



## - Mine Surface Lease Agreements -

### WHAT IS A MINE SURFACE LEASE AGREEMENT?

The mine surface lease agreement (MSLA):

1. Provides long-term rental of Crown Land for mining in Saskatchewan's North;
2. Reinforces provincial control in the regulation of uranium mines; and
3. Obligates mine operators to use best efforts to maximize benefits for local communities.

### WHO ARE THE PARTIES TO THE MSLA?

- ✓ A MSLA is signed by the mine operator and the Ministry of Environment (responsible for managing Crown Lands) and Ministry of First Nations and Métis Relations (which supports economic growth in the north with an emphasis on long-term benefits).
- ✓ Each MSLA requires the mine operator to negotiate a separate Human Resource Development Agreement with the Ministry of Advanced Education, Employment and Immigration, which focuses specifically on recruitment, hiring, training and advancement opportunities for Residents of Saskatchewan's North.

### WHAT ARE THE STEPS TO OBTAIN A MSLA?

- ✓ First, an exploration project requires two types of rental agreements (dispositions) from the Province: 1) a below-ground mineral claim or mineral lease to explore the ore body; and 2) an above-ground surface permit or short-term lease for the right to use the surface area.
- ✓ To then develop an exploration project into a commercially-producing mine: 1) the project must receive approval under the provincial Environmental Assessment Act; 2) the Crown must fulfil its Duty to Consult with First Nations and Métis concerning any potential impacts of the project to traditional pursuits; and 3) the mine operator must convert its mineral disposition into a long-term mineral lease (the right to remove minerals) and a long-term mine surface lease agreement (the right to use the surface for a mine). Generally, the MSLA's surface boundaries mirror the sub-surface boundaries of the mineral lease.

### WHERE IS THE BOUNDARY FOR SASKATCHEWAN'S NORTH?

The boundary extends from northwest of the Meadow Lake Provincial Park to Cumberland House in the east. "SASKATCHEWAN'S NORTH" is described as the Northern Administration District (NAD) in The Northern Municipalities Act, 2010, Chapter N-5.2 Reg 1, Section 74.

### WHY DOES THE MSLA INCLUDE SOCIO-ECONOMIC BENEFITS?

- ✓ The Government of Saskatchewan recognizes the challenges in this sparsely populated region and puts a special emphasis on helping people within the NAD to realize their goals and to improve their standard of living. (<http://www.fnmr.gov.sk.ca/nad>)
- ✓ Since the 1970s, the MSLA has been one means of effectively promoting employment and business benefits for Northerners from mining developments in northern Saskatchewan.

### WHAT ARE A MINE'S SOCIO-ECONOMIC OBLIGATIONS UNDER THE MSLA?

- ✓ To use its best efforts to recruit, train, hire and advance Residents of Saskatchewan's North, and to encourage northern businesses to supply goods and services.
- ✓ To provide quarterly reports to the Province on northern employment levels and skill levels.
- ✓ To submit annual Socio-Economic Reports to the Province that overview the events and milestones reached by the mine operator in the past year, including:
  1. Employment Commitment – a Human Resource Development Plan outlines their recruitment, training and advancement plans, and achievements.



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2. Employee Education and Training Commitment - progress and achievements in increasing Northerners' opportunities for training, work placements, education leaves, summer work, etc.
3. Northern Business Participation Commitment –the past year's northern business expenditures and development initiatives by the mine and a forecast of opportunities for the next two years.
4. Compensation Report – compensation paid to an individual who used or occupied the Lease Lands by way of a lease, license, or permit prior to the development of the mine.

In addition, leases for uranium mining companies include commitments to:

5. Stay In School Program– programs to support and encourage Northerners to complete high school and pursue higher levels of education.
6. Community Vitality Study– to assess Northerners' social well-being and quality of life.
7. Employee Services– benefits that support the well-being of employees.
8. Public Involvement– activities to inform Northerners, including the Environmental Quality Committee, of their operations in Northern Saskatchewan.

#### WHO BENEFITS FROM A MSLA?

- ✓ Mining companies benefit from: 1) long-term land tenure; 2) a developed and competitive northern business sector; and 3) jointly funded training programs and a trained local labour force.
- ✓ Residents of Saskatchewan's North benefit by receiving priority training and employment opportunities, as well as transferable skills which lead to sustainable employment.
- ✓ Being available for reference by the general public, MSLAs provide an understandable and transparent agreement outlining requirements and reporting obligations of the mine operator. As well, through reports to the Province, the public learns about the socio-economic impact of northern mines.
- ✓ Provincial regulatory agencies benefit by having remedies available under contract law to address worker and environmental protection, in addition to remedies provided under provincial legislation.

#### ARE MSLAs EFFECTIVE AT PROMOTING NORTHERN BENEFITS?

Since 1981, the number of Northerners working at the mines has grown from 222 to a record 1,735 in 2011. It is estimated that 92% of these northern workers are First Nations or Métis. Since 1991, northern businesses and mine workers have earned \$3.77 billion from northern mine sites. In 2010 alone, northern businesses, joint ventures, and employees earned \$434 million from mines (in payroll and contracts for goods and services).

