



## Fact Sheet: Investigating Claims Before You Buy

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While owning a gold claim can be rewarding it may also become plagued with issues. The Division of Mining, Land and Water (DMLW) recommends that you investigate all of the facts before purchasing a claim.

### BEFORE YOU BEGIN:

- In Alaska, there are two sets of mining regulations to become knowledgeable with: State and Federal. Regulations differ considerably, depending on who manages the land on which a claim may be located, and can be confusing.
- Alaska land status is complex and significant problems will arise if not considered and fully understood. Besides State and Federal ownership, you may encounter private and Native Corporation ownership of land.
- While a small number of areas are still unexplored, easily accessible areas with a history of mining are, for the most part, already claimed – some with multiple and complex issues to deal with.
- **The following tasks must be done to locate and maintain a mining claim on Alaska State land:**
  - A discovery of minerals on the property must occur;
  - The claim must be properly staked according to State 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 within 45 days of posting the claim;
  - Annual rental must be paid each year thereafter;
  - Labor must be performed, and a statement of annual labor recorded each year in the Recording District Office in which the claim is located; and
  - If there is mineral production from the claim Mining License Tax must be filed and paid, and state production royalties must be paid.
- **If any of the above actions have not been accomplished, and done properly, the status of the claim is in serious question.**

### BEGINNING THE PROCESS:

#### 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 statement of annual labor.**
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.

#### **Available Help:**

First, the Mining Section strongly recommends that you develop a comprehensive knowledge of the information located within the Fact Sheets on the Mining Section page of the Alaska State website. You can read them here: <https://dnr.alaska.gov/mlw/factsheets/>. 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, MTRS Claims, Generally Allowed Uses on State Land, Key Dates for Miners, and much more.

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 page: <https://www.blm.gov/programs/energy-and-minerals/mining-and-minerals/about/alaska>.

Each state determines the laws for locating mining claims on federal lands within the state. The statutes for locating a federal mining claim is Alaska Statute (AS) 27.10. The link is available on the Mining Section web page above.

You can research 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 <https://mapper.dnr.alaska.gov/>, and the accompanying user guide at <https://mapper.dnr.alaska.gov/docs/UserGuide.pdf>. 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 statements of annual labor.

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. Failure to timely record a statement of annual labor will result in the claim being abandoned.
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.

- **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 & 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 reasonable access? 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 rights-of-way, 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, 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.
10. Has the claim been fully adjudicated by the State or Federal Agency, and is it active in the land administration system.

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.

Subject Area	State Contact	Federal Contact
Mining information Claim status Land status Forms General information	Department of Natural Resources Public Information Center 550 West 7 <sup>th</sup> Avenue, Suite 1360 Anchorage, AK 99501-3561 Phone: 907-269-8400 Fax: 907-269-8901 <a href="mailto:dnr.pic@alaska.gov">dnr.pic@alaska.gov</a>	Bureau of Land Management Public Room 222 West 7 <sup>th</sup> Avenue, # 13 Anchorage, AK 99513-7599 Phone: 907-271-5960
	Department of Natural Resources Public Information Center 3700 Airport Way Fairbanks, AK 99709-4699 Phone: 907-451-2705 Fax: 907-451-2706 <a href="mailto:fbx-pic@alaska.gov">fbx-pic@alaska.gov</a>	
Mine Permitting	Department of Natural Resources Division of Mining, Land & Water 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
		Bureau of Land Management 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 7 <sup>th</sup> Avenue, Suite 1020 Anchorage, AK 99501-3577 (907-269-8600)	None – All water rights are issued through the State’s Department of Natural Resources.
	Statewide TTY – 711 for Alaska Relay or 1-800-770-8973	