

beyond that limit, to where the depth of the superjacent waters admits of the exploitation of the mineral and other natural resources of the said areas. . . .”

The energy, mines and resources department is responsible for administration and enforcement of legislation and regulations relating to mineral resources off Canada's coasts, in the Hudson Bay and Hudson Strait regions, and for federally owned mineral rights that become available for development in the provinces. The Indian affairs and northern development department is responsible for mineral rights in Yukon and Northwest Territories and in Canada's Arctic offshore regions.

Mineral rights of Indian reserves in the provinces are administered by the Indian affairs department in consultation with Indian band councils. Rights to a reserve may be taken up only after the band has approved development through a referendum vote. The minerals are then administered under special oil and gas or mining regulations. The Indian oil and gas regulations allow disposal of rights by public tender in permits or leases. The mining regulations provide for disposal on terms negotiated with the Indian band council.

12.8.2 Federal mining laws and regulations

Mining exploration and development is carried out in Yukon under 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. Regulations for dredging, coal mining and quarrying are common to both territories. In Yukon, mining rights may be acquired by staking claims. A one-year lease may be obtained to prospect for the purposes of placer mining, renewable for two additional one-year periods; a 21-year lease, renewable for a like period, may be obtained under the quartz mining act.

Under Canada mining regulations, a prospector must be licensed. Staked claims must be converted to lease or relinquished within 10 years. In certain areas, a system of exploration over large areas is allowed by permit. Any individual 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 is granted to an individual unless the applicant is a Canadian citizen and will be the beneficial owner of the interest acquired. No lease is granted to a corporation unless it is incorporated in Canada and at least 50% of the issued shares are owned by Canadian citizens or the shares are listed on a recognized Canadian stock exchange. Any new mine beginning production is not required to pay royalties for 36 months.

An exploration assistance fund for petroleum and other minerals in the territories was established in 1966. Assistance to a single applicant 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. It is designed to encourage investment from Canadian sources not previously attracted to investment in northern exploration operations.

12.8.3 Provincial mining laws and regulations

In general, all Crown mineral lands within provincial boundaries (with the exception of those in Indian reserves, national parks and other lands under federal jurisdiction) are administered by provincial governments. The exception is Quebec where mining rights on federal lands are administered by the province.

The granting of land in any province except Ontario no longer automatically carries with it mining rights upon or under such land. In Ontario, mineral rights are expressly reserved if they are not to be included. In Nova Scotia, no mineral rights belong to the owner of the land except those pertaining to gypsum, agricultural limestone and building materials, and deposits of either limestone or building materials may be declared to be minerals. Such declaration is based on economic value or the public interest. In such case, the initial privilege of acquiring the declared minerals lies with the owner of the surface rights who must then conform with the requirements of the mining act. In Newfoundland, mineral and quarry rights are expressly reserved. Some early grants in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Quebec and Newfoundland also included certain mineral rights. Otherwise, mining rights must