

Seeking Input on Opportunities to Improve Ontario’s Mineral Exploration Assessment Work Regime

Supporting Attachment: Improving Ontario’s Assessment Work Regime

Introduction:

In Ontario, pursuant to the *Mining Act*, prospectors looking to undertake early exploration work can register a mining claim on lands where mining rights are open for claim registration. A mining claim grants the holder of the claim the exclusive right to explore for minerals, after obtaining the necessary permitting, approvals and any required consultation, on a designated piece of land. In order for claim holders to keep their claims in good standing and maintain their right to explore for minerals, the Ministry of Mines (“Ministry”) requires that claim holders actively explore the lands for minerals to at least some extent. This is called “assessment work”.

Holders of unpatented mining claims must provide a report to the Ministry summarizing the assessment work that has been undertaken or, subject to certain limitations, make payments in place of completing the assessment work, on a periodic basis. Assessment work reports that are submitted to the Ministry are made available to the public and add to the overall geoscience knowledge of Ontario.

Ontario is committed to being a leading jurisdiction in mineral exploration and development to increase our global competitiveness. The Ministry is considering efforts to increase the efficiency of Ontario’s early exploration assessment work regime.

The Ministry has identified several overarching objectives for improving Ontario’s early exploration assessment work regime. The Ministry is seeking feedback from the public on the objectives and potential initiatives outlined below: Maximizing Ontario’s Competitiveness and Work Conducted on Mining Claims; Increasing Access to, and Expanding the Availability of Public Geoscience Data; and Minimizing Unnecessary Administrative and Reporting Processes for the Submittal of Assessment Work Reports. Under each theme the Ministry has identified examples of initiatives that we are currently considering opportunities for improvement based on feedback from industry stakeholders. The Ministry invites you to provide feedback on these initiatives. However, these themes are meant to solicit important feedback you may have outside of these initiatives, and the Ministry encourages you to write to us explaining how other proposals could improve the exploration sector in Ontario.

THEME 1: Maximizing Ontario’s Competitiveness and Work Conducted on Mining Claims

In your response to the Ministry, please provide initiatives that you think the Ministry should consider under this theme.

Below are examples of current initiatives the Ministry is considering making improvements and would like your feedback on:

INITIATIVE: Annual Work Requirement

The Ministry requires that claim holders complete \$400 of assessment work, per cell, per year, to keep a mining claim in good standing. The annual work requirement (\$400) has not been updated since the early 1990's. The technical work costs being claimed for assessment work credits have increased over time; as a result, less assessment work is required to keep a claim in good standing due to the increases in costs including labour, supplies, fuel, and lodging. Consequently, mining claims can be held for longer periods of time with less additional knowledge being added and accumulated to the overall geoscience knowledge of Ontario. The Ministry is considering amending the annual work requirement including:

- Increasing the annual work requirement, in one step; or
- Increasing the annual work requirement on an incremental basis with the length of the claim. For example, if the work requirement is \$400, after the first two years, the third assessment year work requirement would increase to \$600, and the fourth year it could increase to \$800;
- The Ministry could provide a different work requirement for exploration work conducted in remote locations.

What we would like to hear from you:

- **Is the current annual work requirement sufficient to ensure exploration work is undertaken, or should it be increased? If it were to be increased, what impacts would you foresee for the industry?**
- **What do you consider to be a reasonable annual work requirement to keep a claim in good standing?**

INITIATIVE: Grass Roots Prospecting Double Credit Incentive

The double credit incentive for grass roots prospecting was introduced as a temporary measure in 2018 to support claim holders and workers who were impacted by the introduction of online claim registration and maintained through the COVID-19 pandemic given the uncertain and difficult economic environment at the time. Since it has been five years since the double credit incentive was introduced, the Ministry wants to review the eligibility for this incentive.

The Ministry is considering changes to the grass roots prospecting double credit incentive including:

- Status Quo – keeping the incentive.
- Implementing clearly articulated requirements and application criteria regarding what is eligible for the double credit incentive. This would serve to clarify requirements and limit the ability for proponents, who range from large exploration companies to independent prospectors, misusing the double credit incentive by submitting their work as “grass roots prospecting”; which has resulted in proponents holding on to their claims without conducting a sufficient amount of work. Possible limitations include only allowing credit for work on unpatented mining claims, only allowing double credit within the first two years of claim registration, and limiting the number of workers whose costs are eligible for double credit; or
- Removing the incentive.

What we would like to hear from you:

- **Are there any alternative options the Ministry could consider to incentivize exploration work?**
- **How would changes to, or removal of, the double credit incentive impact industry members?**
- **Do you agree or disagree with some or all of the proposed possible limitations listed above?**
- **Are there additional or alternative limitations you would propose?**

INITIATIVE: Daily Rate/Sweat Equity

The Ministry currently limits the maximum daily rate that a claim holder can submit for one’s own work conducted on a claim to \$350 per person, per day. The Ministry has heard from industry that this daily rate should be increased as it does not represent the true industry rate for work conducted.

The Ministry is seeking input on whether this daily rate remains effective or whether it should be increased.

What we would like to hear from you:

- **What do you consider to be a reasonable per day rate for one’s own work?**
- **Should the Ministry consider applying different rates for different circumstances, e.g., different levels of experience and educational background, or the geographic location of the work conducted?**

INITIATIVE: Credits in Reserve

The legal framework for credit distribution allows claim holders to hold assessment work credits in reserve for an unlimited period of time and apply these credits to their mining claims to satisfy annual work requirements. The Ministry has found that large amounts of reserve credits are being applied to a claim holder's contiguous claims to keep them in good standing for many years, without active early exploration being conducted on those lands.

The Ministry is considering making changes to the credit in reserve process including:

- Maintaining the status quo with credits in reserve
- Establishing new parameters on when claim holders can assign credit from one mining claim to another.

What we would like to hear from you:

- **Are there any other options that would increase the amount of work conducted for mineral exploration on mining claims?**
- **What impact would this have on your operations or the sector as a whole if the Ministry made changes to the credits in reserve process?**
- **What parameters would you consider appropriate to put on credits in reserve?**
- **Should credits in reserve be reduced by a set percentage after a certain period of time if they are unused (e.g., after 5 years)?**
 - **Are there any alternative approaches the Ministry should consider to reduce the amount of unpatented mining claims that are held for long periods of time without exploration?**

THEME 2: Increasing Access to, and Expanding the Availability of Public Geoscience Data.

In your response to the Ministry, please provide initiatives that you think the Ministry should consider under this theme.

Example of a current initiative the Ministry is considering making improvements and would like your feedback on:

INITIATIVE: Increasing work types, geoscience data and related expenses eligible for assessment work credits

The Ministry has heard from industry that there is an interest in expanding the types of work eligible for assessment work credit, to reflect technological innovation and to better

reflect the true cost of working on claims that are challenging to access because of geography and/or topography. The Ministry is considering expanding the list of eligible work types and related expenses available for assessment credit. Examples include:

1. Utilization of technology such as artificial intelligence (“AI”) to provide new geoscientific analyses of data.
 - **What criteria should be established if the Ministry were to accept AI for assessment work credit?**
2. Providing criteria for the acceptance of assays conducted on previously submitted samples for assessment work.
 - **What criteria should be established for accepting assay results on samples that have previously received assessment work credits? What limitations, if any, should there be?**
3. Allowing eligibility of overflight beyond registered claim boundaries for geophysical survey flights following the establishment of clear parameters for flight paths.
 - **What would be acceptable business reasons that would warrant requiring overflight for assessment work credit?**
 - **What parameters should be established to allow overflight to be eligible for assessment work credits?**
 - **At what distance should the maximum percentage of overfly be granted assessment work credits?**
 - **What types of overfly should be accepted for credits? Should there be different criteria for each type?**
4. Accepting raw datasets from geophysical surveys to provide detailed geophysical data for Ontario’s database.
 - **Should the acceptance of raw datasets be mandatory?**
 - **Should raw datasets be eligible for extra credit as an alternative to being a mandatory requirement?**
5. Accepting costs for the mobilization and demobilization conducted out of Province.
 - **What costs for mobilization out of province should be considered for assessment work?**
 - **Which jurisdictions outside of Ontario should be considered eligible for assessment work credit?**

Additional Questions:

- **Are there any other work types and related expenses the Ministry should consider eligible for assessment credit?**

- **Should any additional work types and related expenses have associated eligibility criteria?**
 - **If yes, what should the eligibility criteria include?**
- **Please provide any thoughts on the potential expanded list of eligible work types and related expenses above.**

THEME 3: Minimizing Unnecessary Administrative and Reporting Processes for the Submittal of Assessment Work Reports

In your response to the Ministry, please provide initiatives that you think the Ministry should consider under this theme.

Below are examples of current initiatives the Ministry is considering making improvements and would like your feedback on:

INITIATIVE: Proof of Work/ Expense Verification

Copies of receipts and invoices documenting the costs and expenses incurred during the performance of assessment work are to be included in the claim holder's report of work submission for the assessment work type to which they relate. The Ministry has heard from industry representatives and claim holders that the requirement to provide receipts and invoices is a time consuming and burdensome reporting requirement.

The Ministry is considering options for changing the proof of work/expense verification requirement including:

- Maintaining the requirement that claim holders provide receipts and/or invoices for the direct costs of performing prescribed work types; however, for some types of associated indirect costs where receipting is often difficult to obtain in the field (food and lodging, travel, some administrative costs associated with Aboriginal consultation), claim holders could self-report costs.
- Removing the requirement that claim holders provide any receipts and/or invoices for work types and related expenses to the Ministry. Instead, claim holders would submit a report of expenditures to the Ministry that would be evaluated based on current Ontario industry standard rates, and would have the discretion to request a receipt as needed.

What we would like to hear from you:

- **Please explain if you would support either of the options above and why.**

- **Are there alternative approaches to providing proof of work and related expenses when submitting assessment work that should be considered?**
- **Any other considerations for proof of work and/or expense verification**

INITIATIVE: Service Standards and Reporting Processes

Ontario has committed to cutting red tape and reducing burden in the mining sector to attract global investment, expand the industry, and create new jobs. The Ministry has heard that clients would like a clear service standard for when claim holders will receive a response from the Ministry (e.g., when finalizing a work report submission after a notice of determination period).

The Ministry is proposing changes to modernize the framework for keeping claims in good standing, increase the efficiency of Ontario's regulatory approval processes, and reduce administrative burden for the mineral exploration sector.

What we would like to hear from you:

- **What are reasonable timelines for proponents to wait before the Ministry responds after the 45-day notice of determination?**
 - **Are there any other service standards that would benefit industry?**

In addition, the Ministry would like to know if there are any additional changes that could be implemented to assist in the reporting process:

What we would like to hear from you:

- **What administrative and reporting processes related to assessment work undertaken by the Ministry do you find burdensome?**
- **What changes would you recommend the Ministry consider to reduce burden with respect to the reporting process for assessment work?**

INITIATIVE: Submittable Templates for Assessment Work and Guidelines

The Ministry is considering creating templates to enhance claim holders and their contractors' understanding of assessment work requirements (e.g., a daily log, expense reporting table, a checklist for work reporting requirements, etc.) and/or other changes to the Technical Standards.

What we would like to hear from you:

- **What templates could the Ministry provide to assist in the reporting process?**

- **Are there any changes to the Technical Standards for Reporting Assessment Work that would assist the reporting process?**

INITIATIVE: Mining Lands Administration System (MLAS) Improvements

The Ministry is in the process of improving the Mining Lands Administrative System (MLAS), including creating an option to expand the capacity of files that can be submitted for assessment work, group claims into packages for ease of managing a property, allowing auto-completion of claim fields, improving the pending distribution function to facilitate assigning and applying credit, directly linking templates, and creating a Frequently Asked Questions list.

What we would like to hear from you:

- **Are there any additional changes to MLAS that would be beneficial in the submission of assessment work?**
- **What changes to MLAS would you find helpful to assist your business as part of the assessment work reporting regime?**

INITIATIVE: Resolving Issues Related to Boundary Claims and Maximizing Land Available for Mineral Exploration

The Ministry is considering how to improve assessment work issues relating to boundary claims. Boundary claims are part, or parts of, legacy claims that are located within a single cell on the provincial grid.

What we would like to hear from you:

- **Should the Ministry change their policies regarding boundary claims with respect to unavailable land within a cell?**
- **If so, what changes should the Ministry consider?**
- **How much assessment work should be required to keep a boundary claim (i.e., part or parts of legacy claims) in good standing?**
- **How should we resolve the issue of white space where small areas of land are unavailable for exploration, due to boundary claims, within a provincial grid cell?**
- **How should Ontario go about picking between boundary claim holders, if Ontario were to decide to grant white space to one of them?**

INITIATIVE: General amendments including moving work types out of regulation and into policy, and removing work types that are underutilized.

If work types are included as policies instead of in regulation, the timelines for potential amendments and updates will be shorter than if they have to undergo the required regulatory processes.

What we would like to hear from you:

- **Should the Ministry consider moving work types out of Regulation and into Policy?**
- **How regularly should work types be reviewed to reflect modern exploration practices?**

Your participation and feedback are important to us as the Ontario government considers possible options to improve Ontario's Mineral Exploration Assessment Work Regime. We are providing a 45-day comment period. Please send responses to some or all of the specific questions posed above to the Ministry by:

Email: MiningActAmendments@ontario.ca

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