

AME BRIEFING

KEY POINTS ABOUT BRITISH COLUMBIA'S MINERAL TENURE SYSTEM

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MINERAL TENURE, CLAIMS AND RIGHTS EXPLAINED

- Mineral tenure refers to a range of mechanisms by which the rights to explore for and develop mineral resources are allocated. In BC, mineral tenure is legislated by the Mineral Tenure Act: (http://www.bclaws.ca/civix/document/id/complete/statreg/00_96292_01).
- Mineral title as used here refers to a mineral claim or mining lease.
- Mineral rights are a right to minerals and rocks at or under the ground and are distinct from surface rights. In the case of a mineral claim it is the exclusive right to explore for the minerals and rocks underlying the claim.

ACQUIRING MINERAL TENURE

- The Province of BC is the owner of the province's mineral rights on behalf of all the people of BC. Similar to other provinces, territories and countries around the world, BC has a system that allows individuals and companies to stake mineral claims that provide a temporary right to explore the minerals and rocks under the claim.
- BC's mineral tenure system is modern, transparent, fair, competitive and follows global standards. It is designed to ensure British Columbians get the most out of their shared mineral endowment.
- A mineral claim only gives the holder the right to explore the minerals and rocks under the claim. It does not give a right to mine, go into production or generate revenue.
- Mineral claims are often acquired based on a geologist's or prospector's idea or concept – a form of intellectual property.
- A mineral explorer must be able to stake a claim in an open and transparent system and have it conferred immediately. Otherwise all competitive advantage is lost, and intellectual property is compromised. This is fundamental to mineral tenure systems across Canada and in most jurisdictions around the world.

CONSULTATION WITH INDIGENOUS GROUPS

- AME supports reconciliation with Indigenous peoples and the importance of consulting with Indigenous groups around mineral exploration activities. AME's Guiding Principles on Indigenous relations outline these principles.
- Only a small amount of temporary, low-impact exploration, such as prospecting, mapping and sampling, can be undertaken on a mineral claim without permitting and consultation with Indigenous groups.
- Permitting involves consultation by the Province with potentially affected Indigenous groups as well as with various government ministries.

COMPARISON WITH NATIONAL AND GLOBAL STANDARDS

- British Columbia’s mineral tenure system is consistent with national and global standards.
- Most provincial, state and national governments around the world own the mineral rights for the benefit of their people. Mineral rights are distinct and separate from surface rights.
- Consultation with government, Indigenous groups or others is not required to acquire mineral claims on mineral lands in any province or territory in Canada, with the exception of Inuit-owned lands in Nunavut (this requirement is changing with the introduction of online staking in the near future).
- In PEI, Nova Scotia and Alberta, the crown has some discretion to deny a mineral claim before it is issued (the so-called Crown Discretionary system). In Alberta the discretion is limited to ensuring the correct information is contained in an application and a fee is paid. In PEI and Nova Scotia, the Minister can deny an application for an exploration license if it is not in the best interests of the Crown or the public, or would hinder mineral development. It is interesting to note that PEI and Alberta have virtually no mineral exploration due to the nature of the underlying geology, and New Brunswick did away with Crown Discretion in 2009.

COMPARISON WITH OTHER TENURES

- Mineral claims are a unique form of tenure that are unlike other natural resource or land-based tenures in the province. Most tenures are for a known activity or resource that will generate revenue. Examples include a forestry license, tourism operation and grazing lease. A mineral claim on the other hand specifically prohibits revenue generating activities and involves exploring for an unknown resource that is hidden beneath the ground.
- Activities on the majority of mineral claims have little or no impact on the land. Most forms of assessing mineral tenure including mapping, geophysical surveys and sample collection that avoid culturally sensitive areas and have no visible impact. Land used for drilling and trenching programs on the most prospective land is reclaimed after use.
- The mineral exploration sector is subject to land-use plans that have been developed across the province after comprehensive discussions with multiple land users and stakeholders and with Indigenous groups and local government. Land-use designations and plans incorporate a broad suite of values and interests. Based on AME’s analysis these prohibit or place conditions on mineral exploration activities in over 57% of the provincial land base.

COMPETITIVENESS

- Mineral exploration is a high-risk activity due to the scarcity of valuable mineral resources, their hidden nature beneath the ground and difficulty to locate and assess. The high-risk nature makes financing mineral exploration difficult even in the best of times.
- Security of mineral title is fundamental to a viable and competitive mineral exploration sector and is the foundation upon which the entire mineral exploration and mining industry is based.
- Discretionary systems create uncertainty about the security of mineral title and in turn make it very difficult to finance projects.

- Mineral exploration is a highly competitive global industry. Financing will go to the most promising jurisdictions and projects. Uncertainty around mineral title will significantly reduce competitiveness in BC.
- Without mineral exploration there is no mining. In 2018, mining generated over \$12 billion in revenue and directly employed more than 11,200 people in BC. In addition, the mining service and supply sector includes approximately 3000 companies located in more than 125 communities across BC (<https://www.pwc.com/ca/bcmine>).