

# Mining Claims and Trust Land

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Trust Land Office  
Minerals & Energy Section



# What is a “State Mining Claim”?

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Alaska Constitution (Art. 8, Sec. 11) and Alaska Statute (AS) 38.05.185- 38.05.275

- A State Mining Claim is a self-initiated, exclusive right to extract, obtain, sell or use locatable minerals on general State Lands.

Gold

Copper

Rare Earths

Silver

Lead

Limestone

Platinum

Zinc

High-grade marble/granite

Tungsten

- Excludes leasable minerals (Coal, Oil, Gas) and materials (Sand, Gravel, Armor Rock)
- A mining claim is established by “staking” a mining claim location.
- Not subject to public review.
- Requires a “discovery,” payment of Annual Rent, Annual Labor and 3% Royalty on Production
- Gives the locator constitutional right, but limits use of the surface estate.
- DNR has limited authority to dispute a claim staking
  - Location notice or recordation does not comply with statutes
  - No “discovery”

## Do State Mining Claim laws apply to Trust lands?

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State Mining Claims and their governing laws and regulations are inconsistent with the management principals of the Trust (11 AAC 99.100(a)).

Trust mineral estate is to be managed by 11 AAC 99.100, which *should* prohibit Mining Claim Staking. Mineral Closing Order 1054 protects replacement lands from mineral entry.

Expectations



Reality



If only it were that simple....

## Then why are there State Mining Claims on Trust lands?

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- Federal/State Mining Claims were staked prior to the Trust owning the land
- State Mining Claims were staked on general state land that was then transferred to the Trust during reconstitution of the Trust.
- State Mining claims were improperly staked, and recognized by DNR, even though they should be abandoned *ab initio*.

When Trust lands were reconstituted in 1994, the Trust received lands which were subject to all encumbrances of record, which included existing State Mining Claims.

Lands designated as Trust lands with active Federal mining claims are excluded from conveyance.

For State land, The Trust was conveyed the mineral estate; however, valid mineral encumbrances must be managed under the applicable state law and regulation until the claims are abandoned. Department Order 142 guides the TLO and DNR on how existing claims are to be managed.

# Federal Claims and State Claims on Trust Lands

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## **Pre-existing Federal Claims are Excluded from title:**

- Active Federal Mining Claims remain excluded from the Trust's title until the claim is abandoned
- DO 142 outlines a process for conveyance after abandonment

## **State Mining Claims on Trust Lands:**

- Original Trust land was closed to Mineral Entry by emergency regulation in 1985 and by court order in 1986.
- Substitute land was closed to mineral entry by court order in 1994.

## Management Implications

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- Federal Mining Law allows a federal claimant to exercise extralateral rights, which may include adjacent Trust Lands.
- State Mining Claim regulations require a 3% royalty on production. This limits the Trust's revenue potential when commodity prices are high.
- State Mining Claims do not discern between lode mineral rights and placer mineral rights.
- State Mining Claims can be bought and sold, leased, rented, willed or inherited as real property
- Co-management of the mineral estate with DNR.

# Current Trust Mineral Projects Affected by Mineral Encumbrances:

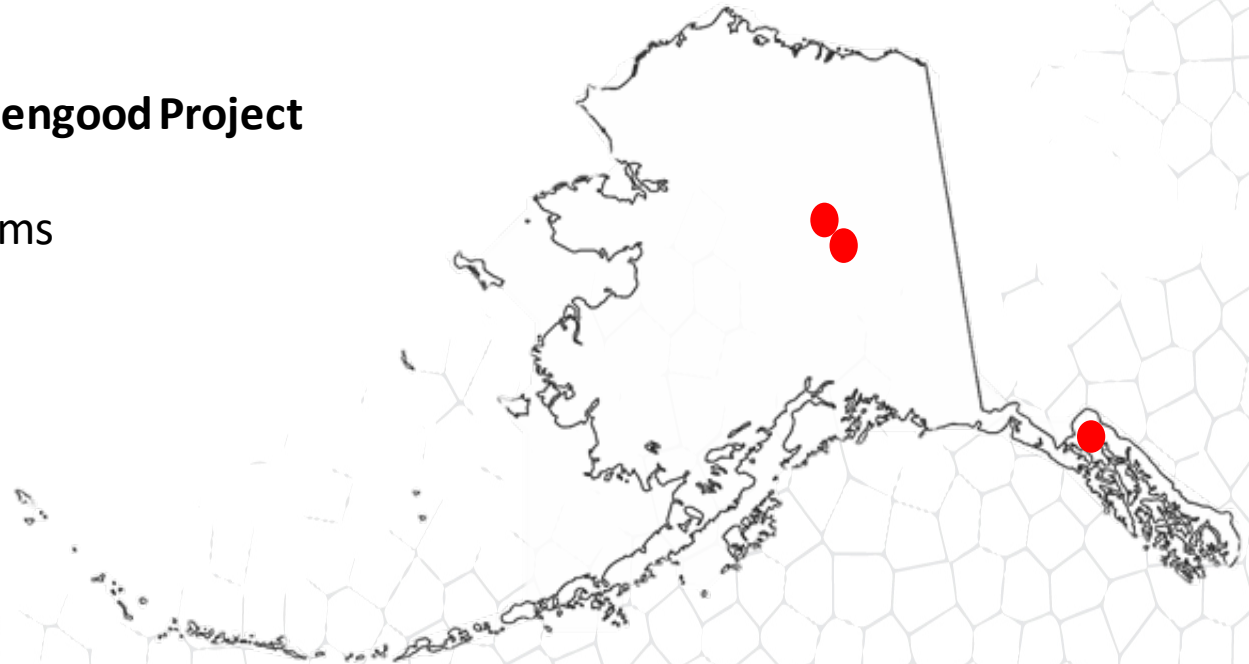
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**Kinross - Fort Knox (Fairbanks):** State Claims

**Freemgold - Golden Summit Project (Fairbanks):** State Claims

**Constantine Metal Resources / Dowa - Palmer Project (Haines):**  
Federal Claims

**Tower Hill Mines - Livengood Project  
(North of Fairbanks):**  
Federal and State Claims





**Questions?**