

assuming a greater share of responsibility in the management of their mineral resources. Officers of the Department of Indian Affairs and Northern Development are advisers to the Indian councils on mineral matters and are responsible for the administration and enforcement of relevant regulations.

12.3.2 Federal mining laws and regulations

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 and Regulations. A one-year lease may be obtained to prospect for the purposes of placer mining, renewable for two additional periods of one year each; a 21-year lease, renewable for a like period, may be obtained under the Yukon Quartz Mining Act.

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 such corporation is incorporated in Canada and unless the Minister is satisfied that at least 50% 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 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 a year, the fund may provide 40% 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.

12.3.3 Oil and gas legislation

Oil and gas exploration and development in the Yukon and Northwest Territories and Canadian off-shore areas are governed by the Territorial Lands Act, the Public Lands Grants Act, the Oil and Gas Production and Conservation Act and regulations pursuant thereto. Both the Canada Oil and Gas Land Regulations and the Oil and Gas Drilling and Production Regulations were under review during 1972. The former regulations are being amended; the latter regulations may be amended with respect to "onland" areas, but new operational and conservation regulations are being drafted for the off-shore areas pursuant to the Oil and Gas Production and Conservation Act.

An oil and gas exploration permit may be granted either upon application or, in respect of land previously held under permit, by sale through public tender for three, four or six years, depending upon latitude and region. A permit is renewable for up to six one-year periods, with provisions that the appropriate Minister may grant additional renewals under special terms and conditions. The permittee is obligated to undertake exploratory work in an amount no less than five cents per acre for the first 18 to 36 months increasing to 15 to 20 cents per acre for subsequent periods of the primary term. Work obligations for each one-year renewal period increase up to 50 cents per acre. The permittee must post a guarantee deposit in the form of cash, bonds, or promissory notes prior to each work period. These deposits are returned upon receipt of satisfactory evidence that exploratory work has been performed, and are forfeited to the Crown in the event the permittee fails to fulfil the work obligations. Oil and gas leases may