



Prospecting Lease Guidelines

Placer Mining Act

Last revised: January 2020



**These guidelines do not apply to
placer claims.**

For information on placer claims,
please see the
Placer Claim Staking Guidelines,
Schedule of
Representation Work, and
Placer Grouping Guidelines
documents available at
www.yukonminingrecorder.ca

Note: this guide is not legal advice and should not be relied upon for legal purposes. It is intended to summarize certain aspects of the *Placer Mining Act* related to mineral rights and, as such, does not attempt to present all aspects of the Act and *Placer Mining Land Use Regulation*. This document may be amended from time to time.

For complete information on staking and mineral tenure, please refer to the *Placer Mining Act* and *Placer Mining Land Use Regulation* available at <http://www.gov.yk.ca/legislation/>.



Prospecting Lease Guidelines

Placer Mining Act

This document has been developed to help you understand what the *Placer Mining Act* (the Act) requires you to do to stake and maintain a prospecting lease. It is important to understand that the requirements under the Act for prospecting leases are different than for claims. In the Act, sections 92-97 apply specifically to prospecting leases. There are also several other sections of the Act that apply to both leases and claims and some that apply only to claims. For example, sections related to staking, relocation and abandonment of claims apply to both leases and claims.

Please ensure that you review these guidelines carefully and contact a Mining Recorder's Office if you have any further questions. Contact information and links to other helpful resources can be found at the back of this guide and throughout.

1. What is a prospecting lease?

A prospecting lease is a disposition of rights granted under the *Placer Mining Act* for the purpose of prospecting and testing the ground for placer deposits. Prospecting leases offer applicants the opportunity to test a larger area of ground than a placer claim as well as the exclusive right to stake the lease into a contiguous set of placer claims if specific requirements under the Act are met. However, it is important to note that prospecting leases do not give the applicant surface rights or the exclusive right to the land, and the ground cannot be mined or prepared for mining under a lease.

2. How to stake a prospecting lease

Prospecting leases are staked in the same manner as placer claims (i.e., the two-post staking system) but cover a greater area. Rather than 500 feet, leases can be staked up to a maximum of 5 miles in length. The "[Guidelines for Placer Claim Staking in Yukon](#)", available online at www.yukonminingrecorder.ca, provide more detailed information about staking claims and leases.

Review these guidelines as well as the information below. If you still have questions about staking, contact a Mining Recorder's Office.

Staking at a glance

- Prospecting leases must be staked on open ground and marked in the manner prescribed for claims by the *Placer Mining Act*. Although, unlike claims, leases do not get “named” or require tags.
- Legal posts must be placed in the ground at both ends of the lease and a location line must be well cut between the posts using hand methods only.
- An individual can only stake **one** lease in Yukon in their name. Until that lease is staked to claims, assigned to another owner, or lapsed (i.e., expired), the individual cannot stake another lease.
- Leases can be staked by power of attorney (POA). [POA documents](#) must be registered in the district Mining Recorder's Office **prior** to staking.
- The owner of a lease that has lapsed or expired **cannot** stake a lease covering the same ground for one year.
- A staker may stake a prospecting lease and a claim on the same creek or in the same watershed within a 60-day period.

3. Applying for a prospecting lease

After staking a lease, you must file an application to record the lease. Applications and applicable fees must be submitted to the district Mining Recorder's Office within a specific legislated period, called travel time. This period begins once you stake the lease and is based on the distance between the lease and the district Mining Recorder's Office. You can confirm your travel time with the Mining Recorder Office before you go out into the field to avoid missing the application deadline.

Application requirements

To file an application for a lease, you are required to do the following.

- Verify in your application that you have the financial ability and intention to thoroughly prospect the area.



- Complete the “[Application for a Lease to Prospect](#)” form; attach a sketch/map showing both post locations and swear the document before a notary public (note: Mining Recorders and staff are notaries).
- Complete a “[Lease Work Program and Additional Information](#)” form, which outlines a detailed description of the prospecting work program you plan to undertake. Include a sketch/map showing the proposed test sites (see the next section on work program requirements).
- Pay the applicable fees when you submit your application. Lease applications cost \$50.00 per mile (or portion of a mile). Applications received without the appropriate fees are not considered complete and will not be accepted by office staff or recorded.

Once you have staked a lease and submitted a complete application, the lease will remain pending until the lease and work program is either approved and granted by the Mining Recorder or refused. If the lease is granted, the term of the lease commences on that day and expires one year later. No work can be carried out prior to the date the lease is granted. If the lease is refused reasons will be provided.

Note: prospecting leases are issued at the discretion of the Mining Recorder. This authority has been delegated to the Mining Recorders from the Minister.

4. Completing work on a prospecting lease

Work programs

A lease is granted on the understanding that you intend to thoroughly prospect the lease that is, prospecting the entire length of the lease over the course of the tenure of your lease. To demonstrate this, it is necessary to submit a “[Lease Work Program and Additional Information](#)” form. This includes a detailed work program submitted with lease applications and subsequent renewal applications (see next section). A prospecting lease work program must include the following:

- Methods of sampling;
- equipment to be used;



- the amount of work to be performed (e.g., the dimensions of all test pits, the number of pits to be excavated or the number of drill holes in a drill line and the number of drill lines anticipated, etc.); and
- a sketch/map showing all of the proposed work locations.

A lease work program will be evaluated to ensure the following:

- The work is valid prospecting work (i.e., the goal of the work is to reach the gold-bearing gravels or bedrock to obtain and test the samples or to determine the depth of the bedrock to evaluate the feasibility of mining);
- The program indicates that the ground will be thoroughly tested over the length of the lease and the term of the lease;
- The testing will cause minimal disruption to the environment and that the activities proposed will not contravene the *Placer Mining Act* and *Placer Mining Land Use Regulation* (see below).

Authorizations under the Act and Placer Mining Land Use Regulation

All work related to a prospecting lease must comply with the *Placer Mining Act* and *Placer Mining Land Use Regulation*. The Schedule 1 Operating Conditions in the *Placer Mining Land Use Regulation* (the Regulation) as well as the Operation Class Criteria apply to prospecting leases.

The Schedule 1 Operating Conditions are a basic set of rules developed to ensure environmental and public safety. Every placer operation from small scale prospecting to fully operating placer mines must abide by these mandatory procedures.

The Operation Class Criteria in the Regulation categorize lease work programs and placer land use operations into one of four classes. The class criteria are based on activities undertaken as part of a lease work program or placer land use operation. Prospecting lease work programs typically fall within Class 1 of the class criteria.

A Class 1 work program that occurs on a lease that is within a designated Class 1 Notification Area requires an approved Class 1 Notification prior to initiating your work program. Your work program, submitted with your lease application, is also used as your Class 1 Notification. Therefore, no



separate notification form is required. If approved, your Class 1 Notification and prospecting lease will be issued to you at the same time. More information about the Class 1 Notification process can be found online at <http://yukonminingrecorder.ca>.

All operations that include activities exceeding the Class 1 criteria in the Operation Class Criteria table of the Regulation require an environmental assessment pursuant to the Yukon Environmental and Socio-economic Assessment Act (YESAA).

Note: unless you have an approved Class 3 or 4 Operating Plan, the regulations require that all disturbance be reclaimed within 12 months.

Amended work programs

If changes to your approved work program are anticipated, prior approval of the amended work program is required. To seek approval, you **must** submit an amended “[Lease Work Program and Additional Information](#)” form, and an updated sketch/map showing the proposed test sites and work locations. If your lease is in a [Class 1 Notification area](#), your amended program may also need to be reviewed as per the Class 1 Notification process.

Remember

- Applicants must wait for the lease to be granted before commencing their prospecting lease work program.
- Location surveys and road, airstrip or camp construction, mobilization and demobilization costs are not acceptable as prospecting work expenditures on leases.
- Work must be carried out as proposed in the work program.
- Mining or preparing the ground to be mined is **not** permitted on prospecting leases.

5. Filing work and renewing a lease

Work requirements

Prospecting leases are issued for one year and can only be renewed twice for a maximum tenure of 3 years. Prospecting leases may also be staked to claims before expiring. To either renew a lease or stake a lease to claims, you must have incurred at least \$1,000.00 worth of expenditures per mile



for the work that was completed in accordance with the approved work program. See the section below on how to calculate incurred expenditures for leases as it differs from placer claims.

Remember

The rates from the “[Placer Schedule of Representation Work](#)” **do not** apply to leases and not all expenses are acceptable as expenditures incurred as required to renew a lease or stake it to claims.

Renewal due dates

To renew your lease, you **must** file your work (i.e. evidence of incurred expenditures) on or before the expiry date of the lease. There is no grace period to renew a prospecting lease or stake it to claims after the lease has expired. To file work and renew your lease or stake it to claims, you must use an “[Application for Renewal of Lease to Prospect/Affidavit of Expenditure](#)” form as outlined below.

Renewal application requirements

To renew a lease you must:

- complete the “[Application for Renewal of Lease to Prospect/Affidavit of Expenditure](#)” form providing a description of the testing work completed and the rates at which the work was calculated;
- swear the document before a notary public (note: Mining Recorders and staff are notaries);
- include detailed drill logs noting the materials encountered and GPS locations of all drill holes (if drilling was performed);
- attach a sketch/map of the work location(s); and
- provide a new work program proposal and a sketch/map of new work locations for approval.

If you completed work that requires the submission of a written report, the report must be filed with the lease renewal application or affidavit of expenditures.

Note: prospecting leases cannot be grouped. Work performed on leases cannot be banked as excess credit or transferred to other leases or claims. Leases can only be renewed one year at a time.



Calculating incurred expenditures

When calculating incurred expenditures, allowable costs include reasonable hourly costs of labour and operation of equipment for the actual prospecting or testing work. Standard industry rates may be used and can be obtained at the district Mining Recorder's Office. The Mining Recorder may ask for evidence of the costs, including receipts. Ultimately, the evidence of incurred expenditures must be considered satisfactory by the Mining Recorder. Take note of the following.

- All expenditures must be incurred **within** Yukon.
- Credit is **not** given for costs associated with mobilization, demobilization, camps, support workers or wages, administrative costs or hand panning costs.
- Actual expenditures apply for drilling, geological, geophysical and/or evaluation surveys.
- Reports are required for all geological, geophysical, evaluation surveys, or environmental, archaeological and heritage studies. **The reports must be filed with the renewal.** Please use section D of the "[Placer Schedule of Representation Work](#)", 2003 to determine report requirements.
- To use environmental, archaeological or heritage studies as credit, the provisions of Sections 29 to 34 of the "[Placer Schedule of Representation Work](#)", 2003 will be used as a guideline to determine eligibility.

6. Assigning a prospecting lease

To transfer the ownership of a lease, an assignment is required. A completed "[Assignment of Prospecting Lease](#)" form and applicable fees must be submitted to the district Mining Recorder for consent in order to process the assignment. Applicants must take note of the following rules.

- Assignments of prospecting leases are not accepted until after the first year's affidavit of expenditure has been filed with the Mining Recorder;
- Assignments must be for the entirety of the interest in a lease. You cannot assign a portion of a lease or have joint ownership with another party; and
- There is no obligation on the part of the Mining Recorder to consent to or approve an assignment, transfer, or sublet of the rights described in the lease.

Note: the Minister has delegated the authority to assign leases to the district Mining Recorders.



7. Staking a lease to claims

Claims may be staked within the boundaries of the original prospecting lease provided that the following criteria are met;

- The lease has not terminated (i.e. lapsed) prior to the claims being staked;
- The necessary expenditures have been incurred in accordance with the approved work program;
- An "[Application for Renewal of Lease to Prospect/Affidavit of Expenditure](#)" form has been filed with the district Mining Recorder's Office;
- The claims are staked in accordance with requirements for staking in the *Placer Mining Act*;
- The claims are staked by **11:59 p.m.** on the expiry date of the lease;
- The claims are recorded in the district Mining Recorder's Office within the travel time period allowed in the Act using the "[Application for Grant for Placer Mining](#)" forms;
- The claims are all recorded at the same time;
- The prospecting lease is staked to claims by the **owner** of the lease (i.e. lessee);
 - If a lease is owned by a corporation, a director of the corporation listed on the corporate registry can stake the lease to claims. Alternatively, the lease can be staked by a person not listed in the corporate registry if given power of attorney (POA) however, the [POA](#) must be recorded with the district Mining Recorder's Office prior to staking the lease to claims.

Note: you do not need to stake the entire length of the lease to claims however, any part of the lease not staked to claims will become open ground and cannot be re-staked by the lease holder for a year.

8. Guidance provided by Compliance, Monitoring and Inspections

When undertaking a prospecting lease work program, you must comply with all applicable laws. Non-compliance may result in prosecution. This section provides high-level guidance only. For more information about statutory requirements, contact a Mining Recorder's Office or the Compliance, Monitoring and Inspections Branch.



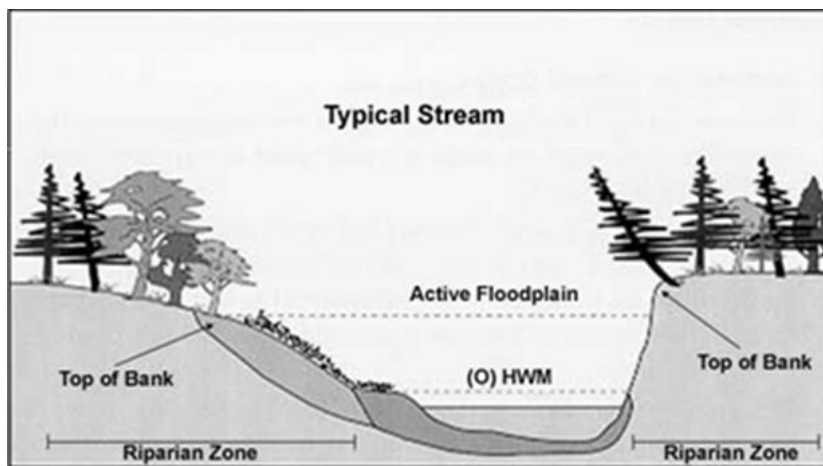
Leave strips

a) A leave strip (i.e., activity setback) is required for all streams and is dependent on the stream's habitat suitability classification as defined in the [Fish Habitat Management System for Yukon Placer Mining](http://www.yukonplaceseecretariat.ca/pdf/guidebook_nov_1_2010.pdf) (www.yukonplaceseecretariat.ca/pdf/guidebook_nov_1_2010.pdf). The distances set in the management system refer only to licensed works. For works without a licence, including prospecting leases, leave strips are more precautionary and are as follows.

- | | | | |
|---------------------|-----------|----------------------|-----------|
| • Highly Suitable | 30 meters | • Moderate-low | 10 meters |
| • Moderate-high | 30 meters | • Low | 5 meters |
| • Moderate-moderate | 20 meters | • Water Quality Zone | 5 meters |

b) When conducting work near water you must avoid causing harm to fish in compliance with the *Fisheries Act* and will be held responsible if you do. The leave strips (riparian setbacks) recommended by Yukon government in relation to placer prospecting and mining activities establish a **minimum** setback distance from watercourses to avoid causing harm to fish.

The **Ordinary High Water Mark ((O) HWM)** refers to the highest water level reached by a body of water in the course of a year. In Yukon, it is almost always reached in spring. Evidence of ordinary high water may include a visible, natural line or "mark" impressed on a bank or shore of a water body, indicated by erosion, shelving, changes in soil characteristics, destruction of terrestrial vegetation, or other distinctive physical characteristics.



Note: measurements for setbacks should be taken from the Ordinary High Water Mark ((O)HWM).

Regulations, Permitting and Reclamation

- c) The [Placer Mining Land Use Regulation](#) has been made pursuant to Part II of the [Placer Mining Act](#). Prospecting leases are subject to these regulations including the Schedule 1 Operating Conditions, as noted above. Depending on the amount of work being performed and location, notification or permits may be required. Contact the district Mining Recorder's Office to obtain advice on which notifications or permits may be required.
- d) All test pits must be safe and secure. Test pits must be stabilized, fenced and marked in such a way as to minimize the risk to public and wildlife. Please consult Occupational Health and Safety (OHS) for requirements and note the mine safety regulations governing shafts/pits within the OHS handbook.
- e) Drill holes that pose a hazard or lead to ground water must be plugged in a suitable manner. All drilling must be done in a way that minimizes impacts to wildlife and the public. The location of drill holes must be marked on the ground by flagging or other suitable means. Drill mud must be contained in a sump.
- f) Trenches must be sloped to prevent wildlife entrapment and to permit their escape.
- g) Water use of less than 300 cubic metres per day without any deposit of waste, will require a "[Schedule 3 Notification of Water Use without a Licence](#)" Submit this form to the Yukon Water Board ten days prior to use.
- h) Water use of 300 cubic metres per day or greater requires a water licence issued by the Yukon Water Board prior to use.
- i) Any deposit of waste (i.e. dirty water) requires a water licence (note: water licences are not normally issued on prospecting leases until they are staked to claims).

Disruption of the surface vegetation should be minimal. If it has been determined that the lease will not be staked to claims and will be allowed to lapse, abandoned excavations that will not be used for assessment work purposes **must** be reclaimed. The use of low impact test methods is recommended to minimize environmental disruption in the event that mining the ground is not economically viable.



9. Contact information and links

Energy, Mines and Resources, Compliance, Monitoring and Inspections contact information

Dawson (867) 993-7300	Whitehorse (867) 456-3877	Mayo (867) 996-2343
Haines Junction (867) 634-2256	Watson Lake (867) 536-7335	

Placer Mining Act and Placer Land Use Regulation

http://www.gov.yk.ca/legislation/acts/plmi_c.pdf
http://www.gov.yk.ca/legislation/regs/oic2003_059.pdf

Information about Class 1 notification

http://www.emr.gov.yk.ca/mining/class_1_notification.html

Yukon Placer Secretariat's Guidebook of Mitigation Measures for Placer Mining in the Yukon

http://www.yukonplacerecretariat.ca/pdf/Guidebook_Nov_1_2010.pdf

Stream Habitat Suitability Classification for creeks in Yukon

<http://mapservices.gov.yk.ca/PlacerAtlas/>

Occupational Health and Safety Handbook

<https://www.yukonregs.ca/RegsPublic/Home/Details/4382>

Yukon Water Board contact information and forms

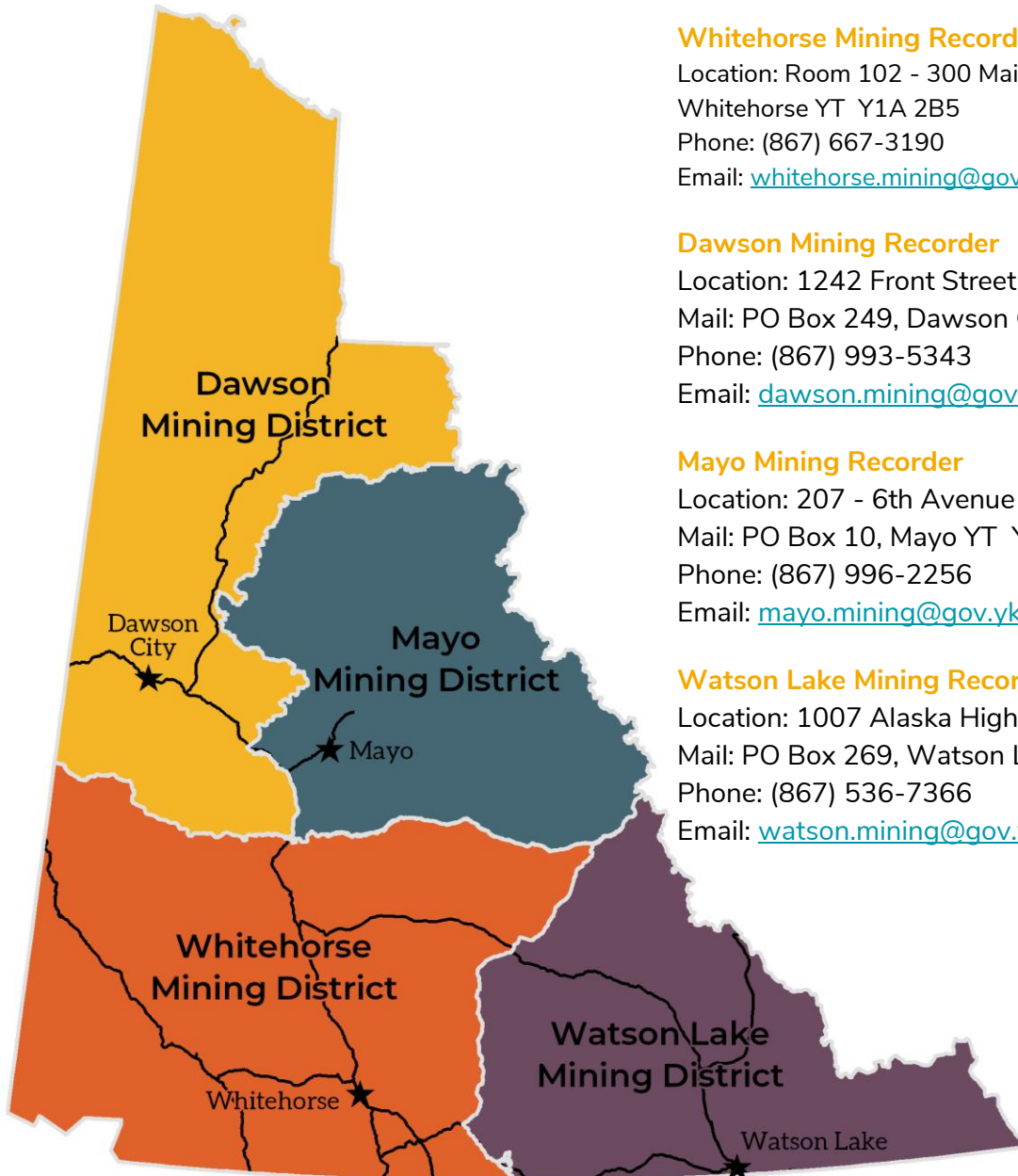
www.yukonwaterboard.ca
(867) 456-3980
#106 – 419 Range Road
Whitehorse, YT Y1A 3V1

Schedule 3 Notification of Water Use without a Licence form
http://www.yukonwaterboard.ca/forms_info.htm
(<http://www.yukonwaterboard.ca/forms/Schedule3/schedule3.pdf>)



Contact us for more information

District Mining Recorder's Offices



Whitehorse Mining Recorder

Location: Room 102 - 300 Main Street
Whitehorse YT Y1A 2B5
Phone: (867) 667-3190
Email: whitehorse.mining@gov.yk.ca

Dawson Mining Recorder

Location: 1242 Front Street
Mail: PO Box 249, Dawson City YT Y0B 1G0
Phone: (867) 993-5343
Email: dawson.mining@gov.yk.ca

Mayo Mining Recorder

Location: 207 - 6th Avenue
Mail: PO Box 10, Mayo YT Y0B 1M0
Phone: (867) 996-2256
Email: mayo.mining@gov.yk.ca

Watson Lake Mining Recorder

Location: 1007 Alaska Highway
Mail: PO Box 269, Watson Lake YT Y0A 1C0
Phone: (867) 536-7366
Email: watson.mining@gov.yk.ca