

Mine Surface Lease Agreement

Context

Mining is an important contributor to the Saskatchewan economy, directly contributing approximately 20 percent of provincial exports. Exports of uranium alone totalled over \$1 billion in 2011, a figure that is likely to increase with the new uranium trade agreements with India and China. The richest uranium ore deposits in the world are located in the northern half of Saskatchewan. Six uranium mines, as well as two gold mine/mill projects, are in operation in northern Saskatchewan employing more than 4 000 workers at the sites.

Most of northern Saskatchewan, outside of municipalities and Indian Reserves, is provincial crown land. Mining operations in Saskatchewan’s North sign a Mine Surface Lease Agreement (MSLA) with the Ministry of Environment and the Ministry of Government Relations. The MSLA provides long-term rental of crown land for mine operations while also obligating the mine operator to use best efforts to maximize benefits for local communities. In the case of uranium mines, it also reinforces provincial control in the regulation of these sites, which are federally regulated as “nuclear facilities.”

Description of Measures Implemented

There are 12 MSLAs in effect in northern Saskatchewan covering the life of the mines from construction to reclamation.

Under the terms of the MSLA, each mine operator commits to using its best efforts to maximize northern employment, business participation, education, and training opportunities, as well as to provide compensation for loss of commercial income to traditional land users who previously held the lease or permit for the land. In addition, leases for uranium mining operations include company commitments to education promotion, community vitality, employee services, and public involvement.

Each MSLA requires the mine operator to negotiate a separate Human Resource Development Agreement for the life of the project with the Ministry of Economy. This establishes a collaborative approach designed to maximize recruitment, training, and advancement opportunities for residents of Saskatchewan’s North, which also contributes to capacity development so that communities can be “ready” for future development.

Pre-exploration	Exploration	Development	Operation	Closure	Post-closure
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Lead: Government (Sask.)

Steps of the Mineral Development Sequence:
Development, operation, closure, post-closure

Key Finding: MSLAs serve as a platform for the relationship between the mining industry and government in northern Saskatchewan. Regular communication among government, industry, and Northerners is essential to building and maintaining relationships. Other essential elements are monitoring industry’s achievements and communicating successes to the public to help build and maintain Northerners’ trust and confidence in the information shared with them.



Mine operators report their progress to government each year, which assists government in labour force planning and other economic development initiatives. Government, in turn, shares this information with the public in an annual report summarizing the industry's northern initiatives for the previous year.

Results

Mine operations in northern Saskatchewan have embraced the intent of these agreements. This has led to the mining industry in northern Saskatchewan becoming industry leaders in Aboriginal employment and business procurement. On average, 47 percent of all mine-site workers are recruited from northern Saskatchewan and 42 percent of all workers are of Aboriginal heritage. In 2012, mining in northern Saskatchewan contributed \$1.78 billion to the provincial economy in wages and goods and services purchased. Northern businesses and joint ventures earned \$624 million, or 40 percent of total goods and services expenditures.

The government and mine operators work closely together throughout the life of the mine projects, which helps to develop and maintain harmonious working relationships between the parties. The companies also benefit from a developed and competitive northern business sector, jointly funded training programs, and a trained local labour force.

Lessons Learned

MSLAs serve as a platform for the relationship between the mining industry and government in northern Saskatchewan. The terms of the MSLA are well established so mining companies understand their obligations well ahead of development, providing certainty for industry and maximum benefits for communities. Regular communication among government, industry, and Northerners is essential to building and maintaining relationships. Other essential elements are monitoring industry's achievements and communicating successes to the public to help build and maintain Northerners' trust and confidence in the information shared with them.



La Ronge gold project's Roy Lloyd mine

The surface lease is an evergreen document, evolving to meet northern socio-economic, land leasing, and policy objectives as needed. The design features that have contributed the most to the success of the MSLA include its long-term vision, uniformity across the industry, and commitments to training, public engagement, and reporting. These features have evolved over 40 years, primarily in response to recommendations that emerged from a series of public hearings into proposed new uranium mines from the late 1970s to the late 1990s. Over the past five years, the government has streamlined its negotiation and approval process for the agreements, shaving months off their approval time. Updates to language and content of MSLAs are ongoing to reflect current situations, LEAN processes, and continually strengthened accountability requirements.

For more information:

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