

## EXPLANATORY NOTES

### BILL No. 35

#### An Act to amend *The Mineral Resources Act, 1985*

#### Clause of Bill

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1 *The Mineral Resources Amendment Act, 2025.*

2 *The Mineral Resources Act, 1985*

3 **Existing Provision**

Short title and interpretation

#### **Explanation**

The heading preceding section 1 is amended and numbered to conform to contemporary legislative drafting standards.

4 **Existing Provision**

Interpretation

2(1) In this Act:

- (a) “**Crown**” means the Crown 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- (d) **Repealed.** 2018, c 42, s. 31.
- (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;
- (h.1) “**ministry**” means the ministry over which the minister presides;
- (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;
  - (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 the Crown in right of Canada or in right of any province, and on any person acting on behalf of the Crown in right of Canada or in right of any province.

1984-85-86, c.M-16.1, s.2; 1992, c.25, s.16; 2018, C42, s.31 and s.65.

### **Explanation**

The new definitions of ‘court’, ‘mineral title’ and ‘uncertified mineral title’ are added.

The definition of ‘Crown’ is renumbered.

The definition of ‘mineral parcel’ is moved from section 8.1 to subsection 2(1).

### **Explanation**

Subsection 2(2) is amended by excluding Part 2 from the application of the Act, clarifying that the provisions authorizing and administering Designated Subsurface Development Areas do not apply to federal lands such as national parks, military bases, First Nations’ reserves, etc.

## **5 Existing Provision**

Application

### **Explanation**

The heading preceding section 3 is struck out.

## **6 Existing Provision**

None.

### **Explanation**

New “PART 2 Designated Subsurface Development Area” is added to govern the administration of Designated Subsurface Development Areas.

New section 3.1, “Definitions for Part”, contains the definitions of ‘affected person’, ‘applicant’, ‘designated subsurface development area’, and ‘uncontrolled interest’ that only apply to this Part.

New section 3.2, “Application for designated subsurface development area”, outlines the application process and criteria that applicants must meet to apply to the minister for a Designated Subsurface Development Area. This section also clarifies that Parts IV and V of The Oil and Gas Conservation Act apply in the case of oil and gas development.

New section 3.3, “Designated subsurface development area”, allows the minister, subject to approval by the Lieutenant Governor in Council, to issue an order authorizing the right to explore for, develop, or produce minerals in the designated area. This section also outlines the procedure the minister must follow when an application is denied.

New section 3.4, “Minister’s Order re certain circumstances”, provides for the minister to issue an order designating a Subsurface Development Area in cases where a mineral owner cannot be confirmed after a five-year meaningful search has been conducted.

New section 3.5, “Public notice”, outlines how a public notice for a minister’s order must be posted and communicated to the public.

New section 3.6, “Designation order”, establishes the contents of a minister’s order, including provisions for amending or terminating an order, and clarifies that an order does not grant access to the surface of the land.

New section 3.7, “Production allocation to each mineral parcel”, establishes the framework for fair mineral resource production allocation in a Designated Subsurface Development Area.

New section 3.8, “Agreement respecting designated subsurface development area”, allows the minister to enter into operating agreements with the operator of a Designated Subsurface Development Area.

New section 3.9, “Payment for holder of uncontrolled interest”, establishes the process for determining, remitting, and paying a just and equitable share of mineral proceeds to persons with an interest in the mineral parcel who are either unknown or have not consented to the exploration, development, or production of minerals.

New section 3.91, “Immunity”, provides legal protection for any parties related to an application or order for a Designated Subsurface Development Area, and only if

these parties act in good faith and in accordance with the principles and intent of this act.

**7 Existing Provision**

Administration

**Explanation**

The heading preceding section 4 has been amended and numbered to conform to contemporary legislative drafting standards.

**8 Existing Provision**

Amendments to mineral parcels re accretion

8.1(1) For the purposes of this section:

“**accreted land**” means land formed through the process of accretion;

“**accretion**” means accretion as defined in The Provincial Lands Act, 2016;

“**mineral parcel**” means a mineral parcel as defined in The Land Titles Act, 2000;

“**non-Crown disposition**” means the rights granted by a person under a lease or any other instrument by which the person has granted to another person any right or privilege to explore or prospect for any mineral, or any other right to or interest in any mineral;

“**original grant**” means an original grant as defined in The Provincial Lands Act, 2016;

“**surface parcel**” means a surface parcel as defined in The Land Titles Act, 2000.

(2) Subject to subsection (3), the minister may consent to the transfer of accreted land within a mineral parcel to the adjacent landowner if:

(a) ministerial consent has been given pursuant to The Provincial Lands Act, 2016 to recognize the effect of accretion on the surface parcel; and

(b) any other prescribed conditions are met.

(3) The transfer of accreted land within a mineral parcel mentioned in subsection (2) must conform to the transfer of accreted land within the surface

parcel that occurred pursuant to The Provincial Lands Act, 2016 to the greatest extent possible.

(4) If the minister consents to the transfer of accreted land within a mineral parcel pursuant to subsection (2):

- (a) an application must be made pursuant to The Land Surveys Act, 2000 and The Land Titles Act, 2000 for new titles to be issued;
- (b) any reservations contained in the original grant for the adjacent mineral parcel will apply to the accreted land within the mineral parcel;
- (c) the minister's consent may be subject to any conditions required by any other Act or regulations.

(5) The minister may withhold consent to the transfer of accreted land within the mineral parcel mentioned in subsection (2) in accordance with any prescribed conditions.

(6) Notwithstanding any provision in any other Act, this section applies to the transfer of any mineral title if that transfer is based on accretion.

(7) Notwithstanding any consent given by the minister for a transfer of accreted land within a mineral parcel to the adjacent landowner pursuant to subsection (2), no liability exists for any revenue obtained by the Crown for land that was permanently dry because of accretion before or after the coming into force of this section and before the minister's consent was given pursuant to subsection (2).

(8) No action or proceeding based on any claim for loss or damage relating to accretion or resulting from the enactment or application of this section lies or shall be commenced against:

- (a) the Crown;
- (b) a member or former member of the Executive Council;
- (c) any employee or agent or former employee or agent of the Crown; or
- (d) any mineral owners, Crown disposition holders, non-Crown disposition holders, operators under a unit operation or operators for the purposes of pooling pursuant to The Oil and Gas Conservation Act, or any other person with an existing interest in producing freehold or Crown minerals within or adjacent to the mineral parcel subject to this section.

(9) Every claim for loss or damage relating to accretion or resulting from the enactment or application of this section is extinguished.

## **Explanation**

The definition of ‘mineral parcel’ is deleted from subsection 8.1(1) and moved to subsection 2(1).

### **9 Existing Provision**

None.

## **Explanation**

New section 8.2 establishes a standard for service of notices under this act.

### **10 Existing Provision**

Regulations

## **Explanation**

The heading preceding section 9 is struck out.

### **11 Existing Provision**

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;
  - (d.1) exempting, on any terms and conditions, any person, category of persons, application or category of applications from the requirements of this Act and the regulations with respect to the payment of fees;
- (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;
  - (h.1) for the purposes of section 8.1:
    - (i) prescribing any conditions under which the minister may withhold consent to the transfer of accreted land within a mineral parcel;
    - (ii) prescribing any things the minister may consider in making a decision to provide consent to the transfer of accreted land within a mineral parcel;
    - (iii) prescribing any other matter or thing that the Lieutenant Governor in Council considers necessary or advisable for the administration of that section in order to carry out the intent of that section;
- (i) empowering the minister to order, for the purposes 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;  
2014, c.21, s.14; 2023, c5, s.3-4.

## **Explanation**

Section 9 is amended by removing subsections (1) and (2) and relisting the clauses as subsections.

Clause (1)(a) is renumbered as subsection (b).

Clause (1)(b) is renumbered as subsection (c).

Clause (1)(c) is renumbered as subsection (d).

Clause (2)(a) is renumbered as subsection (a) and amended to align with current legislative drafting standards.

Clause (2)(b) is renumbered as subsection (p) and amended to align with current legislative drafting standards.

Clause (2)(c) is renumbered as subsection (e) and amended to align with current legislative drafting standards.

Clause (2)(d) is renumbered as subsection (f) and amended to align with current legislative drafting standards.

Clause (2)(d.1) is renumbered as subsection (g).

Clause (2)(e) is renumbered as subsection (h).

Clause (2)(f) is repealed to align with the modern requirement that boards must be established through legislation rather than by regulation.

Clause (2)(g) is renumbered as subsection (i).

Clause (2)(h) is renumbered as subsection (j) and amended to provide regulation-making authority regarding the storage and disposal of cores, cuttings, and samples collected during mineral production.

Clause (2)(h.1) is renumbered as subsection (l).

Clause (2)(i) is renumbered as subsection (o).

Clause (2)(j) is repealed as penalties are already established by the Act.

Clause (2)(k) is renumbered as subsection (q) and amended to align with current legislative drafting standards.

New subsection (k) is added to provide regulation-making authority to prescribe alternative allocation of production from mineral parcels, if necessary.

New subsections (m) and (n) are added to provide regulation-making authority to prescribe additional methods of serving notice and to specify when a notice is considered received, respectively.

**12 Existing Provision**

Mineral Exploration Tax Credits

**Explanation**

The heading preceding section 10.1 is amended and numbered to conform to contemporary legislative drafting standards.

**13 Existing Provision**

Offences and Penalties

**Explanation**

The heading preceding section 11 is amended and numbered to conform to contemporary legislative drafting standards.

**14 Existing Provision**

Repeals

**Explanation**

The heading preceding section 14 is amended and numbered to conform to contemporary legislative drafting standards.

**15 Existing Provision**

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.

**Explanation**

Section 17 is repealed because the referenced regulations are no longer in force and their provisions are captured by alternative acts.

**16 Existing Provision**

Coming into Force

**Explanation**

The heading is struck out.

**17 Existing Provision**

None.

**Explanation**

*The Mineral Resources Amendment Act, 2025* comes into force on royal assent.

Prepared by the Ministry of Energy and Resources