Mineral Titles Information Update

No. 13 - Legacy Claim Conversion to Cell Claim

Revision Date: July 9, 2018

Located (ground staked) mineral and placer claims are termed "legacy" claims. The recorded holder of a legacy claim may convert that legacy claim into a cell claim comprised of the overlying cells that are partially or completely encumbered by the legacy claim, provided the cells are available for registration. Conversion results in the termination of the original claim and a new cell claim being issued. The provisions respecting conversion are set out in <u>Section 3</u> of the Mineral Tenure Act Regulation.

The potential benefits of conversion may include:

- 1. Providing secure title by eliminating mapping issues such as overlaps and map location challenges.
- 2. Reduce hectares related to overlaps with legacy titles at the time of location which may in turn result in a reduction of cost to keep a claim in good standing;
- 3. Acquiring additional ground that is available (unencumbered by another legacy claim) within the cells for no cost:
- 4. No loss of exploration work that has been recorded on the legacy claim, as the expiry date of the legacy claim is automatically assigned to the new cell claim;
- 5. No loss of exploration work carried out (but not yet recorded) on the legacy claim, as that work can be registered against the new cell claim within 12 months of completion of the work:
- 6. Conversion of adjoining legacy claims into one cell claim, thus providing for the consolidation of smaller titles into a larger one; and
- 7. Potential to significantly reduce the cost of a future lease survey.

Before you decide to convert, be aware of some possible results:

1. Immediate loss of ground if any portion of the legacy claim is overlapped by an existing cell claim; if you convert the legacy claim and another free miner has previously acquired one or more of the cells in a cell claim, the ground of the legacy claim within those cells will not be available and will be lost upon conversion, and it will become part of the other cell claim.

In the event of a discrepancy between this information and the provisions in the Mineral Tenure Act and Regulation, the provisions in the statute and regulations will apply.

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- 2. When two or more legacy claims are converted into one cell claim, the expiry date of the cell claim will be the earliest expiry date of the legacy claims. You may offset this by registering exploration and development work or a payment instead of exploration and development to advance any of the legacy claims forward to a later date, but this must be done prior to converting the legacy claims.
- 3. Loss of the 100% PAC withdrawal option if the legacy claim has earned the option but it has not been applied. The conversion process results in a new cell claim being registered, and is subject to claim maintenance provisions for new claims; this means work values will commence at year 1. The one-time 100% PAC credit can only be credited after 10 years of work has been registered on this new cell claim, as per Section 9(4) of the Mineral Tenure Act Regulation.
- 4. Loss of claim name as you cannot assign a claim name to a converted cell claim.