

2025 - Improving Ontario's Mineral Exploration Assessment Work Regime

The Ministry of Mines ("The Ministry") is seeking feedback on a set of proposed changes as part of its ongoing commitment to being a leading jurisdiction in mineral exploration and development. These proposed changes seek to expand the availability of public geoscience data, clarify requirements and minimize unnecessary administrative and reporting processes associated with early mineral exploration assessment work reporting requirements.

The Ministry acknowledges, and respects existing Aboriginal and treaty rights recognized and affirmed under section 35 of Canada's Constitution Act, 1982; and is committed to fulfilling its constitutional and other legal obligations that may be owed to First Nations and Métis communities in Ontario as appropriate when these obligations arise.

Background

In Ontario, the *Mining Act* provides a framework for the exploration and mining industry to engage in early exploration work by allowing licensed prospectors to register mining claims on lands where mining rights are open for claim registration. This registration grants the holder the exclusive right to explore for minerals on a designated piece of land, contingent upon obtaining any necessary permits or approvals, and conducting required consultations where the duty to consult arises.

While claim holders have no obligation to perform assessment work on a mining claim after it is registered, the claim will forfeit if the claim holder does not perform and report the prescribed amount of eligible assessment work (or, where allowable, make a payment in lieu of work), and then apply credit to the claim before the expiry date of the claim. "Assessment work" means certain types of prospecting and exploration activities that are recognized under Ontario Regulation 65/18 ("O. Reg. 65/18") as eligible for credit (e.g. sampling, airborne geophysical surveys, bedrock trenching, exploratory drilling, and environmental baseline studies).

For the work to be eligible for assessment credit, the claim holder must submit an assessment work report through the Mining Lands Administration System (MLAS) that complies with regulatory requirements and technical standards. The assessment work report is reviewed, and upon approval, work credits are assigned and are placed in the reserve of the mining lands on which they were performed. These requirements help encourage claim holders to actively undertake exploration activities and potential development of mineral resources.

Assessment work reports that are submitted to the Ministry are made available to the public and add to the overall geoscience knowledge of Ontario. These reports contribute to the publicly available geoscience data which is useful to exploration companies and prospectors in their efforts to locate new mineral deposits within the province. This information is also used by Ontario's Geological Survey to support key government priorities by allowing effective access to past exploration activity reports. The availability of this data has also led to a number of new deposits being discovered in Ontario. The system is designed to balance the need for exploration with commercial viability.

All assessment work in Ontario is submitted in accordance with the *Mining Act*, O. Reg. 65/18, and the *Technical Standards for Reporting Assessment Work* (the "Technical Standards"). The Technical Standards set out what must be included in the technical report, a required component of the assessment work report, for each assessment work type and level of detail to include in an assessment work report. The right to explore for minerals on an unpatented mining claim is contingent upon obtaining any necessary permits or approvals, and the Crown conducting required consultations, where the duty to consult arises.

During the Fall 2023, the Ministry posted a proposal on the Environmental Registry of Ontario and the Regulatory Registry outlining general concepts of changes proposed to the assessment work regime. Letters were also sent to Indigenous communities to advise of the postings, and to seek input on potential changes to the assessment work regime. After considering feedback from all parties to the general concepts, the Ministry created this proposal, aiming to enhance the efficiency and effectiveness of Ontario's early exploration assessment work reporting regime. To implement the proposals within the document, changes to the *Mining Act*, regulations, Technical Standards, and associated policies may be required.

The following sections of this document provide details on the proposed changes. At a high level, the proposed changes look to achieve the following:

- To adjust reporting requirements to require raw and processed datasets for certain work types;
- To reduce the unnecessary administrative work and provide additional report preparation time to submit assessment work.

Reporting Requirements and Internal Processes

The Ministry proposes to streamline the Technical Standards by removing unnecessary or repetitive sections that appear in each type of work description and to require a statement of expenditures in place of requirements to provide receipts, invoices and other documents for those expenses claimed.

1. Streamlining the Technical Standards for Reporting Assessment Work

The Technical Standards set out what must be included in the technical report, a required component of the assessment work report, for each assessment work type. The technical report for each type of work includes a detailed explanation of the geoscience work done, maps or plans, where required and details of the expenses claimed for the work, together with supporting documents.

Currently, the Technical Standards are lengthy and repeat requirements for items such as title pages, identifying all mining lands where the work was performed and describing the means of access to the work area from the nearest population. Further, updates are required in light of data modernization that can be acquired through exploration work, such as requiring raw and processed datasets with applicable work types.

To enable some of the proposed initiatives some minor additions would be included to reflect the inclusion of raw and processed datasets and allow for mobilization of supplies, equipment, or persons from other provincial jurisdictions, if required.

The Ministry is also proposing changes to the Technical Standards such as removing the repetitive or unnecessary requirements that do not add value to the geoscience database and where the same information is stipulated for each work type, collect them into a summary section at the beginning of the technical report. The Ministry is proposing to also generalize the reporting requirements, such as no longer specifying the scale of the maps and information about future recommended work programs which is likely too speculative.

The Ministry is proposing to also remove unnecessary and burdensome requirements within the technical report and accompanying maps such as the removal of the requirement to provide the historical background of a mining claim(s), providing descriptions of the physical instruments used during grassroots prospecting and providing specific details on the map.

2. Mandatory submittal of the raw and processed datasets with technical reports

Currently, for airborne and ground geophysical surveys and remote sensing imagery work types, the Ministry requires a description of the work performed and a visual representation of the results, presented on a map. Claim holders have the raw and processed datasets associated with these work types but are not required to submit these in Ontario. Most jurisdictions require these datasets to be submitted to help build their geoscience databases.

The Ministry is proposing to make it mandatory to submit the complete raw and processed datasets with airborne and ground geophysical surveys, and remote sensing imagery as part of the assessment work report submission. This will provide additional geoscience data for use by the Ontario exploration community.

For clarity, the Ministry is considering defining raw and processed data in the Technical Standards as follows:

“raw data” refers to quantitative information that is measured and recorded using an instrument. Raw data is composed of both noise (undesirable information) and signal (desired information).

“processed data” refers to originally raw data that have been changed or manipulated to improve the signal-to-noise ratio for the purpose of making it useable.

To increase information within the Ministry’s geological database, the Ministry is also considering accepting datasets from previously submitted assessment work reports, for partial credit for the time to gather the datasets, but only if all mining claims within the survey and/or imagery continue to be held by the current claim holder. The survey and/or imagery must be no greater than 5 years old from the date of the data submission and must reference the previously submitted assessment work report and follow all requirements specified in the Technical Standards.

The Ministry will also consider accepting raw and processed datasets from the current claim holder for previously submitted assessment work reports, greater than 5 years old from the date of the data submission. Assessment credit would not be granted.

The Ministry proposes that these raw and processed datasets for new work be held confidential for a fixed period. The ministry is considering whether it should be held confidential for one-, two- or three-year period.

3. Amending expense verification

Currently, the ministry requires claim holders to provide, up front, all receipts and invoices for costs being claimed for assessment work credit that are above the allowable per diem rates.

The Ministry is proposing to no longer request that claim holders provide their receipts and invoices as part of their assessment work submissions. The ministry is proposing that claim holders would be required to provide a detailed statement of expenditures itemizing every expense claimed in their assessment work report. However, the Ministry would reserve the right to request receipts and/or invoices for verification purposes, if the cost claimed appears to have anomalies, and for random audit processes.

4. New eligibility requirements to qualify for the grassroots prospecting incentive

The Ministry currently offers an incentive for grassroots prospecting. O. Reg. 65/18 defines grass roots prospecting as making traverses, noting outcrops and minerals of interest and any associated collecting, and assaying of hand samples. The incentive is provided to encourage early-stage prospecting and exploration by individuals and small businesses which allows claim holders to receive assessment work credit for double the

labour costs for conducting grassroots prospecting. This incentive was introduced as a temporary measure to support prospectors during the transition to online claim registration.

The Ministry is proposing to continue to offer the grassroots prospecting incentive together with the following new eligibility requirements:

- All members of the grassroots prospecting crew must have an active Ontario prospector's licence;
- The amount of the incentive will be no more than double the rate outlined in the assessment work policy related to costs.

Further, for the individual or small business to receive the incentive, the ministry is proposing that grassroots prospecting will be limited to:

- Work conducted within the first 5 years following the initial registration date of the mining claims.

This clarification is intended to help ensure that the incentive meets the goal of encouraging early-stage work by individuals or small business. The Ministry is proposing that those conducting grassroots prospecting activities and who do not meet the requirements for the proposed incentive would be able to have their labour costs approved, but not doubled.

5. Changes to the timelines for assessment work reporting processes

30-day report writing period

Currently, to keep their claims in good standing claim holders must submit an assessment work report before or on the claims' next due date.

The ministry wants to ensure that claim holders have the option to use the full time period before a claim's due date to undertake early mineral exploration activities. The Ministry is proposing to provide an optional, 30-day period following a claim's due date to prepare, gather relevant data and documents and file an assessment work report. The additional 30-day period is to allow for report writing only. As such, assessment work cannot be conducted during the additional 30-day period.

Currently, if assessment work credits are not filed by the claims' next due date, the claims will be forfeited. With the proposal of introducing the above new optional 30-day period for report preparation, a new mechanism would be required to alert the ministry of an intent to submit an assessment work report and distribution of credit before the claim's due date. The Ministry is proposing to introduce a mechanism in MLAS which allows for the submission of an "intent to submit an assessment work report and distribution of credit".

If the claim holder does not submit an assessment work report by the end of the optional, 30-day period, then the claims that are no longer in good standing would be forfeited.

Pending Distribution Review Period

Currently, after an assessment work report is reviewed and approved, the assessment work credit assigned by the Minister (assigned credit) for the work conducted on one or more claims can be allocated to the reserve of those claims. This credit is placed in the reserve of the mining lands on which the work was performed. Assessment work credit may be applied from the reserve to satisfy the claim's annual units of assessment work and can also be allocated, at a later time, to contiguous mining claims through a distribution of assigned credit to keep them in good standing.

Currently, using MLAS, a claim holder may file a pending distribution with their assessment work report and MLAS automatically applies specific amounts of assigned credit to the claims listed or identified by the claim holder.

Currently, if, after the review of the assessment work report, there is a change to the amount of credit assigned, and therefore to be distributed, the claim holder has 15 days from the approval date to access MLAS and ensure they either accept the pending distribution or amend it. In instances where the claim holder misses the 15-day pending distribution review period, the pending distribution is rejected and the credit is transferred to the reserve of the claims where the work was conducted.

The Ministry is proposing to increase the 15-day pending distribution review period to 30 days to allow additional time for the claim holder to amend or approve the pending distribution, as required.

Pending Distribution Amendments

To assist claim holders and facilitate the proposed changes to the current approach to pending distribution process for approved credit, the Ministry is also proposing the following changes:

1. MLAS will process the pending distribution, as submitted, if an increase of credit occurred after the review of the assessment work report. The additional credit will be placed in the reserve of the claims where the work was conducted.
2. In the event of a reduction of credit, after the review of an assessment work report, the pending distribution will be processed, as submitted, if the claim holder does not amend or approve the pending distribution within the required timeframe.
3. MLAS will send an additional notice to claim holders who need to amend or confirm a pending distribution to take appropriate action.

Ministry's review period after submittal of assessment work report

Currently, under O. Reg. 65/18, if no notice of determination is sent within 90 days after an assessment work report is submitted, all the work and expenses included in the report are deemed to be eligible for assessment work credits and must be credited in respect of the applicable mining claim or other mining lands.

The Ministry is considering shortening this deeming period as part of an overall Ministry review of its service standards.

6. Allow for Mobilization and Demobilization from Quebec and Manitoba

Currently, the costs for the transportation of supplies, equipment, and persons within Ontario to and from mining lands are eligible for assessment work credits. The costs and expenses must be related to the assessment work claimed for credits.

In some areas of Ontario that are remote and in close proximity to provincial borders this may create challenges.

The Ministry is proposing to allow all expenses incurred for mobilization and demobilization of transportation of supplies, equipment and persons from Quebec and Manitoba to and from mining lands if these items and personnel cannot be sourced from within Ontario. If mobilization or demobilization occurs from a distance further than Manitoba or Quebec, but within Canada, the total cost will be prorated to commence on the border of these Provinces.

With this, the Ministry is proposing, as part of the updated Technical Standards, that claim holders must provide rationale for why the supplies, equipment and persons could not be sourced from within Ontario.