of Energy, Mines and Resources is responsible for the disposition of mineral rights and for the administration and enforcement of regulations relating to minerals in Canada's offshore areas, other than those under Arctic coastal waters, in Hudson Bay, the islands in Hudson Bay, Hudson Strait and the small parcels above mentioned. The Department of Indian Affairs and Northern Development is similarly responsible in the Yukon Territory, the Northwest Territories and the offshore rights under Arctic coastal waters; this Department also acts as adviser to Indian bands in Indian reserves and is responsible for the administration and enforcement of the relevant regulations.

Mineral rights of Indian reserves in the provinces are also vested in the Crown in the right of Canada and are administered by the Indian Affairs Branch of the Department of Indian Affairs and Northern Development. The minerals on an Indian reserve may be developed under the Indian Oil and Gas Regulations or the Indian Mining Regulations for the benefit of the Band of Indians having rights to the reserve, only after the Band has given approval by referendum. Indian Band Councils are encouraged to take a share of responsibility in the management of their mineral resources.

Mining exploration is carried out in the Yukon Territory in accordance with the provisions of the Yukon Quartz Mining Act and the Yukon Placer Mining Act; in the Northwest Territories, including Arctic coastal waters, operations are governed by the Canada Mining Regulations 1961 as amended. There are also the Territorial Dredging Regulations, Territorial Coal Regulations and Territorial Quarrying Regulations common to both territories. In the Yukon Territory, mining rights may be acquired by staking claims under the appropriate Acts or Regulations; 21-year leases may be obtained on claims and such leases are renewable.

Under the Canada Mining Regulations, a prospector's licence is required. Staked claims must be converted to lease or relinquished within ten years. In certain areas, a system of exploration by permit over large areas is allowed. Any individual over 18 years of age or any joint stock company incorporated or licensed to do business in Canada may hold a prospector's licence. No lease will be granted to an individual unless the Minister of the Department involved is satisfied that the applicant is a Canadian citizen and will be the beneficial owner of any interest acquired under such lease; no lease will be granted to a corporation unless the Minister is satisfied that at least 50 p.c. of the issued shares of the corporation are owned by Canadian citizens or that the shares of the corporation are listed on a recognized Canadian stock exchange and that Canadians will have the opportunity of participating in the financing and ownership of the corporation. Any new mine beginning production after the Canada Mining Regulations came into force in 1961 will not be required to pay royalties for a period of 36 months, starting from the day the mine comes into production. Production date is established as the date determined under the provisions of the Income Tax Act.

An exploration assistance fund for petroleum and other minerals in the Yukon and Northwest Territories was established by the Federal Government in 1966. Initially limited to \$3,000,000 per year, the fund may provide 40 p.c. of the cost of approved exploration programs. Assistance is available only to Canadian citizens or companies incorporated in Canada. Named the Northern Mineral Exploration Program, it is designed to encourage investment from additional Canadian sources previously not attracted to investment in northern exploration operations.

**Oil and Gas Legislation.**—The Canada Oil and Gas Land Regulations and the Canada Oil and Gas Drilling and Production Regulations, issued pursuant to the Territorial Lands