



All of a sudden you have the opportunity to invest in a gold mine – Gold! In Alaska yet! The Last Frontier! A dream come true! Sounds great, **BUT...**

At the risk of shattering your aspirations, we suggest taking the time to sit down, collect your senses, and most of all, **hold on to your money** until you have educated yourself as to what you may be getting into. If you don't, your dream could become a nightmare!

As a prospective claim buyer or investor, **investigate the facts!** Keep in mind the old Latin phrase: "caveat emptor" – **Let the buyer beware.**

First of all:

- Realize there is no occupation man is so anxious to enter into, *with so little knowledge*, as mining!
- In Alaska, there are two sets of mining regulations to become familiar with, State and Federal, depending on who manages the land on which a claim may be located. Regulations differ considerably and can be confusing.
- Alaska land status is complex and can lead to problems also. Besides State and Federal ownership, you may encounter private and Native Corporation ownership of land.
- Easily accessible areas, with a history of mining, are, for the most part, already claimed – some more than once! The "unexplored frontier", often associated with Alaska, is largely a myth.
- **The following tasks must be done to locate and maintain a mining claim on Alaska State land:**
  - The claim must be properly staked according to statutes and regulations;
  - A certificate of location must be recorded in the Recording District Office in which the claim is located within 45 days of posting the claim in the field;
  - The first year's rental must be paid with 45 days of posting the claim;
  - Annual rental must be paid each year thereafter;
  - Labor must be performed and an affidavit of annual labor recorded each year in the Recording District Office in which the claim is located.
  - If there is mineral production from the claim any state production royalty due must be paid.
- **If any of the above actions has not been accomplished, and done properly, the status of the claim is in serious question.**

Hopefully you haven't made that investment yet and still have time to investigate the facts. To do this, gather some basic information:

#### **ASK THE SELLER:**

1. Is the claim State or Federal? What is the claim name and number? If it is a state claim ask for the ADL (Alaska Division of Lands) number. This is the identifying number for state records regarding the claim, and will help you research claim history, status, staking and maintenance.
2. Who is the owner of record? Claims can have more than one owner. In such cases, remember if only the interest of one owner is being transferred, you will be a partner with other owners of record.
3. Ask for a **recorded copy** of the claim location certificate. A recorded copy of the claim location certificate will have on it the Recording District Office stamp, date of recording, and document number or book and page number.
4. Whether Annual Labor or assessment work has been accomplished on a continuing basis; was acceptable; and has been properly recorded and filed according to State or Federal regulations. (NOTE: Again, regulations vary considerably here! Detailed information can be obtained by contacting the appropriate information source for State and Federal claims.) **\*\*\*Be careful of claims**

**offered for sale after September 1. This is the end of the annual labor year on both State and Federal claims. Assessment work must have been accomplished for any specific year prior to that date and recorded no later than November 30<sup>th</sup> for the State claims and December 30<sup>th</sup> for Federal claims. Have the seller show you a properly recorded affidavit.**

5. Whether the claim is in conflict with other mineral locations. Claim conflicts do occur and often end up in court when the parties involved cannot resolve the problem themselves.

You should verify the answers to the above questions through your own research (see below) or by engaging a professional agent to help guide you through the claim purchase.

Help is available! First, the Mining Section *strongly recommends* that you spend some serious time reading the Fact Sheets on the Mining Section page of the Alaska State website at <http://dnr.alaska.gov/mlw/mining/index.cfm>. Click on "Mining Fact Sheets" at the upper right side of the page. There are also helpful links to APMA Permitting and Forms. There are fact sheets for most aspects of mining in Alaska, including: Annual Labor, Annual Rental, Staking Requirements, MTRSC Claims, Generally Allowed Uses on State Land, Key Dates for Miners, and much more. From the Mining Section web page there is also a link to the "Mining Laws and Regulations Booklet." The booklet covers most laws pertinent to mining on Alaska State Land. The link is near the bottom left of the page. Check it out!

Several State and Federal agencies offer assistance to the would-be miner. Some sources of information are the State's Department of Natural Resources Public Information Centers (Anchorage and Fairbanks), or the Bureau of Land Management (BLM) Public Information offices. See the contact information at the end of this Fact Sheet. For further information regarding mining claims on federal land please go to the following Bureau of Land Management (BLM) web pages:

[http://www.blm.gov/pgdata/etc/medialib/blm/wo/MINERALS\\_REALTY\\_AND\\_RESOURCE\\_PROTECTION\\_/en/ergy.Par.28664.File.dat/MiningClaims.pdf](http://www.blm.gov/pgdata/etc/medialib/blm/wo/MINERALS_REALTY_AND_RESOURCE_PROTECTION_/en/ergy.Par.28664.File.dat/MiningClaims.pdf) and  
[http://www.blm.gov/wy/st/en/programs/mineral\\_resources/Mining\\_Claims.html](http://www.blm.gov/wy/st/en/programs/mineral_resources/Mining_Claims.html).

Each state determines the laws for locating mining claims on federal lands within the state. The statutes for locating a federal mining claim in Alaska can be found at Alaska Statute (AS) 27.10. (See link on Mining Section web page, above.)

You can do a lot of research on state mining claims through the State of Alaska website. Alaska Mapper is a GIS based, layered mapping and information system that depicts all state mining claims and leases. You can find Alaska Mapper at <http://dnr.alaska.gov/MapAK/>. There are links to a User Guide and Support at the bottom of the first page of the site. Alaska Mapper includes a very handy set of query tools to obtain information on individual claims, leases, and other items. Once into a query, you can link to Land Administration System (LAS) Case Abstracts of the claim for further information. Personnel in the Public Information Centers in Anchorage and Fairbanks can assist in using Alaska Mapper.

A researcher can also find state mining claim data through the LAS Case File and Land Abstracts at <http://dnr.alaska.gov/projects/las/>. One can either access information using the ADL (Alaska Division of Lands) file type and number, or by meridian, township, range and section under "Display Land Information." Once into a case abstract you can: see the history of the claim; determine claim status (active or closed); and link to relevant recorded documents like the location certificate, quitclaim deeds, and annual labor affidavits.

The current status of a state mineral location can also be determined by contacting the Department of Natural Resources Public Information Centers in Anchorage or Fairbanks. If the mineral location is federal, contact the Bureau of Land Management Public Information Office in Anchorage if the claim number is preceded with an "A" or "AA"; or in Fairbanks if the claim number is preceded with an "F" or "FF". (See agency points-of contact page below.)

Other factors can enter into claim validity – factors that are often challenged in a court of law, especially if claim conflicts exist. These may include:

1. Whether the claim was located following the guidelines of appropriate State or Federal regulations, including:
  - Whether a “discovery” of a locatable mineral actually took place. The seller should be able to prove what type of discovery took place, i.e. geochemical sampling, panning, or drilling. If a visit to the location is possible, obtain permission to do your own sampling.
  - Whether the claim was actually staked in the field. Were posts or monuments erected and notice posted according to law? Or, was the claim “paper-staked”?
  - Whether the claim was properly recorded within 45 days of the date of staking in the District Recorder’s Office where it was located.
2. Whether annual labor has been done and properly recorded. Errors in the “essential facts” required on the annual labor affidavit are grounds for abandonment of the claim.
3. Whether annual rental has been paid in a timely manner. On State mining claims the rental year begins at noon on September 1 and ends at noon on September 1 of the following year. Payments must be received no later than November 30 of the same year. The penalty for failure to make a timely payment is **abandonment of the location**. See the Annual Rental Fact Sheet available on the Mining Section web page or at the Public Information Centers in Anchorage or Fairbanks.
  - **NOTE:** A word of caution, if the staking date of a mining claim on State land is prior to September 1 of a particular year, two annual rental payments will be required during that first year. The first is due no later than 45 days after the staking date of the location, and the second, no later than November 30.

As a buyer, there are other important concerns you should be aware of or have clarified before taking the big plunge of investing:

1. Is the seller legitimate and reputable? What is their mining, prospecting, or geological background? How can it be verified?
2. Have any valuable minerals ever been produced or found on the land? Historical and geological reports on most areas in the State are available through the State Division of Geological and Geophysical Survey or the U.S. Geological Survey. The USGS maintains the Alaska Resource Data Files (ARDF) at <http://ardf.wr.usgs.gov/>. The ARDF files contain descriptions of many of the mineral occurrences in Alaska, and are a good quick reference.
3. Can the seller produce proof that he has operated on the claim? Depending on the type of equipment used, permits are normally required before any type of mining operation can begin. Operators who have submitted Applications for Permits to Mine in Alaska (APMAs) for intended mining activity involving mechanized equipment can be confirmed through a State Division of Mining, Land and Water Permitting Office.
4. Be aware of what rights you have with a mining claim! A common **misconception** is that the **buyer is actually buying the land. This is not true**, unless the mining property has been patented under Federal law and the owner has title to the land. (Patents are not issued under State mining laws.) Without a patent, the seller is only transferring their interest in the mineral rights to you. Ownership of the land remains with the State, Federal, or local government. As a claim owner, you have the right to possession and extraction of the minerals; but:
  - a. You may not use a mining claim for purposes other than mining. **Incompatible uses include residential use, placing any surface improvement** on the claim without written approval; and use of the claim to pursue recreational or business interests such as hunting, fishing, trapping, guiding, or outfitting.
  - b. **You may not restrict public access without written approval from the land manager.**

- c. If a third party has interest in the surface estate of a state mining claim, such as a grazing lease or surface ownership by a borough, you are required to reimburse the lessee or surface owner for damages caused by your use of the location for mining.
5. Is the claim compatible with the type of mining you intend to do? For example, if you intend to conduct suction dredging activities and the claim is located on a salmon spawning stream, be aware of the time frame restrictions as to when dredging can take place – generally from May 15 to July 15 annually. Note that on federal lands (federal mining claims), suction dredging is authorized at the discretion of the Authorized Officer.
  6. Access – Are you familiar with the claim’s general location? Is there reasonably accessible? If travel “cross country” is involved, check land status along the route. Native corporation land, parks, refuges, stream crossings, area plans, type of equipment, time frame for intended travel, restrictive right-of-ways, etc., are potential problem areas. Charter flights to a “fly-in” only area can be expensive.
  7. Water Rights – Are existing water rights associated with the claim? Water rights are registered with the State of Alaska and a certificate issued by the State’s Department of Natural Resources, Division of Mining, and Land & Water. Will they be transferred as part of the purchase? What is the availability of water in that particular stream during the course of a mining season?
  8. What permitting requirements are there for mining activities, including transportation of equipment; exploration; or actual mining, in Alaska? It’s important to know any such activity must be fully permitted before “start-up” can begin.
  9. Can mining even be conducted on your claim? In recent years, lawsuits against the State and Federal governments have restricted or stopped mining activity altogether in certain areas.

The above information should assist a potential claim buyer in understanding what they might be getting into and making a logical decision. Further assistance concerning specific subject areas can be obtained by contacting the agencies listed below.

<b>SUBJECT AREA</b>	<b>STATE CONTACT</b>	<b>FEDERAL CONTACT</b>
Mining Information Claim status Land status Forms General information	Department of Natural Resources Public Information Center 550 West 7th Ave., Suite 1260 Anchorage, AK 99501-3557 Phone: 907-269-8400 3700 Airport Way Fairbanks, AK 99709-4699 Phone: 907-451-2705	Bureau of Land Management Public Room 222 West 7th Ave., #13 Anchorage, AK 99513-7599 Phone: 907-271-5960
Mine Permitting	Department of Natural Resources Division of Mining, Land & Water 550 West 7th Avenue, Suite 900B Anchorage, AK 99501-3577 Phone: 907-269-8647 3700 Airport Way Fairbanks, AK 99503-5935 Phone: 907-451-2788	Bureau of Land Management Anchorage District Office 4700 BLM Road Anchorage, AK 99507-2591 Phone: 907-267-1246 Fairbanks District Office 1150 University Avenue Fairbanks, AK 99709-3844 Phone: 907-474-2251
Water Rights	Department of Natural Resources Division of Mining, Land & Water 550 West 7th Avenue, Suite 1020 Anchorage, AK 99501-3577 Phone: 907-269-8600	None – All water rights are issued through the State’s Department of Natural Resources.