



Northwest
Territories Industry, Tourism and Investment

Unlocking our Potential

NORTHWEST TERRITORIES MINERALS AND PETROLEUM

Coal Exploration Licence Applicant Guidelines

Industry, Tourism and Investment,
Government of the Northwest Territories

The purpose of the *Coal Regulations* (CR) is to allow for the orderly exploration, discovery, development and mining of coal resources found in the Northwest Territories (NWT). They are regulations made pursuant to the *Northwest Territories Lands Act* and are administered by the Mining Recorder's Office in Yellowknife.

The locating of (staking), application for, and issuance of a coal lease or a coal permit is required for extraction (mining) of coal for commercial or personal use. A coal exploration licence does not authorize the holder to develop a coal mine. Coal exploration licences are not transferable.

To date there has never been an operating coal mine in the NWT. Applicable land use legislation must be followed throughout all stages of the coal life-cycle: exploration, development, mining operation and closure.

The Department of Industry, Tourism and Investment (ITI) manages the rights to any coal found on lands that the Commissioner of the NWT acquired administration and control of on or after April 1, 2014. Exploration licences for coal are similar to prospecting permits for minerals. Historic records show that the CR evolved from sections of the *Dominion Lands Act (Canada)*. In establishing this Act, Canada wanted to enable settlers in the NWT to have access to coal for heating and energy purposes and to develop the coal resources as a source of income. A reflection of this past history can be seen in the section of the CR related to permits for personal use (s. 23 – 34).

Coal exploration, and the information which is gathered through that exploration, will generate economic activity, as well as contribute to the knowledge of coal potential in the NWT. Please contact the Northwest Territories Geoscience Officeⁱ in Yellowknife for more information on the coal potential of the NWT and reports regarding historical exploration work which has been undertaken.

These guidelines are meant to assist in understanding how the exploration licence sections of the CR (s. 35 – 46) will be administered. Applicants are expected to read and understand their obligations set out in the CR. Applicants are encouraged to contact the Mining Recorder's Office prior to application to discuss their proposed areas, identify any special areas of concern and clarify understanding of the CR.

The Applicant should be aware of the following:

1. Applications may be sent in at any time of the year and will be dealt with on a first come, first served basis based on date of receipt.
2. With all coal exploration licence applications, please include a list of all areas sorted numerically (by NTS area) and alphabetically (by quarter NE, NW, SE, SW). The list should also include the corresponding deposits and any reductions in area made by the applicant because of unavailable lands. The application forms should be sorted in the same manner.
3. Applications may be signed by way of electronic signature.
4. Application forms are available on the ITI website (www.iti.gov.nt.ca).
 - a. Applications must include the following:
 1. description of the land based on one-quarter of a 1:50,000 map sheet,
 2. fee of \$10.00 per licence area, and
 3. deposit of \$0.05 per acre of land in the coal exploration licence area.

- b. Applicants must provide details of their proposed coal exploration program and a summary of their knowledge of the areas being applied for (should include items such as: potential consultations, potential permits required, etc). If any consultations have already taken place, notes on them should be provided along with your application form.
5. Fees and acceptable types of deposit: Please refer to the general fee and deposit criteria in the *Prospecting Permit Guidelines* (attached).
 - a. Specific to coal exploration licences: Deposits that are paid with an instrument that has an expiry date must be available to redeem at least 90 days past the end of the given deposit year. As well, the deposit must be available until the statement of expenditures is approved (s. 43). If this impacts the expiry date of the deposit, it must be amended accordingly. Delays in receiving any required amendments will not be considered for applications for relief.
6. Coal exploration licences or any portion thereof will not be issued in the following areas. Licence applications will be reduced in size if the application is partially overlapping:
 - a. land used as a cemetery
 - b. land within the limits of an unincorporated community, a municipality or a development area under the *Area Development Act*
 - c. land reserved for an Indian Reserve, a national park or game sanctuaryⁱⁱ or for military or other public purposeⁱⁱⁱ
 - d. land reserved under the *Dominion Water Power Act (Canada)*
 - e. land lawfully occupied for mining purposes (active and pending mineral claims, prospecting permits and mining leases pursuant to the *Mining Regulations* as well as active and pending coal leases, coal exploration licences and coal permits pursuant to the CR)
 - f. Aboriginal owned surface/subsurface lands
 - g. any other lands where the subsurface rights have been disposed of or withdrawn
7. Issuance of coal exploration licences will take at least 60 days in order to accommodate any mineral claims that may be staked but which have not yet been submitted for recording. Areas that are staked as mineral claims will be removed from the exploration licence area.
8. A new coal exploration licence application will not be accepted for an area in which an existing coal exploration licence will expire or where it may be surrendered or cancelled, until at least 90 days has passed the expiration date.
9. All coal exploration licence applications are subject to review by other federal and territorial government departments or agencies, Aboriginal governments and community representatives.
10. The following list of factors are considered during the review process:
 - a. final land use plans that do not allow development in certain areas
 - b. amount of coal exploration work performed in the past by the applicant
 - c. record of engagement and consultation efforts
 - d. description of past and future exploration work plans

Aboriginal Governments

1. In relation to the issuance of coal exploration licences, ITI will review all applications, taking into consideration the most current official draft of relevant land use plans.
2. Applicants for coal exploration licences in the Sahtu Settlement Area are directed to review the most current official draft of the Sahtu Land Use Plan, which is available on the internet at <http://www.sahtulanduseplan.org/website/web-content/index.html>.
3. Prior to applying for a coal exploration licence applicants are encouraged to review the Environmental Sensitivity Map (ESM) for the Inuvialuit Settlement Region. This map illustrates areas with high environmental value which could be more sensitive to potential exploration and development. ITI will take these areas of high sensitivity into consideration when reviewing the applications. Contact the Client Service and Community Relations unit in ITI for more information on how the ESM may apply to your proposed exploration area. The ESM and contact information for the Client Service and Community Relations unit can be obtained from the Mining Recorder's Office upon request.
4. You are encouraged to speak directly to the Mining Recorder's Office for more information on land claims or approved land use plans that may have an effect on the area in your application.

Obligations to be Met During the Second and Third Work Periods

ITI takes no responsibility for reminding coal exploration licence holders of their obligations or of any due dates under the CR. If a licensee is unsure of specific provisions, please contact the Mining Recorder's Office for advice.

1. Deposits required for the second and third year of a coal exploration licence are:
 1. \$0.10 per acre for the second year, and
 2. \$0.20 per acre for the third year.
2. These deposits must be submitted to the Mining Recorder's Office prior to the commencement of the second and third year terms. Non-payment of deposits will result in the cancellation of the coal exploration licence.
3. The licensee must explore for coal during the years that the licence is in force. Continual payment of all deposits to hold the licence without completing and submitting work will result in the deposit being forfeited unless one of the following circumstances apply:
 - a. The coal exploration licence holder spends less money on exploration than that required by s. 39(3), and applies to the Chief, giving sufficient reasons (e.g. weather, financing, lab delays, equipment failure, etc.) to allow the licence holder to spend during the next year the amount that should have been spent in the past year. This application (in the form of a letter) must be received prior to the beginning of the next term of the licence.
 - b. Section 39(7) allows the licensee to apply for relief from obligations due to circumstances beyond their control. Examples include: delays in government approval processes, legal action or others depending on full circumstances. Relief will not be granted for late submissions or overlooked deadlines. The application letter must be received prior to the end of the term of the licence. It is strongly recommended that the applicant contact the Mining Recorder's Office for advice well before the request is due to be submitted.
 - c. Any promissory notes or term deposits must have their expiry dates updated if the Chief approves the application.

4. In accordance with s. 40, the licensee must send, within 90 days after the end of each year in which the licence is in force, three copies of the following information to the Chief:
 - a. a statement of expenditures made for exploration
 - b. a report on all exploration
 - c. geological, geochemical or geophysical reports
 - d. maps
 - e. assay reports
5. The information required under s. 40 (b) to (e) is consistent with the requirements found in Schedule II of the *Mining Regulations*.
6. The licensee must pay the deposit for the upcoming year, even if they have a pending work report for past years which will be used to reduce the upcoming deposit amounts.
7. Refund and forfeiture of deposit:
 - a. When the expenditures are approved, portions of the deposit paid will be refunded, as needed, to the licensee, up to 100%.
 - b. If insufficient expenditures were made, a portion, up to 100%, will be forfeit to the GNWT unless an application to do work in a subsequent period is received before the next deposit is due or a new licence is issued and a submission is made to the Chief to allow the licensee to spend the remaining expenditures required in the first year in which the new licence is in force.
8. A licensee may relinquish all or a portion of the lands contained in the coal exploration licence at the end of year term. The application shall include:
 - a. A sketch and description of the lands or portion thereof that the licensee wants to relinquish
 - b. A sketch and description of the lands or portion thereof that the licensee wants to retain
9. A licensee may apply for the same area immediately upon expiration of a current licence. If the licensee applies, they may use expenditures made to the former licence that are in excess of the obligations due on the former licence to reduce the first year deposit of the new licence area.
10. Coal exploration licences are not transferable.
11. Coal leases and coal permits:
 - a. Only the licensee may stake and apply for a coal lease or coal permit in respect of lands for which an exploration licence has been issued until 90 days after the expiration of any term of the licence.
 - b. Where an area has been relinquished in whole or in part by the licensee anyone may stake a coal lease or permit within the relinquished area.

Contact Information:

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YELLOWKNIFE, NT X1A 2L9

Phone: (867) 767-9210 ext. 63175
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ⁱ Contact information and online searches can be performed here: <http://www.nwtgeoscience.ca/index.html>

ⁱⁱ "Game sanctuary" means territorial lands that have been withdrawn from disposal under section 19 of the *Northwest Territories Lands Act* (NWTLA) for the purpose of the creation of a game sanctuary. To date, the only game sanctuary that has been created by way of land withdrawal under the NWTLA is the Thelon Game Sanctuary, *Land Withdrawal Order (Dubawnt Lake)*.

ⁱⁱⁱ Examples of public purpose include: public docks, schools, bridges etc. Lands would be withdrawn from disposal under section 19 of the NWTLA. The area applied for will be reduced using the boundaries that are recorded in the withdrawal order.