



Ministry of Northern Development, Mines and Forestry



Update on Modernizing Ontario's Mining Act Bedford Mining Alert - Annual General Meeting - August 6th, 2011



Speaker

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Topics Covered:

- **Mining Act Modernization Overview**
- **Phase 1 Implementation**
- **Phase 2 Implementation**
- **Phase 3 Implementation**
- **What Next?**
- **Questions**

Mining Act Modernization - Overview

- The modernising of the Ontario Mining Act represents a balanced approach to the exploration and development of the province's mineral resources.
- It modernizes the way proponents stake and explore their claims to ensure increased respect for private land owners, the environment and First Nation and Métis communities

Mining Act Modernization - Overview

New Ontario Mining Act October 2009

Section 2

Purpose:

“The purpose of this Act is to encourage prospecting, staking and exploration for the development of mineral resources, in a manner consistent with the recognition and affirmation of existing Aboriginal and treaty rights in section 35 of the Constitution Act, 1982, including the duty to consult, and to minimize the impact of these activities on public health and safety and the environment.”

Mining Act Modernization - Overview

- The Modernization of Ontario's Mining Act began in 2006 with the introduction of the Ministry's Mineral Development Strategy.
- In 2008 and 2009, consultation with stakeholders was carried out on a number of key Policy issues (*consultation workbook, workshops, EBR posting*). The results were consolidated and brought forward for consideration by the Ministry. The results were then reviewed for legislative development.

Mining Act Modernization - Overview

- On October 28th, 2009 the Mining Act Legislation was finalized and received Royal Assent. (New Mining Act)
- Although Royal Assent was achieved in 2009, most changes will come into effect in a phased approach, as regulations and administrative policy are developed.
- Stakeholder input has continued
- Three main phases have been identified starting in 2011 and continuing through 2014 -15.

Mining Act Modernization

Mineral Rights in Southern Ontario

Withdrawal of Mineral Rights in Southern Ontario

- Prior to the new Act being Proclaimed on October 28th, 2009 (Royal Assent), Withdrawal Order W-SO-54/09 (dated April 30th, 2009), withdrew from staking all open Crown mining rights existing under surface rights patents in Southern Ontario.
- At Royal Assent, Section 35.1 of the Mining Act withdrew the Crown mining rights where there was a surface rights owner
- Existing unpatented mining claims continue as before with the same rights and privileges
- The mining rights held by a mining claim that cancels is automatically withdrawn

Mining Act Modernization – Implementation Timeline Overview

<p>Phase 1 (Within 1-2 years) Minimal business process requirements</p>	<p>Phase 2 (2-3 years) Significant business process requirements</p>	<p>Phase 3 (3-5 years) I&IT delivery model and solutions</p>
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- Some sections of the amended Act came into force upon assent, however other sections will be proclaimed in force as relevant details are developed.
- Implementation will be phased over a 2 to 5 year period depending on implementation and transitional requirements.

PHASE 1 Overview:

Phase 1a: January 1, 2011

- Waiving of Mining Lands Tax
- Exemptions from Mining Lands Tax
- Withdrawal of Mining Rights in Northern Ontario

Phase 1b: April 4, 2011

- Introduction of Interim Map (paper) Staking in Southern Ontario
- Confirmation of Staking to Surface Rights Owners
- Changes to General Regulation

PHASE 2 Overview:

Phase 2: April 2012

- Mining Act Awareness Program (MAAP)
- Plans and Permits required to conduct mineral exploration
- Modernization of Assessment Regulations
- Withdrawal of Mining Rights in Northern Ontario

PHASE 3 Overview:

Phase 3: Over a period of 3 – 5 years

- Map Selection
 - real time, internet based electronic staking
 - no ground staking

Phase 1a: January 1, 2011

1. Waiving of Mining Lands Tax
2. Exemptions from Mining Lands Tax
3. Withdrawal of Mining Rights in Northern Ontario

1. Authority to Waive Mining Lands Tax

- Mining taxes are payable if lands meet certain legislative Criteria (patented under Mining Act).
- Lands are liable even if they have not been entered on the tax record.
- Minister given the authority to Waive tax arrears or interest owing
- 10 applications received to date

2. Exemption from Mining Lands Tax, where lands not being used for mining purposes.

- Lands originally granted for mining purposes are in some case not being used anymore for mining (resorts, residential, other).
- Minister can exempt lands from tax (however lands may be subject to other taxation such (as Provincial Land Tax)
- 46 applications received to date

3. **Withdrawal of Mining Rights on Private Surface Rights in Northern Ontario**

- Surface rights owner can apply to have the mineral rights on their properties withdrawn if there are no existing claims and leases.
- Application approval is based on Mineral Potential of the Area, size of the parcel, land use etc
- Whether existing mining lands exist
- 12 applications received to date

Phase 1b: April 4, 2011

1. Introduction of Interim Map (paper)
Staking in Southern Ontario
2. Confirmation of Staking to Surface
Rights Owners
3. Changes to General Regulation

Modernization of the Mining Act – Phase 1b (April 2011)

1. Paper / Map Staking in Southern Ontario

(Interim Solution)

- No ground staking in subdivided townships (lots and concessions)
- Descriptive Claim boundaries coincide with the original Township survey (aliquot part)
- Licensee only files a paper application to record
- Where no existing survey fabric, modified ground staking is allowed (less intrusive)

Modernization of the Mining Act – Phase 1b (April 2011)

Paper / Map Staking in Southern Ontario cont'd

Recording:

- Completion time for a map staked claim occurs when an application is made and the fees have been paid.
- Application is made to the Provincial Recording Office, by fax, mail or in person.
- Fee to record a map staked claim is \$30.00 per unit.
- Any document filed after 4:30 p.m. will be considered filed the next business day.

Modernization of the Mining Act – Phase 1b (April 2011)

Paper / Map Staking in Southern Ontario cont'd

Land Open for less than 1 Business day:

- Applications must be faxed in
- If more than 1 application is received for the same land, priority is based on the time the application is received,
- providing the fee payment is included
- Only one application can be faxed for each transmission, however there is no limit on how many separate transmissions can be made. Application is also limited to the number of claims (5) that can be included on an application.
- Claim recordings received since June 3, 2011: 170

Modernization of the Mining Act – Phase 1b (April 2011)

2. Confirmation of Staking to Surface Rights Owners

Section 46.1 MA:

1. If a mining Claim is staked on land for which there is a surface rights owner, the licensee **shall**, within 60 days after making application to record the mining claim,
 - (a) give confirmation of the staking of the mining claim to the surface rights owner in the **prescribed manner** and file proof at the recording office that confirmation of staking the mining claim has been given; or
 - (b) apply to the Recorder for an order waiving confirmation

Modernization of the Mining Act – Phase 1b (April 2011)

Confirmation of Staking to Surface Rights Owners cont'd

Section 46.1 MA:

3. If the Licensee does not comply with subsection (1) or if the Recorder decides not to issue an order waiving confirmation, the mining claim becomes invalid 60 days after the date the application is made, even if the claim was recorded.

Modernization of the Mining Act – Phase 1b (April 2011)

Confirmation of Staking to Surface Rights Owners cont'd

- Confirmation of Staking **must** be given to a surface rights owner and proof of Confirmation **must** be filed in the Provincial Recording Office within 60 days of filing a mining claim.
- Waiver of confirmation notice **may** be granted, only if giving notice is not feasible
- A mining claim become invalid sixty days after filing, if confirmation is not given and a waiver is not issued.

Modernization of the Mining Act – Phase 1b (April 2011)

Confirmation of Staking to Surface Rights Owners cont'd

- The Ministry will provide information to the licensee, after the filing of an application to record, as to the existence of a surface rights owner, to aid the licensee in providing the notice
- A mining Claim cannot be transferred unless confirmation of staking and notice of confirmation have been given to the Ministry
- Since April 2011, 94 surface right information letters have been sent out
(94 claims staked in the Province that had a private surface rights holder.....out of a total of 2498 claims staked...3.8%)

Modernization of the Mining Act – Phase 1b (April 2011)

3. General Provisions:

- Changes to the time for filing documents. Documents have to be filed by 4:30 p.m. or are deemed to have been filed the next business day.
- Changes to faxing of documents, and the ability to file any document by fax.

Modernization of the Mining Act – Phase 2

Phase 2: April 2012

1. Mining Act Awareness Program (MAAP)
2. Plans and Permits required to conduct mineral exploration
3. Modernization of Assessment Regulations
4. Withdrawal of Mining Rights in Northern Ontario

Phase 2: April 2012

1. Mining Act Awareness Program – MAAP

- The Mining Act Awareness Program (MAAP) will be a Web based application that highlights legislative and regulatory requirements, best practices, respect for other land users, First Nation issues, and other considerations while carrying out exploration in Ontario.
- The MAAP is mandatory in order to obtain or renew a prospector's licence (no prospectors licence means you cannot stake a mining claim).
- Permanent Licence holders have two years from proclamation to take the program (or their licence is invalid)

Phase 2: April 2012

2. Plans and Permits:

- Ontario's new Mining Act will require an exploration **plan** or an exploration **permit** prior to carry out prescribed exploration activities.
- This graduated regulatory system for exploration activities will be designed to take into account impacts on Aboriginal and treaty rights, environmental concerns and the interests of private surface right owners.

Phase 2: April 2012

2. Plans and Permits cont'd:

- The new regulations will prescribe rules for conducting early exploration activities on mining claims, leases and licences of occupation
- Proposed graduated scheme is activity based:

Plans (notification of activities)

Permits (application, terms & conditions applied and approval)

Phase 2: April 2012

2. Plans and Permits cont'd:

- Regulation will contain general conditions applying to all early exploration activities and some that specifically apply to Plan & Permit activities
- **Plans** will be up to two years in duration and provide general information of **who** will be conducting **what** activities, and the **where** and **when**.
- It is proposed that proponents may proceed 30 calendar days after filing a **plan** with MNDMF.

Phase 2: April 2012

2. Plans and Permits cont'd:

- **Permits** will be up to four years in duration and be more specific, but will still provide some flexibility (ranges and general areas of activities) in recognition of the fluid nature of exploration.
- A decision on a **Permit** is proposed within 60 calendar days after the application.
- Additional time may be required if there is a dispute related to Aboriginal consultation.

Phase 3: 3 to 5 years

Mining Claim Map Selection:

- Is envisioned as a real-time, internet based electronic staking system
- Will replace ground and paper staking
- Will be a grid-based system
- Practices in other provinces have been reviewed
- Will incorporate as much automation as possible
- Pre-implementation measures such as ground proofing and transition rules will have to be developed.

Policy and Regulation Development:

- Exploration Plans & Permits
- Aboriginal consultation on Plans & Permits and closure plans
- Sites of Aboriginal cultural significance
- Compliance and enforcement
- Mineral Tenure – assessment work, ground proofing, Mining Act awareness

In addition to Policy and Regulatory development, other major considerations are directed towards:

- Communications
- Mining Act Awareness Program (MAAP)
- Capacity
- I&IT solutions
- Business Transformation

Modernization of the Mining Act - Summary

- Offers a balanced approach to mineral development that considers a range of interests while supporting a competitive economic climate for the minerals sector.
- Takes bold steps that support significant strides in Aboriginal consultation throughout the mining sequence.
- Strengthens the Ontario mining industry by providing certainty and clarity of process in making investment decisions.
- Modernizes the way mining companies stake and explore their claims to be more respectful of private landowners and Aboriginal communities.

Questions