

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.

An exploration assistance fund for petroleum and other minerals in the Yukon and Northwest Territories was established by the federal government in 1966. Assistance to a single applicant for one or more exploration programs is limited in aggregate to \$50,000, but not exceeding 40% of the approved cost of an exploration program. 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.

An oil and gas exploration permit may be granted for three, four or six years, depending upon latitude and region, either upon application or, in respect of land previously held under permit, by sale through public tender. 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 an acre for the first 18 to 36 months increasing to 15 to 20 cents an acre for subsequent periods of the primary term. Work obligations for each one-year renewal period increase up to 50 cents an 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 be selected in accordance with prescribed guidelines for up to 50% of a permit area, with that portion not converted to lease reverting to the Crown.

An oil and gas exploration permit may be issued to any individual over 21 years of age or to any joint-stock company incorporated or licensed to do business in Canada, or incorporated in any province of Canada. Extraterritorial companies applying for permits in the Northwest Territories must be registered under the Companies Ordinance of the Northwest Territories. An oil and gas lease may be granted to a permittee where the Minister of the department involved is satisfied that the applicant is a Canadian citizen over 21 years of age and will be the beneficial owner of the interest granted, or to a corporation where such corporation is incorporated in Canada, and the Minister is satisfied that at least 50% of the issued shares of the corporation are beneficially owned by Canadian citizens or that the shares of the corporation are listed on a recognized Canadian stock exchange and that Canadians will have an opportunity of participating in the financing and ownership of the corporation, or the operation is wholly owned by a corporation that meets either of these two corporate requirements.

The Oil and Gas Production and Conservation Act provides for comprehensive control over all oil and gas operations in the territories and off-shore regions including such matters as safety, the prevention of waste and pollution, production, conservation, storage, transmission, and unitization of oil and gas fields. An Oil and Gas Committee of five members appointed by the Governor in Council is empowered to hold inquiries, to hear appeals, and to make orders in connection therewith.

Federally owned mineral rights within the provinces that are available for development (except those in Indian lands) are administered by the Department of Energy, Mines and Resources under regulations promulgated pursuant to the Public Lands Grants Act.

12.3.4 Provincial mining laws and regulations

In general, all Crown mineral lands lying within the boundaries of the several provinces (with the exception of those within Indian reserves, national parks and other lands which are under the jurisdiction of the federal government) are administered by the respective provincial