

The Mineral Resources Act, 1985

being

Chapter M-16.1 of the *Statutes of Saskatchewan, 1984-85-86*
(effective July 1, 1985) as amended by the *Statutes of
Saskatchewan, 1989-90, c.45 and 54; 1992, c.25;
2000, c.50; and 2001, c.22.*

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER M-16.1

An Act respecting the Exploration for and the Development, Conservation and Management of Mineral Resources

SHORT TITLE AND INTERPRETATION

Short title

1 This Act may be cited as *The Mineral Resources Act, 1985*.

Interpretation

2(1) In this Act:

- (a) “**Crown**” means Her Majesty the Queen in right of Saskatchewan;
- (b) “**Crown disposition**” means a Crown disposition as defined in *The Crown Minerals Act*;
- (c) “**Crown mineral lands**” means the mineral interest of the Crown in any lands in Saskatchewan whether or not the surface rights in any of those lands are also the property of the Crown;
- (d) “**department**” means the department over which the minister presides;
- (e) “**mine**” means any facility in Saskatchewan for extracting, recovering or producing any mineral except oil or gas from a mineral resource, and includes any facility in Saskatchewan associated with the mine at or in which the primary production from the mine is processed or refined;
- (f) “**mineral**” means any non-viable substance formed by the processes of nature, irrespective of chemical or physical state and both before and after extraction, but does not include any surface or ground water or agricultural soil;
- (g) “**mineral resource**” means any mineral deposit that may be found on, in or under any lands in Saskatchewan, including without limitation any reservoir of oil, gas, or oil and gas and any ore body containing any mineral;
- (h) “**minister**” means the member of the Executive Council to whom for the time being the administration of this Act is assigned;
- (i) “**prescribed**” means prescribed by regulation by the Lieutenant Governor in Council;
- (j) “**primary production**” means a mineral produced from a mineral resource that is:
 - (i) in the form in which it exists on its recovery or severance from its natural state; or

(ii) any product resulting from processing or refining that mineral, other than a manufactured product or a product resulting from refining crude oil, refining upgraded heavy crude oil, refining gases or liquids derived from coal or refining a synthetic equivalent of crude oil;

(k) **“well”** means:

(i) any opening in the ground within Saskatchewan from which oil, gas or oil and gas or other hydrocarbons are, have been or are capable of being produced from a reservoir;

(ii) any opening in the ground within Saskatchewan from which any other mineral is, has been or is capable of being produced in gaseous or liquid form or in solution or suspension with a liquid;

(iii) any opening in the ground that is made for the purpose of:

(A) obtaining water to inject into an underground formation;

(B) injecting any substance into an underground formation;

(C) storing oil, gas or other hydrocarbons underground; or

(D) monitoring reservoir performance and obtaining reservoir information; and

(iv) any facility in Saskatchewan associated with any well mentioned in subclause (i), (ii) or (iii) at or in which any primary production is processed or refined;

but excludes a seismic shot hole, structure test hole or oil shale core hole.

(2) This Act is binding on Her Majesty the Queen in right of Canada or in right of any province, and on any person acting for or on behalf of her Majesty the Queen in right of Canada or in right of any province.

1984-85-86, c.M-16.1, s.2; 1992, c.25, s.16.

APPLICATION

Application

3 This Act applies to:

(a) all exploration for mineral resources in Saskatchewan;

(b) all development, conservation and management of mineral resources in Saskatchewan; and

(c) all primary production.

1984-85-86, c.M-16.1, s.3.

ADMINISTRATION

Power of minister to gather information

4(1) For the purposes of this Act, the minister or any officer of the department authorized by the minister to do so may enter on any lands to gather information respecting a mineral resource or primary production and may enter any premises, structure or works to make enquiries or gather information, and may take from any of those places representative samples of minerals for the purpose of testing or analysis, and he may use all machinery, equipment, appliances and things that he considers necessary or expedient.

(2) For the purposes of subsection (1), the minister shall be:

(a) given free ingress and egress to, from and over all buildings and structures used in connection with the operation of any mine, well or any plant or works at which the production therefrom is treated or refined in any way or any building or office at which are kept any books or records pertaining to the operation of any mine or well or the treatment or refining of the production from any mine or well; and

(b) given full and complete access to all records relating to exploration or development programs carried out in Saskatchewan whether such records are maintained in written, type-written, printed or photographic film form or entered or recorded by any system of mechanical or electronic data processing or information storage, and may examine the same and take copies or extracts therefrom.

1984-85-86, c.M-16.1, s.4.

Disclosure of certain information prohibited

5 Except insofar as is necessary to do so for the purposes of this Act, the regulations or any other statute or regulations, information acquired by any officer or employee of the department pursuant to this Act, the regulations or any Crown disposition shall not be communicated or disclosed by him to anyone in such a manner that it is possible from any such communication or disclosure to relate any such information to the person from whom it was acquired, the exploration or development program to which it relates or the specific location within Saskatchewan of any minerals or mineral resources which were identified or evaluated in such information.

1984-85-86, c.M-16.1, s.5.

Reciprocal agreements

5.1(1) The minister may enter into agreements on behalf of the Government of Saskatchewan with:

(a) the Government of Canada; or

(b) the government of any other province or territory of Canada;

respecting a reciprocal exchange of information relevant to the administration of this Act or similar legislation of a government mentioned in clause (a) or (b).

(2) Notwithstanding section 5 but subject to subsection (3), where the minister has entered into an agreement pursuant to subsection (1), the minister may:

- (a) authorize the release of any information or the contents of any record or return; or
- (b) allow inspection of or access to any information, record or return;

to any person employed by the government that has entered into the agreement with the minister.

(3) No release shall be authorized and no inspection or access shall be allowed pursuant to subsection (2) unless the government mentioned in that subsection:

- (a) agrees to communicate or make accessible to the minister on a reciprocal basis the information, records and returns obtained by that government for the purposes of any legislation mentioned in subsection (1); and
- (b) agrees that it will not use any information, records or returns communicated or made accessible by the minister for any purpose other than the administration and enforcement of any legislation mentioned in subsection (1) of that government.

1989-90, c.45, s.2.

Discovery of minerals by department employee

6 Every officer or employee of the department who, while holding the office or employment, makes a discovery of a valuable mineral on any Crown mineral lands available for Crown disposition shall promptly notify the minister of that discovery and may, in accordance with the regulations, make application on behalf of the Crown for one or more Crown dispositions respecting the Crown mineral lands as he may consider necessary to cover the mineral discovered and probable extension thereof.

1984-85-86, c.M-16.1, s.6.

Acquisition of mineral interest by department employee

7(1) Subject to subsection (2), no officer or employee of the department shall directly or indirectly, by himself or by any other person, purchase, acquire or hold any interest in any mineral resource or any mine or well situate in Saskatchewan except in accordance with the conflict of interest guidelines established for Saskatchewan public employees.

(2) No officer or employee of the department shall take or receive any fee or compensation from any person other than the Crown that is related in any way to his position or office of employment or the performance of his duties thereunder.

(3) Any officer or employee who contravenes any provision of this section is liable on summary conviction to a penalty of not more than \$1,000 and, in addition, any purchase or acquisition of any interest in a mineral resource or any mine or well in contravention of subsection (1) is voidable at the discretion of the minister.

(4) No prosecution under this section shall be commenced without the consent of the Minister of Justice.

(5) An officer or employee who is convicted under this section shall forfeit his office or employment.

1984-85-86, c.M-16.1, s.7.

8 Repealed. 2000, c.50, s.14.

REGULATIONS

Regulations

9(1) The Lieutenant Governor in Council may make regulations not inconsistent with this Act in order to:

- (a) facilitate the orderly exploration for and development of mineral resources in Saskatchewan;
- (b) ensure the prevention of waste; or
- (c) ensure the greatest possible ultimate recovery of minerals in Saskatchewan by prudent and proper operations and practices and the prudent and proper management of mineral resources.

(2) Without limiting the generality of subsection (1), the Lieutenant Governor in Council may make regulations:

- (a) enlarging or restricting the meaning of any word or expression used in this Act;
- (b) prescribing anything that is, by this Act, to be prescribed by regulation or is to be determined or regulated by regulation;
- (c) where he considers it to be in the public interest, prohibiting any person from exploring for any or all mineral resources except under the authority of a licence issued to that person by the minister;
- (d) prescribing the terms and conditions under which any licence mentioned in this subsection may be issued and prescribing any fees for the issue or renewal thereof;
- (e) prescribing procedures for the conduct of any exploration activity in Saskatchewan;
- (f) establishing one or more conservation boards with respect to any mineral or minerals, providing for the determination of the composition of and the procedures to be followed by any board and investing any board with any duties, powers or authority not inconsistent with the objectives mentioned in subsection (1);
- (g) requiring from the owners of any interest in a mineral resource or the owners, occupiers or operators of any mine or well, reports and statements of any activities carried out at any time with respect to that mineral resource, mine or well, or the results of any of those activities;
- (h) governing the keeping and disposing of cores, cuttings and samples obtained in exploration for or development of any mineral resources;

- (i) empowering the minister to order, for the purpose of enquiring into any matter, a public enquiry deemed by the minister to be necessary or advisable for the administration of this Act or the regulations;
- (j) prescribing penalties for the breach of any provision of the regulations; and
- (k) respecting any other matter or thing which is incidental or conducive to the attainment of the purposes and objectives of this Act.

1984-85-86, c.M-16.1, s.9; 1989-90, c.54, s.6.

Powers of minister

10 The minister may do those things that he considers necessary respecting the exploration for and the development, management and conservation of the mineral resources of Saskatchewan and, without limiting the generality of the foregoing, the minister may:

- (a) provide for the carrying out of surveys of any or all minerals or mineral resources in Saskatchewan;
- (b) prescribe the form and contents of any document required or provided for by this Act;
- (c) provide for the formulation and implementation of incentive programs to assist in the useful, economical and orderly development of the minerals and mineral resources of Saskatchewan or of any one or more of them;
- (d) provide for the collection, arrangement and systematization of information respecting minerals and mineral resources and the operation of mines or wells for the production of any minerals in Saskatchewan and the preparation and publication of such reports in connection therewith as he deems necessary;
- (e) prescribe the fees to be paid for any information or services and reports, maps and other documents made available by the department to the public;
- (f) make and carry out investigations, examinations, experiments, tests and analyses of or pertaining to minerals for the purpose of determining their scientific and economic value;
- (g) establish and operate facilities for instruction and training in the art of exploring for, developing, operating, managing or conserving the mineral resources of Saskatchewan; and
- (h) with the approval of the Lieutenant Governor in Council, enter into agreements to purchase and sell or otherwise dispose of or utilize any primary production from the mineral resources of Saskatchewan.

1984-85-86, c.M-16.1, s.10.

MINERAL EXPLORATION TAX CREDIT

Tax credits may be issued

10.1(1) For the purpose of encouraging and promoting mineral exploration in Saskatchewan, an eligible mineral exploration corporation may apply to the minister, in accordance with the regulations, for approval to issue mineral exploration tax credits to individuals, other than trusts, who purchase eligible flow-through shares of that corporation to enable the corporation to finance flow-through mining expenditures in Saskatchewan.

(2) A mineral exploration tax credit issued pursuant to subsection (1) is to be an amount equal to 10% of an individual's eligible flow-through mining expenditures for the year determined in accordance with the regulations.

2001, c.22, s.2.

Individual may claim tax credit

10.2(1) Subject to subsection (2), an individual, other than a trust, who is issued a mineral exploration tax credit for a taxation year pursuant to section 10.1 is entitled to claim the tax credit in accordance with section 8.41 of *The Income Tax Act* or section 34.1 of *The Income Tax Act, 2000*.

(2) Where an individual claims a mineral exploration tax credit for a taxation year pursuant to section 8.41 of *The Income Tax Act* or section 34.1 of *The Income Tax Act, 2000*, the individual's annual return required pursuant to *The Income Tax Act* or *The Income Tax Act, 2000* for the taxation year is to be accompanied by a statement provided to the individual by the eligible mineral exploration corporation specifying the individual's entitlement to the tax credit and the amount of the tax credit issued.

2001, c.22, s.2.

Recovery of excess credits

10.3(1) Notwithstanding that the minister has, pursuant to section 10.1, granted an approval to an eligible mineral exploration corporation to issue mineral exploration tax credits respecting an issue of eligible flow-through shares, the minister may recover from the corporation or, where the minister considers it appropriate, from any individual to whom the tax credits were issued, the amount of the tax credits that the corporation was not eligible or entitled to issue where:

- (a) at the time of the approval, the corporation did not meet the requirements to be eligible to issue the tax credits;
- (b) during the period following the approval, the corporation did not meet the requirements to be eligible to issue the tax credits; or
- (c) the amount of the tax credits issued by the corporation exceeds the amount of the tax credits the corporation was entitled to issue based on the actual flow-through mining expenditures made in Saskatchewan.

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(2) Where an amount is recoverable pursuant to subsection (1), that amount is a debt due to the Crown and may be recovered:

- (a) in the manner set out in section 10.4;
- (b) where the tax credit has been claimed in accordance with section 10.2, through an assessment or reassessment pursuant to *The Income Tax Act* or *The Income Tax Act, 2000* or in any other manner provided pursuant to either of those Acts;
- (c) in any manner authorized pursuant to *The Financial Administration Act, 1993*; or
- (d) in any other manner that the minister considers appropriate.

2001, c.22, s.2.

Amount payable a debt due

10.4(1) A debt due to the Crown pursuant to subsection 10.3(2) may be recovered by filing with the Court of Queen's Bench, at any judicial centre, a certificate of the minister certifying the amount payable, together with interest at the prescribed rate to the date of the certificate.

(2) A certificate filed pursuant to subsection (1) has the same force and effect as if it were a judgment obtained in the Court of Queen's Bench for the recovery of a debt in the amount specified in the certificate, together with any reasonable costs and charges with respect to its filing.

2001, c.22, s.2.

Regulations re mineral exploration tax credit

10.5(1) The Lieutenant Governor in Council may, for the purposes of sections 10.1 to 10.4, make regulations:

- (a) defining, enlarging or restricting the meaning of any word or expression used in this Act, including words or expressions defined in this Act;
- (b) respecting the mineral exploration tax credit;
- (c) respecting applications by eligible mineral exploration corporations for approval to issue mineral exploration tax credits;
- (d) respecting the eligibility requirements of eligible mineral exploration corporations applying for approval to issue mineral exploration tax credits;
- (e) respecting flow-through mining expenditures;
- (f) respecting the form of the statement mentioned in subsection 10.2(2);
- (g) respecting the recovery of amounts from eligible mineral exploration corporations and individuals pursuant to section 10.3;
- (h) prescribing the rate of interest for the purposes of section 10.4;
- (i) declaring that a provision of an Act of the Parliament of Canada, or a regulation made pursuant to that Act, applies for the purposes of sections 10.1 to 10.4;

- (j) amending or modifying the application of any provision mentioned in clause (i);
 - (k) respecting reporting requirements of a corporation approved to issue mineral exploration tax credits;
 - (l) respecting the auditing of a corporation issuing mineral exploration tax credits;
 - (m) prescribing any matter or thing required or authorized to be prescribed in the regulations;
 - (n) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary or advisable respecting the mineral exploration tax credit.
- (2) A regulation made pursuant to this section may be made retroactive to a day not earlier than October 18, 2000.

2001, c.22, s.2.

OFFENCES AND PENALTIES

Injunctions, offences and penalties

11(1) Where any person obstructs the minister or any officer of the department in the performance of any of his duties under section 4 or otherwise under this Act, the minister may apply *ex parte* to a judge of Her Majesty's Court of Queen's Bench for Saskatchewan, and the judge may enjoin that person from the obstruction.

- (2) Every person who:
- (a) contrary to this Act or the regulations, explores or prospects for or extracts, recovers or produces any mineral, or who operates any mine or well;
 - (b) obstructs an officer of the department in the execution of his duties;
 - (c) knowingly:
 - (i) furnishes any false or incorrect information to the minister or to any officer of the department with respect to any matter or thing with respect to which information is required under this Act or the regulations; or
 - (ii) keeps, causes or permits to be kept any false or incorrect books or accounts or other records regarding anything required under this Act or the regulations; or
 - (d) contravenes any provision of this Act or any regulation or order made thereunder for the contravention of which no other penalty is provided;

is guilty of an offence and liable on summary conviction to a fine of not more than \$5,000, if an individual, or more than \$25,000, if a corporation, and in the case of a continuing offence to a further fine not exceeding \$200, if an individual or \$1,000, if a corporation, for each day during which the offence continues.

- (3) If a corporation has committed an offence provided for in this Act or in the regulations, any officer, director or agent of the corporation who directed, authorized, assented to, acquiesced in or participated in the commission of the offence is a party to and guilty of the offence and is liable on summary conviction to the punishment provided for the offence, whether or not the corporation has been prosecuted or convicted.

1984-85-86, c.M-16.1, s.11.

Limitation of prosecution

12 No prosecution for an offence under this Act or the regulations or orders made hereunder shall be commenced more than one year after the date on which the offence is alleged to have been committed.

1984-85-86, c.M-16.1, s.12.

Prosecution no bar to civil action

13 No prosecution for an offence under this Act or the regulations or orders made hereunder shall relieve the person prosecuted from any civil action for damages at the suit of a person who has suffered damage, loss or injury in consequence of the offence.

1984-85-86, c.M-16.1, s.13.

REPEALS

R.S.S. 1978, c.C-14 repealed

14 *The Coal Conservation Act* is repealed.

1984-85-86, c.M-16.1, s.14.

R.S.S. 1978, c.N-2 repealed

15 *The Natural Gas Development and Conservation Board Act* is repealed.

1984-85-86, c.M-16.1, s.15.

R.S.S. 1978, c.O-3 repealed

16 *The Oil and Gas Conservation, Stabilization and Development Act* is repealed.

1984-85-86, c.M-16.1, s.16.

Certain regulations to remain in force

17 Notwithstanding the repeal of *The Mineral Resources Act* pursuant to *The Crown Minerals Act*, the following regulations, as amended from time to time, remain in force and may be amended or repealed pursuant to this Act as if they had been made pursuant to this Act:

- (a) *The Sedimentary Basin Geophysical Exploration Regulations, 1985*; and
- (b) *The Oil and Gas Incentive Regulations, 1978*.

1984-85-86, c.M-16.1, s.17.