

AGENDA

Minerals Management Subcommittee
Permanent School Fund Advisory Committee
June 18, 2009
1 p.m.

❖ Review of Charge

- The goal of this subcommittee is to review the mineral leasing and management programs of the DNR and statutes related to the school trust fund lands and recommend, to the PSFAC, necessary changes that could be made.

❖ Background Information and Presentation by DNR Staff

- Minerals Management processes and procedures
 - Challenges facing the taconite industry
 - Non-ferrous metallic minerals exploration and leasing
- Minerals Management Account

❖ Discussion/Questions

❖ Next Steps for this Subcommittee

- Future Subcommittee meetings

DNR Lands and Minerals

- 1) Promote Mineral leasing of school trust minerals through lease sales (93.16) and negotiated leases (93.1925)
 - Ferrous (Taconite, iron ore, stockpiles)
 - Aggregate
 - Non-ferrous
 - Industrial minerals
 - Peat
 - Dimension stone & Stockpiles
- 2) Ensure exploration is performed according to statutory regulations (103I).
- 3) Retain at least ¼ drill core in the Hibbing Drill Core Library along with drilling data for future use (103I.605).
- 4) Issue Permit to Mine (Review mine plan, Environmental impacts, Closure plan, etc). (93.44 to 93.51)
- 5) Accurate accounting of minerals mined on school trust land (93.20)
 - Inspect weighing devices
 - Verifying mined material by calculating void
 - Dispute resolution with adjacent mineral owners
 - Ensure lean ore stockpiles are placed in areas for future use
- 6) Ensure accurate payment of mineral royalty (93.20).

Minnesota Statute 127A.31

School Trust Fund

GOAL OF THE PERMANENT SCHOOL FUND.

The legislature intends that it is the goal of the permanent school fund to secure the maximum long-term economic return from the school trust lands consistent with the fiduciary responsibilities imposed by the trust relationship established in the Minnesota Constitution, with sound natural resource conservation and management principles, and with other specific policy provided in state law.

Minnesota Statute 93.001

Policy for Mineral Development

It is the policy of the state to provide for the diversification of the state's mineral economy through long-term support of mineral exploration, evaluation, environmental research, development, production, and commercialization.

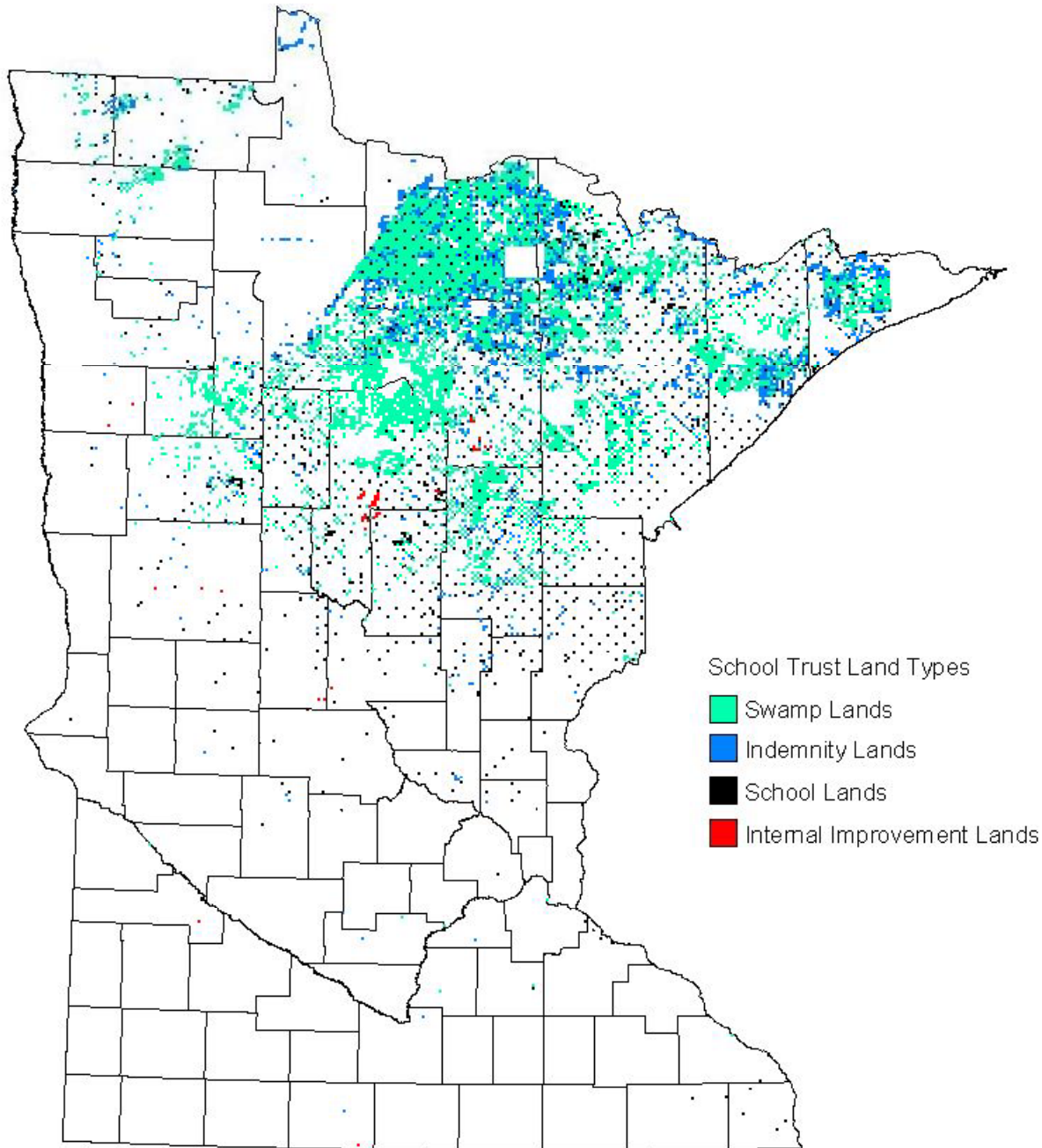
The State As Trustee

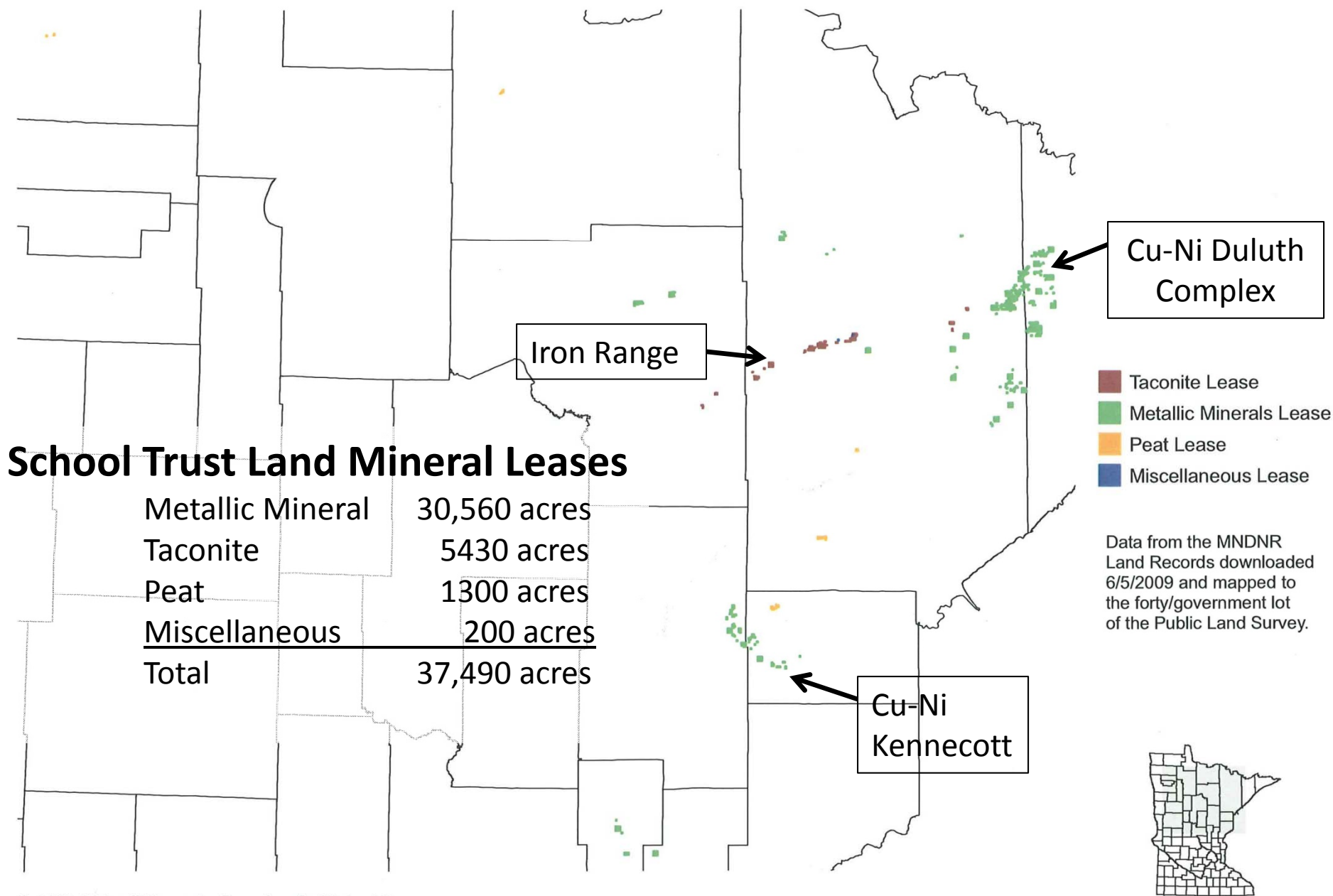
Duties of a Trust Manager:

- **To invest trust assets properly**
- **To lease or sell trust property as directed**
- **To furnish information to the beneficiary**
- **To be loyal to the beneficiary**

School Trust Lands

**Approx. 3.5 Million
Acres of Mineral
Rights**





School Trust Fund Mineral Royalty by Mineral Type

Mineral Type	FY 2005	FY 2006	FY 2007	FY 2008	Total
Taconite	\$11,334,689	\$10,808,098	\$16,246,028	\$20,729,068	\$59,117,883
Non-ferrous	\$82,964	\$119,519	\$167,270	\$178,421	\$548,174
Peat	\$45,490	\$54,916	\$85,528	\$1,020*	\$186,954
Miscellaneous & Stockpile	\$101,642	\$177,109	\$50,454	\$61,577	\$390,782
Total	\$11,564,785	\$11,159,642	\$16,549,280	\$20,970,086	\$60,243,793

*Note: Some peat royalty payments were received late – August 2008 and will be in FY 2009

Note: Miscellaneous & stockpile lease royalty payments will be more than \$350,000 for FY 2009

Note: There was Industrial Mineral Lease income for FY2008 that is not included (\$2,189)

Taconite Royalty Income FY 2005 – FY 2008

Fund Type	FY 2005	FY 2006	FY 2007	FY 2008	4 yr Total
School Trust	\$11,334,689	\$10,808,098	\$16,246,028	\$20,729,068	\$59,117,883
University Trust	\$7,549,115	\$7,089,065	\$9,958,373	\$9,380,671	\$33,977,224
Tax Forfeit	\$1,391,692	\$1,158,255	\$1,436,217	\$373,608	\$4,359,772

Non Ferrous Mineral Lease Income FY 2005 – FY 2008

Fund Type	FY 2005	FY 2006	FY 2007	FY 2008	4 yr Total
School Trust	\$82,964	\$119,519	\$167,270	\$178,421	\$548,174
Tax Forfeit	\$80,840	\$126,798	\$155,010	\$158,665	\$521,313
Other	\$38,917	\$46,922	\$76,116	\$70,761	\$232,716

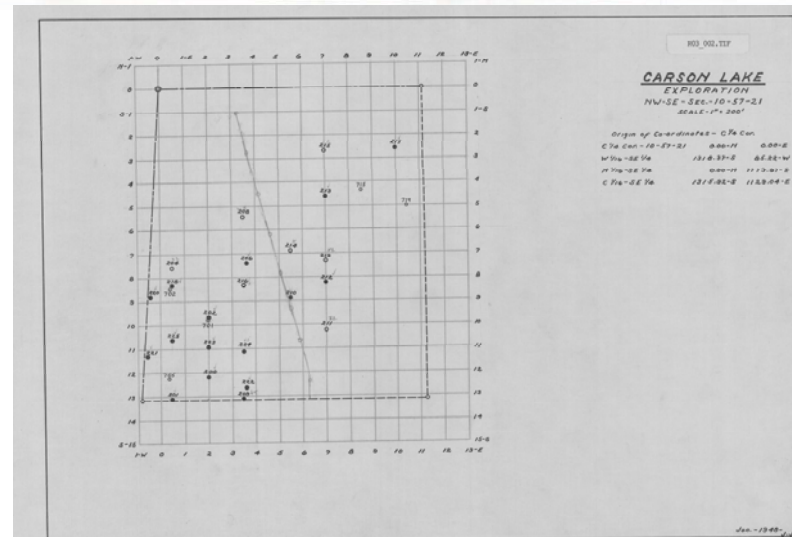
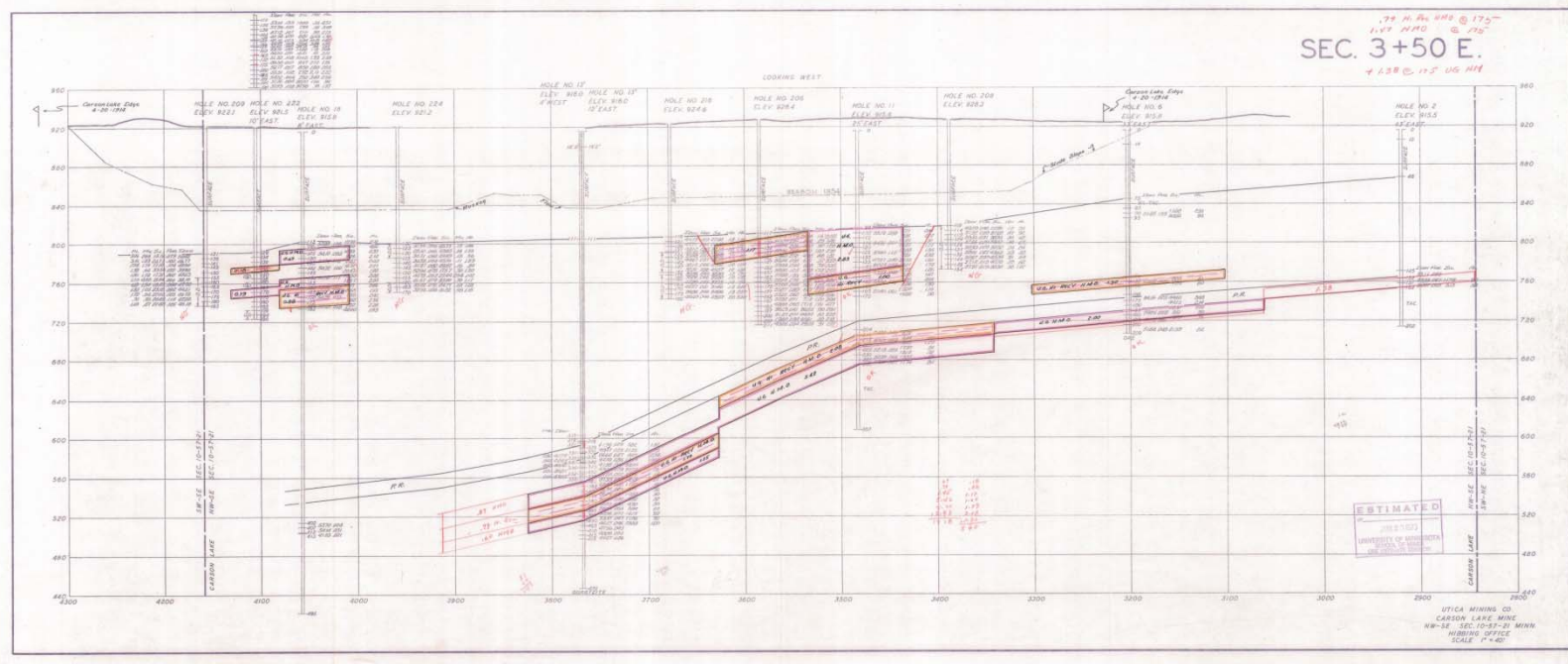
Promote Minnesota Iron Ore and Taconite Mining and Development

- 1) Maintain data and drill core information on known taconite deposits and natural iron ore deposits and promote mining of these deposits.
- 2) Ensure that taconite leases and iron ore leases have royalty escalators and de-escalators that properly reflect iron ore and pellet markets. Ensure mined quantities are correct .
- 3) Ensure that research is conducted that provides for maintenance of the current industry and provides new opportunities to market Minnesota taconite and iron ore.
- 4) Maintain data on stockpiles and investigate and develop opportunities to sell stockpiles for various uses such as iron recovery, road material, fill, etc.

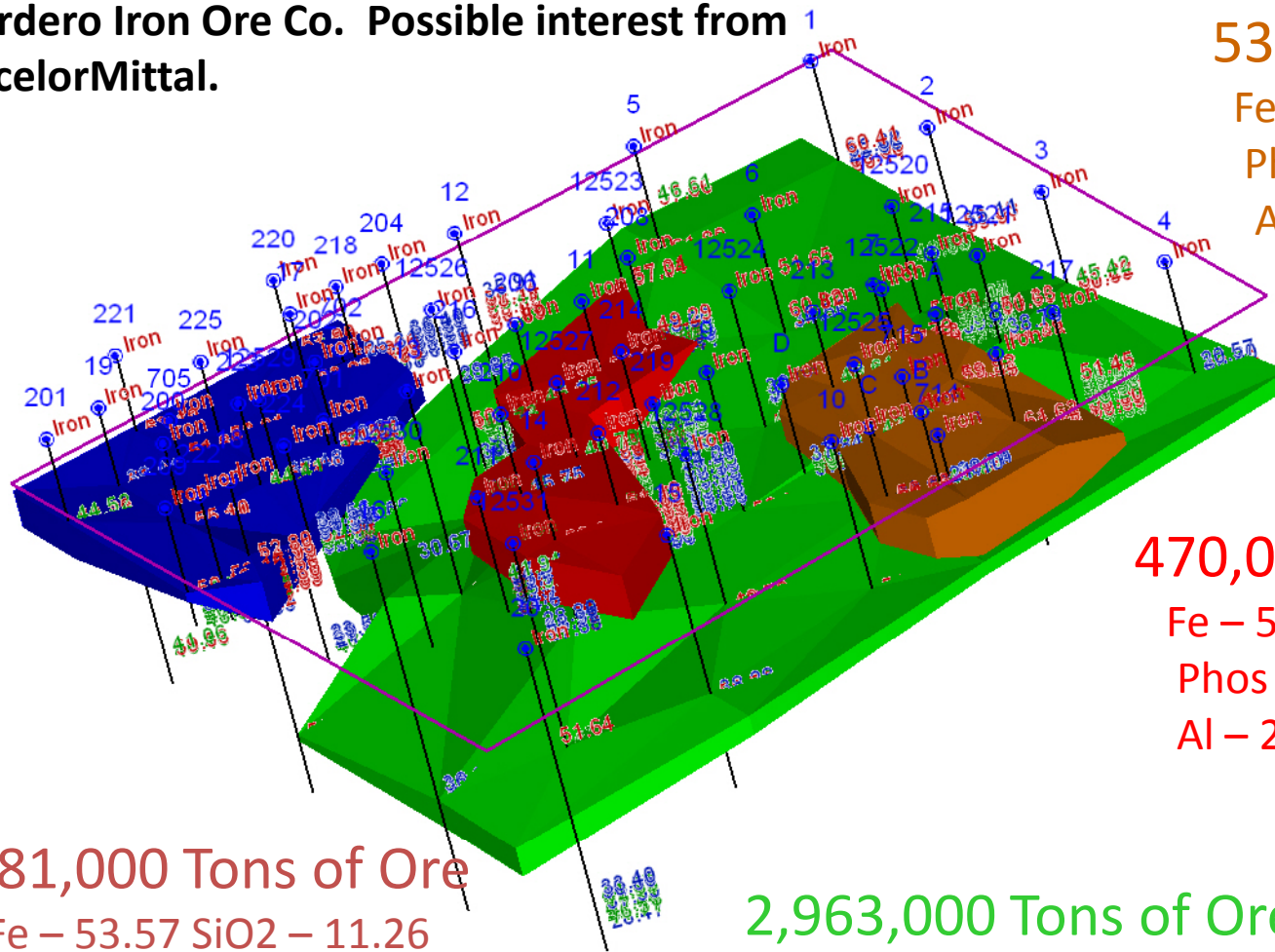


**DNR Drill Core Library – Hibbing, MN
2,300,000 feet of drill core.**

Old Iron Ore Data on School Trust Minerals Carson Lake Iron Ore Deposit



Presentation to promote mining this school trust iron ore deposit. Current interest from Cardero Iron Ore Co. Possible interest from ArcelorMittal.



530,000 Tons of Ore

Fe – 58.45 SiO₂ – 11.73

Phos – 0.04 Mn – 0.82

Al – 1.38 Moist – 12.12

470,000 Tons of Ore

Fe – 55.29 SiO₂ – 9.50

Phos – 0.08 Mn – 1.60

Al – 2.56

581,000 Tons of Ore

Fe – 53.57 SiO₂ – 11.26

Phos – 0.08 Mn – 1.22

Al – 2.42 Moist – 18.48

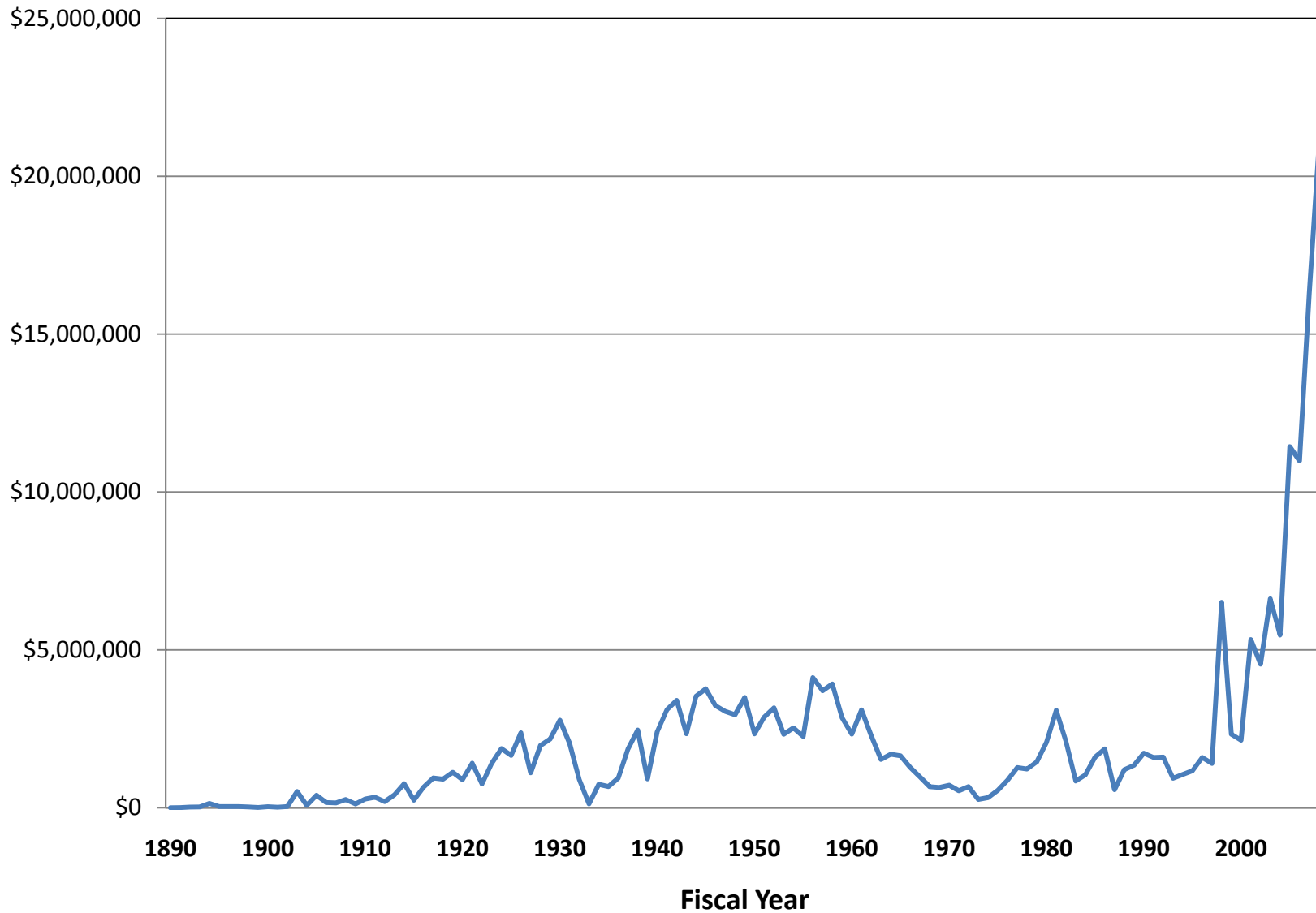
2,963,000 Tons of Ore

Fe – 53.49 SiO₂ – 14.36

Phos – 0.06 Mn – 0.77

Al – 1.02 Moist – 10.67

Ensure Taconite Leases have proper royalty escalators
School Trust Iron Ore & Taconite Royalties, 1890 to 2008



Future School Trust Taconite

School Trust Taconite Mined by Calendar Year

Company	2008 Trust Taconite LTons	2009 Trust Taconite Ltons (estimate)
Minntac	22,191,181	6,000,000
Northshore	2,172,080	1,300,000
Hibtac	67,196	0
Total	24,430,457	7,300,000

Note: As of June 1, 2009 only 2,063,105 Ltons of School Trust taconite have been mined. Projections are that the integrated steel industry and thus the taconite industry should see recovery during 2010.

In 2008 School Trust taconite accounted for about 18% of taconite mined.

Future School Trust Taconite and Iron Ore

Taconite

Essar Steel Minnesota – 2 school trust mineral leases

Mesabi Nugget – 1 school trust mineral lease

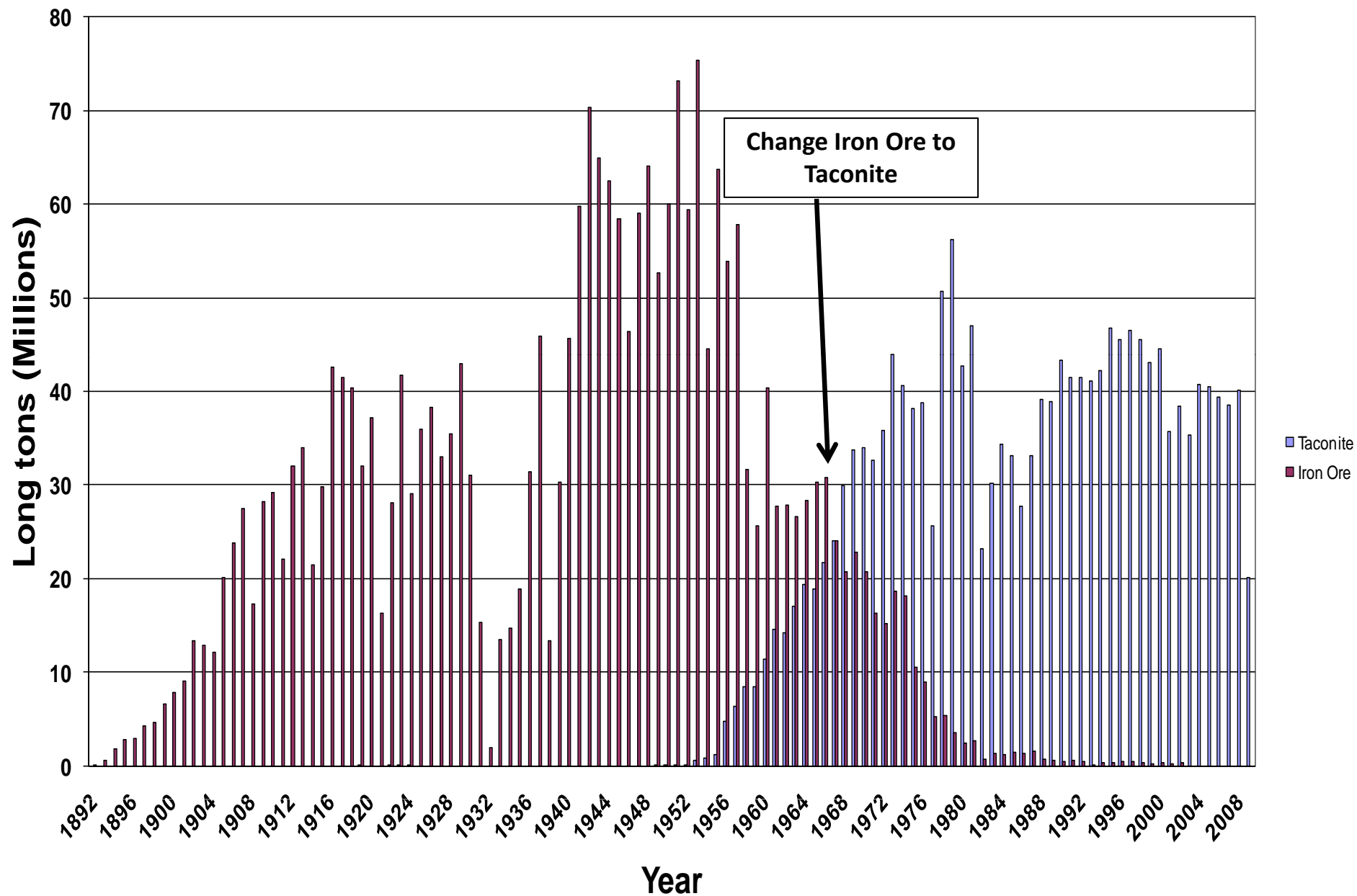
Stockpiled Iron Ore

Magnetation is currently operating a plant south of Keewatin that is recovering non-magnetic iron oxide (hematite) from tailings and stockpiles. The school trust has ownership of several stockpiles and tailings basins that Magnetation could process. One of the largest school trust stockpiles is in Hill Annex State Park.

Natural Iron Ore

Several companies have expressed interest in developing known natural iron ore deposits. Cardero Iron Ore Company LTD has leased iron-titanium deposits in NE Minnesota and will begin exploration soon. They have also indicated interest in investigating and performing beneficiation tests on natural iron ore deposits. The school trust has mineral ownership in several of these known natural iron ore deposits.

Mesabi Range Taconite/Iron Ore Production



Assist Taconite & Iron Ore Industry Iron Ore Cooperative Research Program

The intent of the program is to support and sustain the Minnesota taconite industry in the face of increasing overseas competition through additional research that would result in decreased production costs, improved product quality, improved productivity, and development of new products. Research is also conducted to ensure the continued operation of the taconite facilities in an environmentally responsible manner. The program requires a \$1 match from industry for each \$2 of state funding. Sustainance of the current taconite industry will continue to provide revenue to the School and University Trust Funds. Total funding for the Iron Ore Coop Research Program for the coming biennium (FY10 & FY11) will be \$1,053,000 (\$702,000 state funding and \$351,000 industry funding). 137 Research projects have been funded since 1985.

Assist Taconite & Iron Ore Industry

Iron Ore Cooperative Research Project Examples

IOCR Research Project - Development of Minnesota Taconite Fluxed Pellets as an Improved Blast Furnace Burden Material

This research resulted in the production of fluxed pellets at 3 of Minnesota's six taconite plants or about 50% of Minnesota pellet production.

IOCR Innovative Research Project - Evaluation of ferrous wheel magnetic separator

This research assisted in the development of the device that is currently being used in the Magnetation process

IOCR Environmental Research Projects

- 1) Mercury Transport in Taconite Processing Facilities: (I) Release and Capture During Induration
- 2) Mercury and Mining in Minnesota
- 3) Mercury Removal from Induration Off-gas by Wet Scrubbers

This research has resulted in a method that was tested in short term (2 to 4 day tests) at each taconite facility. The results were that 60 to 80 percent of the mercury was removed from the induration off-gas.

Department of Natural Resources Fact Sheet The Iron Ore Cooperative Research Program

Summary

The Department increased state funding for the Iron Ore Cooperative Research Program from \$275,000 annually to \$475,000 annually. The program requires a \$1 match from industry for each \$2 of state funding. This increase resulted in increasing the total research funded from \$412,500 annually to \$712,500 annually, which is used to assist the industry with research that will decrease production costs, improve product quality, increase productivity, decrease air emissions, and develop new products.

It is needed because

The intent is to support and sustain the Minnesota taconite industry in the face of increasing overseas competition through additional research that would result in decreased production costs, improved product quality, improved productivity, and development of new products. Research will also be conducted to ensure the continued operation of the taconite facilities in an environmentally responsible manner.

Financial implications

The Minnesota taconite industry provides \$1.14 billion annually to Minnesota's economy. The taconite industry could expand within existing products, new products or both. Support of this industry will assist in maintaining this segment of the state's economy. Sustainance of the current taconite industry will continue to provide revenue to the School and University Trust Funds.

Background

Minnesota Statute 93.001 states: "It is the policy of the state to provide for the diversification of the state's mineral economy through long-term support of mineral exploration, evaluation, environmental research, development, production, and commercialization."

Following is a list of taconite plant installations and/or process changes resulting in cost savings, product improvements, new products, and environmental improvements, at Minnesota taconite facilities. These have been a direct result of the Iron Ore Cooperative Research program.

- Production of fluxed pellets at three Minnesota taconite plants.
- Improved standard pellet quality at two taconite facilities through the use of limestone addition.
- Improved pellet chemistry at one taconite facility through the use of organic pellet binders.

- Installation of filter-cake-treatment systems at two taconite companies resulted in bentonite cost savings.
- Installation of dry cobbing of autogenous mill pebbles at a taconite plant reduced the amount of grinding energy required.
- Installation of ported kilns at a taconite facility decreased pellet-firing energy.
- Installation of four 5-foot diameter flotation columns at a taconite facility decreased concentration costs.
- Emission studies provided data that assisted companies in obtaining air emission permits and alternative fuel permits.
- Sag mill feed size control resulted in energy savings in a taconite ball mill circuit.
- Digital Image Analysis of crushed ore resulted in reducing grinding energy consumption.
- Installation of Vertimills decreased grinding energy and increased iron recovery.
- In-pit tailing disposal of taconite tailings resulted in cost savings.
- Development of a new magnetic susceptibility meter allowed for cost effective processing of taconite ore at all six taconite facilities.
- Computational Fluid Dynamics modeling increased pellet production capacity and decreased production cost.
- Pre-classification of flotation feed at a taconite facility increased concentrate production.
- Concentrator modeling resulted in decreased grinding energy usage.
- Water studies identified treatment methods for scrubber water that improved process water quality, resulted in decreased process costs and lessened environmental impacts.
- A scrubber process installed at a taconite facility resulted in about a 35% decrease in mercury emissions for that facility.
- Performed mercury emission studies to determine methods to decrease mercury emissions from taconite furnaces.

For further information contact:

Marty Vadis, Director
DNR Division of Lands and Minerals
651-259-5379
Marty.Vadis@dnr.state.mn.us

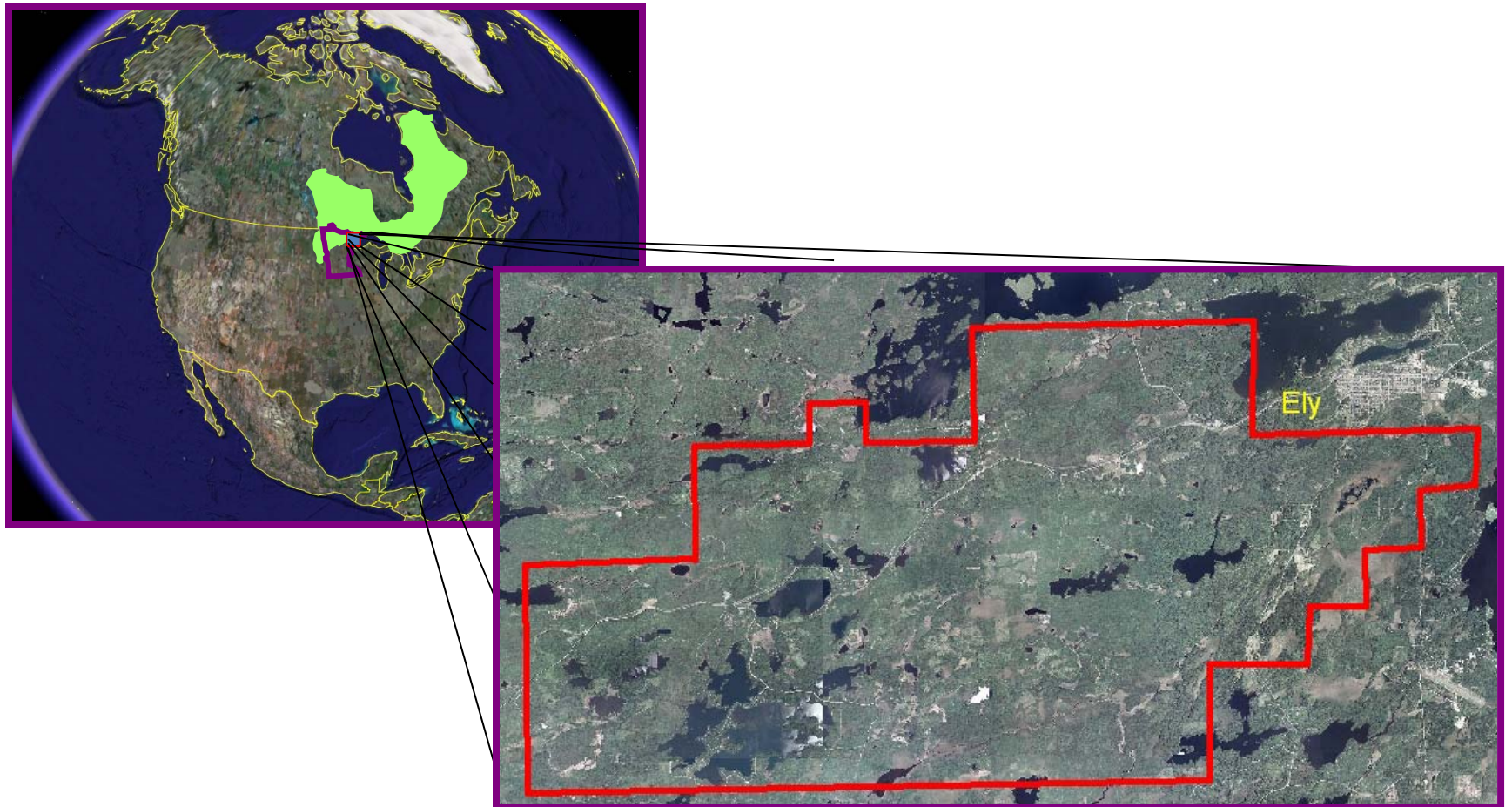
Promote the Development and Exploration of Minnesota Non-ferrous Minerals

- 1) Maintain data and drill core information on known non-ferrous mineral deposits and promote the exploration and development of these deposits.
- 2) Ensure that research is conducted that provides information concerning the location of possible undiscovered non-ferrous deposits.
- 3) Ensure that non-ferrous leases have rental and royalty escalators that ensure the minerals will be explored and developed in a timely manner.
- 4) Conduct research that ensures that non-ferrous mineral development is conducted in an environmental sound manner.

Note: This is a slide from a presentation to promote interest in a state mineral lease sale that included school trust minerals

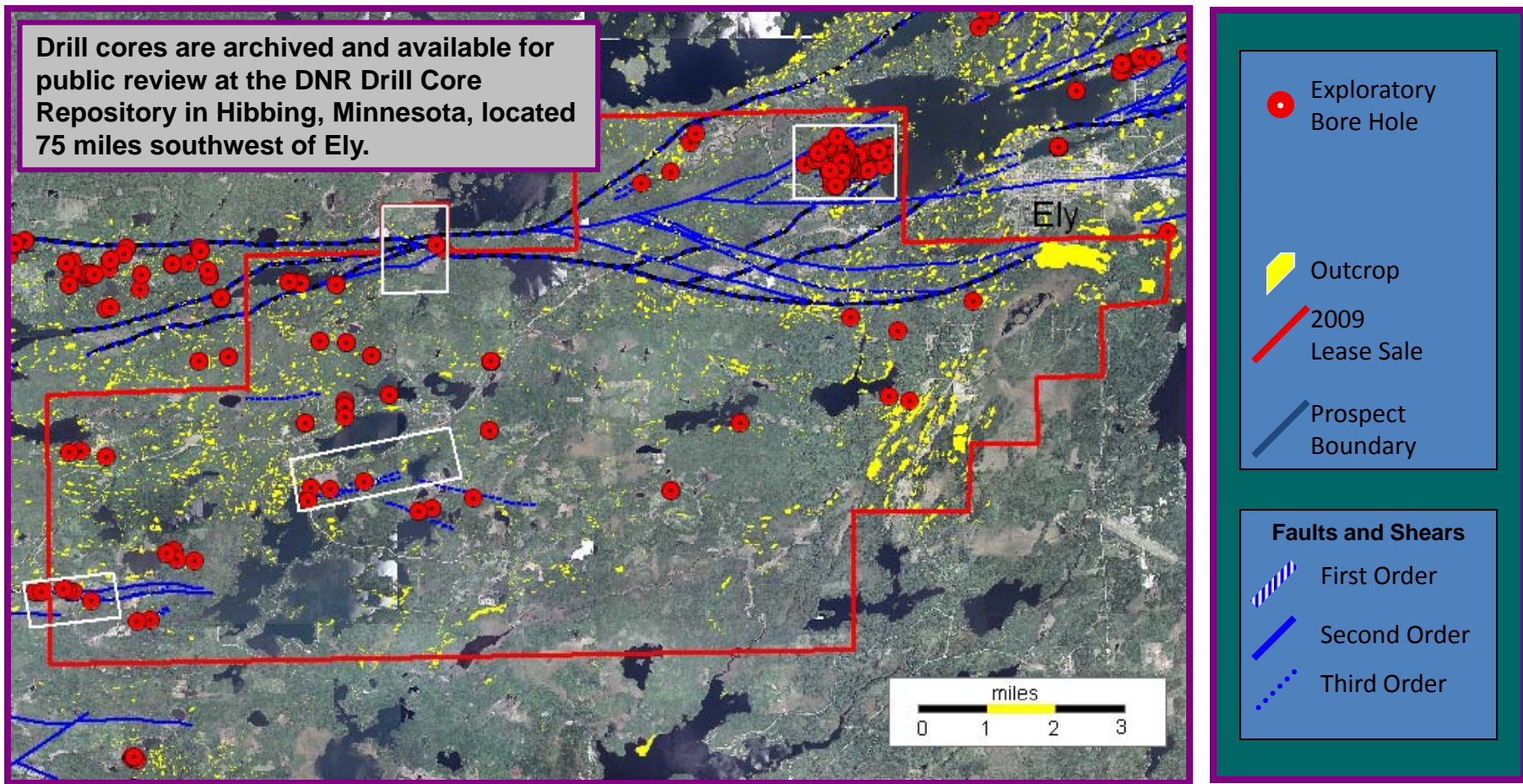
State Metallic Minerals Lease Sale

Minnesota's Vermilion Gold District



Note: This is a slide from a presentation to promote interest in a state mineral lease sale that included school trust minerals

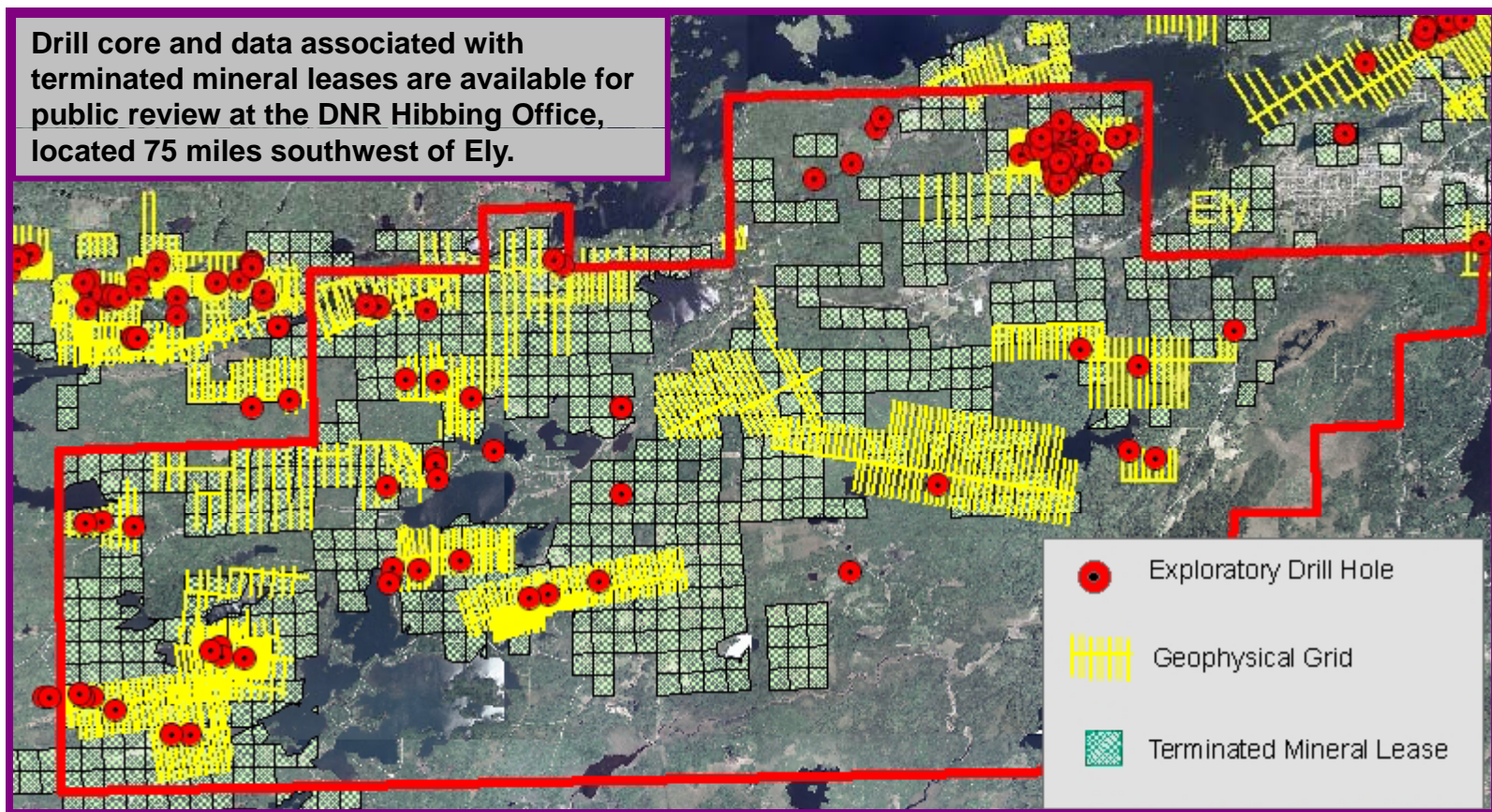
Outcrops and Drill Holes



Note: This is a slide from a presentation to promote interest in a state mineral lease sale that included school trust minerals

State Metallic Minerals Lease Sale

Minnesota's Vermilion Gold District

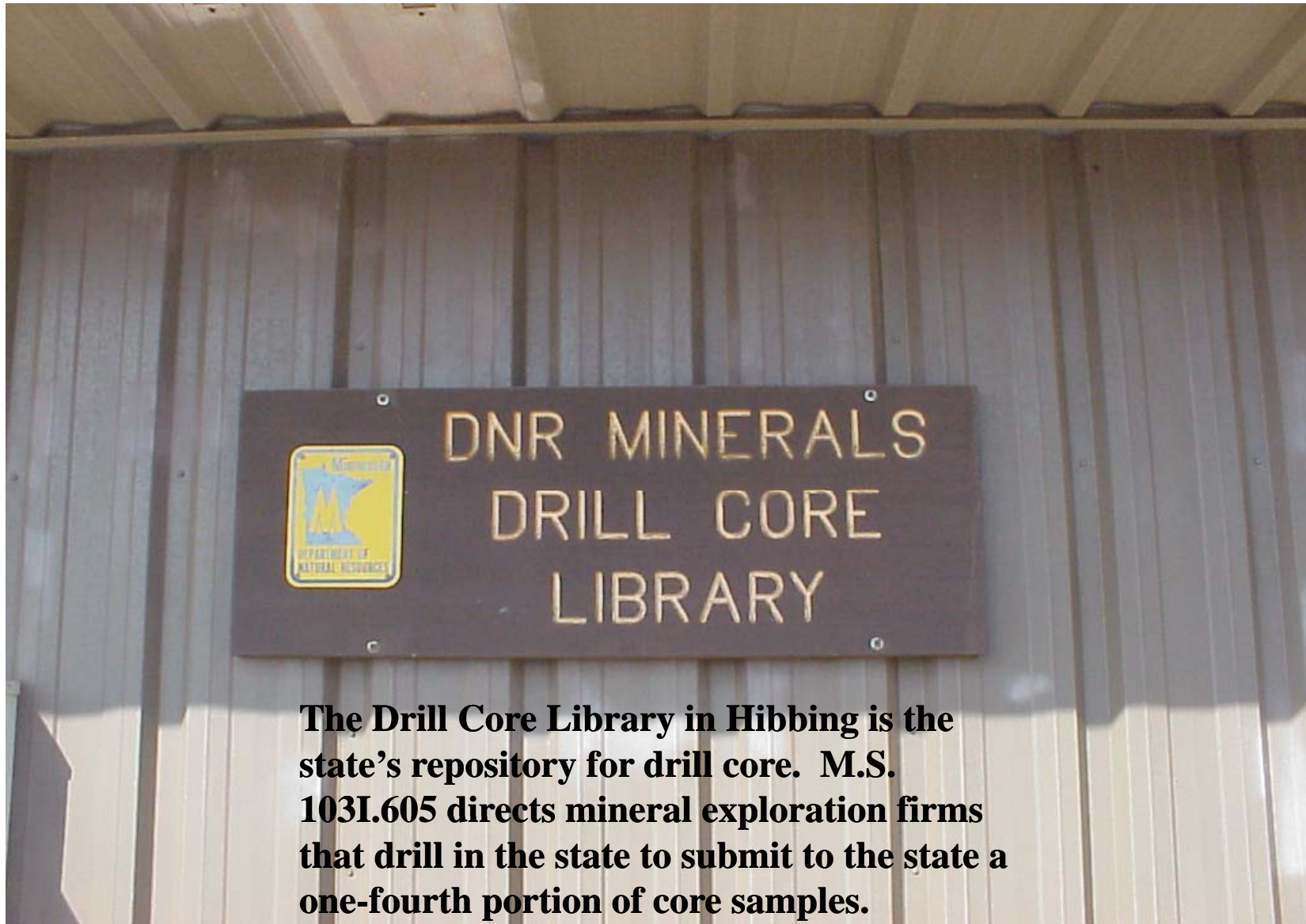


Mineral Diversification Research Program

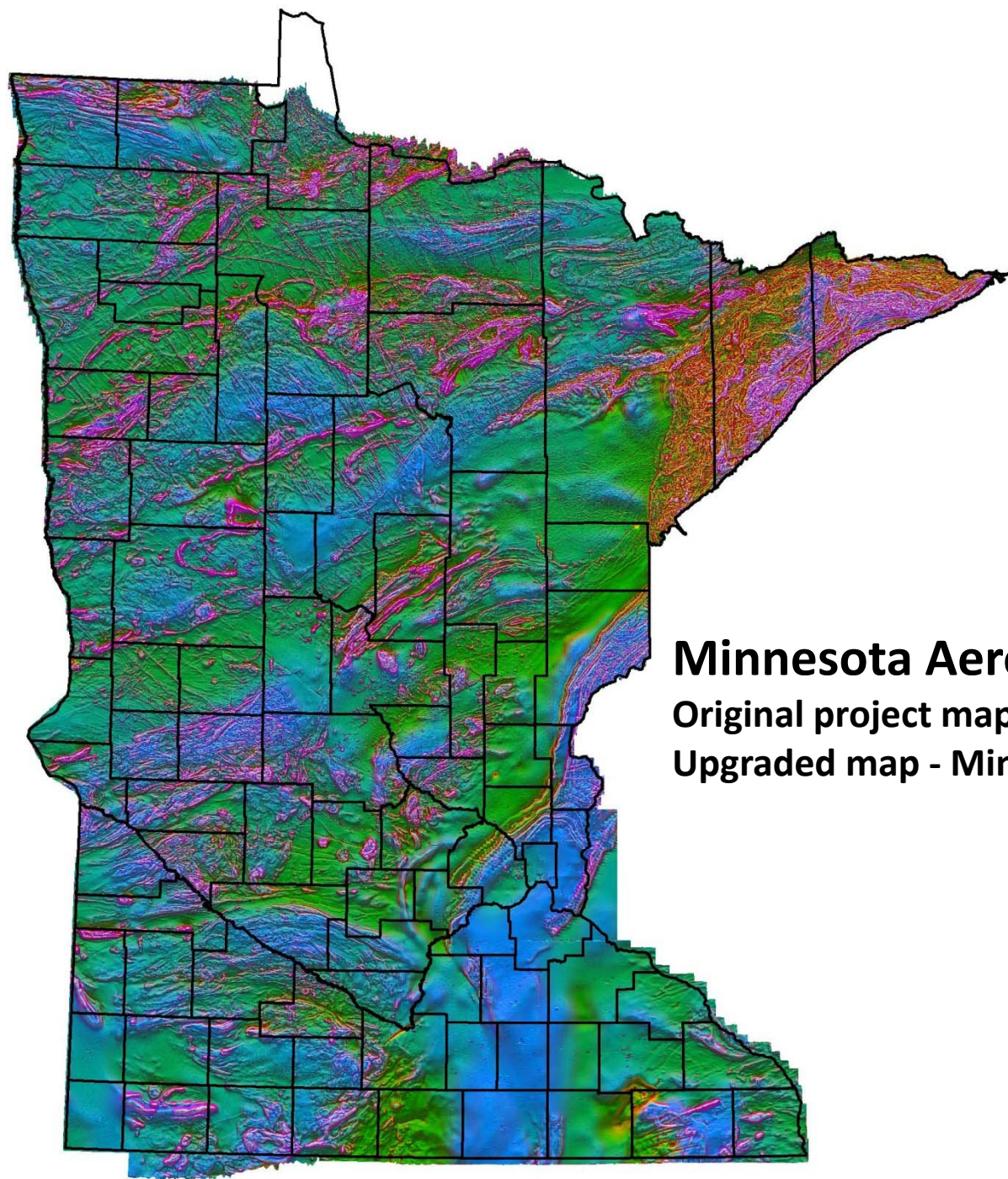
Minerals Coordinating Committee. The Minerals Coordinating Committee was established by the Minnesota legislature as part of the **minerals diversification plan**. The MCC is composed of representatives from the minerals industry, labor, state agencies, and university research organizations. The committee was appropriated \$249,000 for FY 2010 - 2011 for funding mineral research projects. The goal is to fund research projects that increase the knowledge of the states mineral potential, stimulate the development of mineral resources in the state, and promote basic mineral research. The programs success has resulted in increased interest in exploration and development of Minnesota's copper-nickel resources by mining companies such as Duluth Metals, Teck-Cominco, Kennecott, PolyMet Mining, Encampment Minerals, Prime Meridian Resources, and Franconia Minerals. Funding from this program has also been used to identify Minnesota aggregate resources, which aids county planning agencies in determining zoning regulations.

122 research projects have been completed between 1988 and 2009 that has result in

- 1) The discovery of Platinum Group Metals in historic drill core samples, which resulted in the current Birch Lake development project.
- 2) More than 250 state metallic mineral leases.
- 3) Several metallic mineral leases for gold exploration.
- 4) A more accurate version of the Minnesota aeromagnetic map for better definition and location of possible mineral resources.



The Drill Core Library in Hibbing is the state's repository for drill core. M.S. 103I.605 directs mineral exploration firms that drill in the state to submit to the state a one-fourth portion of core samples.



Minnesota Aeromagnetic Map

Original project map - LCMR funding

Upgraded map - Mineral Diversification funding

Kennecott Discovery of Ni-Cu Deposit in Aitkin and Carlton County

Minnesota Aeromagnetic Map

Minnesota Aeromagnetic Map

Metallic Mineral Lease Sale January 21, 2009

- **92,200 acres were offered for lease, 14,200 acres were school trust minerals.**
- **50 bids were received, 23 high bids were accepted and approved by the State Executive Council on March 4, 2009.**
- **6,900 acres of minerals were leased, 3,520 acres were school trust minerals.**
- **Each lease has an annual rental rate of \$1.50/acre per year. The rental rate escalates at year 4 to \$5, year 7 to \$15, and year 12 to \$30. The royalty rate bid is above the minimum rate of 3.95% of the metal value. Royalties are paid at the time the ore is mined.**

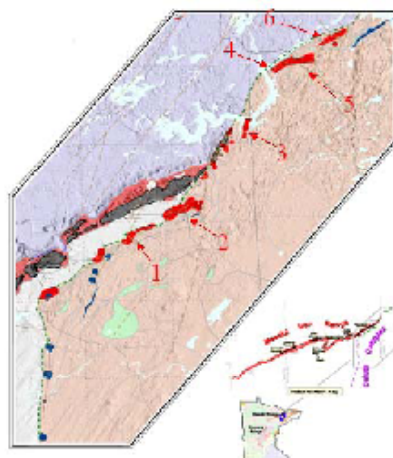
2008 POLICY FACT SHEET
Potential School Trust Royalty Income from
Identified Mineral Deposits in the Duluth Complex

POTENTIAL SCHOOL TRUST ROYALTY INCOME

Although the future of non-ferrous metallic mineral mining in Minnesota is uncertain, the potential for generating significant royalty income for the Permanent School Trust Fund is apparent. Three mineral deposits on school lands in the Duluth Complex contain inferred resources that could generate royalties of \$1.4 billion at today's metal prices if permitted and mined over a period of 25 to 30 years.

MINNESOTA DULUTH COMPLEX

Mineral exploration companies are currently focusing on copper, nickel and platinum group elements (PGEs) at six deposits within the Duluth Complex, a 1.1 billion year old intrusive body.



From southwest to northeast, the deposits include:

1. NorthMet - PolyMet Mining Corp.
2. Mesaba - Teck Cominco Metals Ltd.
3. Birch Lake - Franconia Minerals Corp.
4. Maturi - Franconia Minerals Corp.
5. Nokomis - Duluth Metals Ltd.
6. Spruce Road - Franconia Minerals Corp.

Exploration History

Copper-nickel deposits were discovered in the Duluth Complex in the 1940s. In 1980s, the Division of Minerals began sampling and assaying existing drill core for PGEs. In the course of the work, geologists identified a zone of PGEs. The division's work coupled with industry interest in PGE for catalytic converters triggered interest in PGE exploration in the state at that time. However, because the PGEs were associated with copper and nickel in polymetal deposits, and the only available commercial processing technology at that time involved smelting, interest in Minnesota PGEs waned due to environmental concerns associated with smelting.

Advances in Hydrometallurgical Processes

In the mid-1990s, as hydrometallurgical processes advanced and replaced smelters, exploration interest heightened in the Duluth Complex again. Teck Cominco Metals Ltd. developed proprietary hydrometallurgical processes for the refining of both copper and nickel concentrates to their respective metals. Concurrently, a second proprietary process, FlatSol, which extracts both the base and precious metals, has been developed; PolyMet is planning to utilize this process in conjunction with their development of the NorthMet deposit.

World Demand for Raw Materials

Most significant in generating interest in the Duluth Complex is the recent, dramatic growth in world demand for metals -- spurred mostly by growth in Asia and emerging markets. Prices of almost all mineral commodities are at record highs and demand remains strong.

See Reverse

ADVANCED Cu-Ni-PGE PROJECTS ON SCHOOL TRUST FUND LANDS

Five companies hold 121 state mineral leases, encompassing 33,000 acres, in the Duluth Complex. About 44% of the acreage covered by state leases is School Trust land. The following three Cu-Ni-PGE deposits include eighteen state leases, which have significant School Trust land and mineral ownership.

Duluth Metals Limited - Nokomis Project

Duluth Metals is planning an underground mine with a production rate of 7.0 million metric tonnes per year. The company's estimate of inferred resources is 172 million tonnes over 25 years at a crude ore grade of 0.70% Cu, 0.22% Ni, 0.01% Co, 0.10 ppm Au, 0.42 ppm Pd and 0.19 ppm Pt.

Franconia Minerals Corporation – Birch Lake

Franconia plans to develop the Birch Lake deposit in conjunction with the Matui deposit. Franconia is planning an underground mine with a production rate on the order of 3.5 million metric tonnes per year. Franconia's preliminary estimate of inferred resources is 88.5 million tonnes over 25 years at a crude ore grade of 0.56% Cu, 0.18% Ni, 0.08% Co, 0.14 ppm Au, 0.63 ppm Pd and 0.31 ppm Pt.

Teck Cominco Metals, Ltd. – Mesaba Project

Teck-Cominco holds leases on the Mesaba deposit, the largest in the Duluth Complex. Teck Cominco's inferred resources include 1.14 billion tonnes with 0.404% Cu, and 0.089% Ni plus a small amount of Au and PGE. The estimate encompasses mining 858.4 million tonnes over 30 years.

Exploration continues on these deposits and their size is increasing.

Other Exploration

These eighteen leases, and the remaining 103 state leases, are currently generating rental income for the Permanent School Trust Fund. Exploration may also lead to additional deposits identified.

Company	Leases	Acres
Duluth Metals	32	9,189
Encampment Minerals	56	14,436
Kennecott Exploration	12	1,440
Lehmann Exploration	3	743
Total	103	18,608

SCHOOL TRUST ROYALTY

Using resource calculations of the three deposits, the DNR estimates royalties generated from school trust lands may be significant. DNR has reviewed these estimates and further calculated mine life royalties using current metal prices from the *American Metal Market*, February 2008.

Understanding the forward-looking nature of these estimates, the future value of State School Trust Fund royalties for life-of-mine production from the Mesaba, Birch Lake, and Nokomis deposits, using current metal prices, would be about \$1.4 billion.

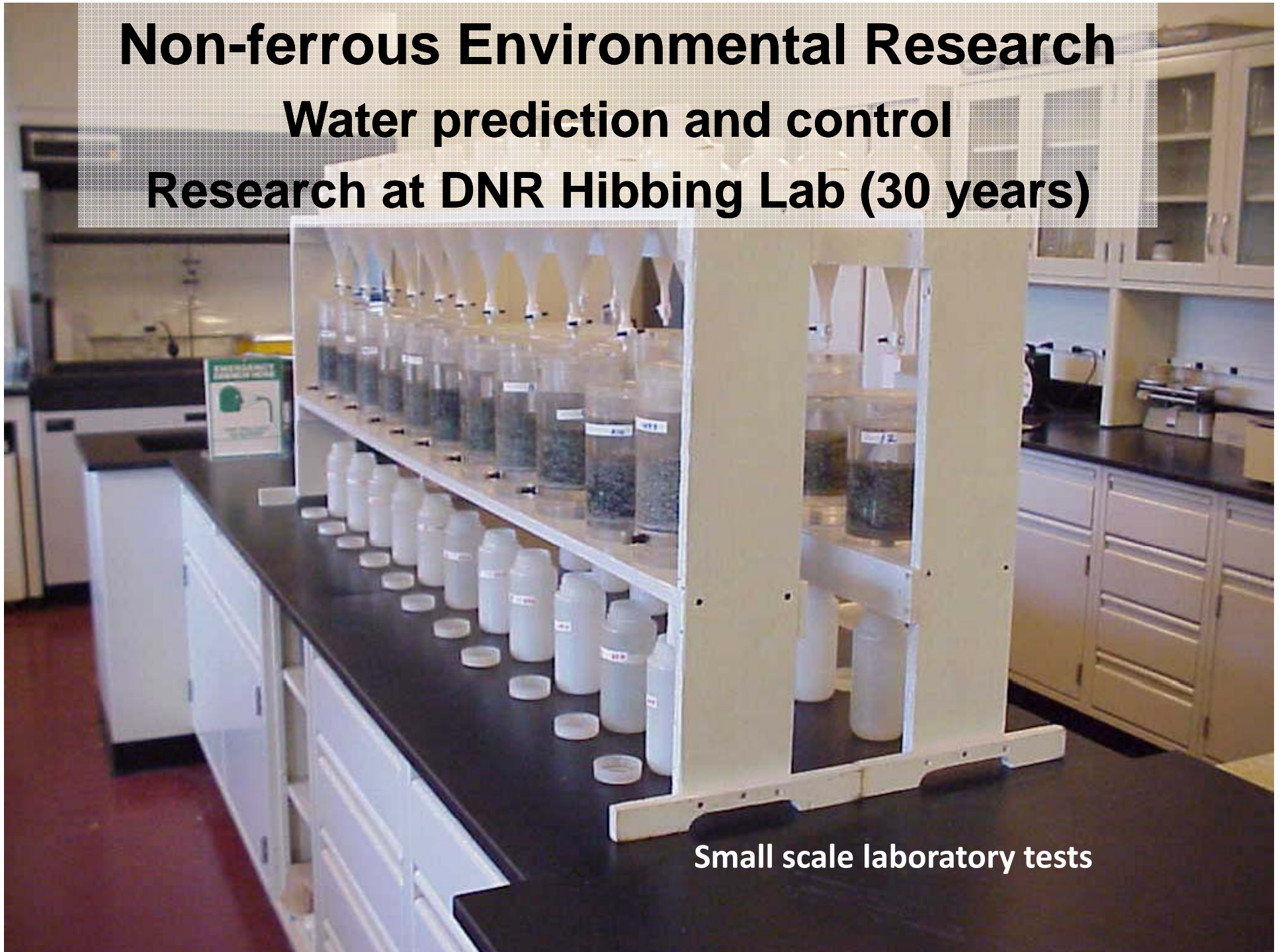
For further information contact:

Marty Vadis, Director
Division of Lands and Minerals
Minnesota Department of Natural Resources
500 Lafayette Rd, St. Paul, MN 55155
651-259-5379
marty.vadis@dnr.state.mn.us

Non-ferrous Environmental Research

Water prediction and control

Research at DNR Hibbing Lab (30 years)

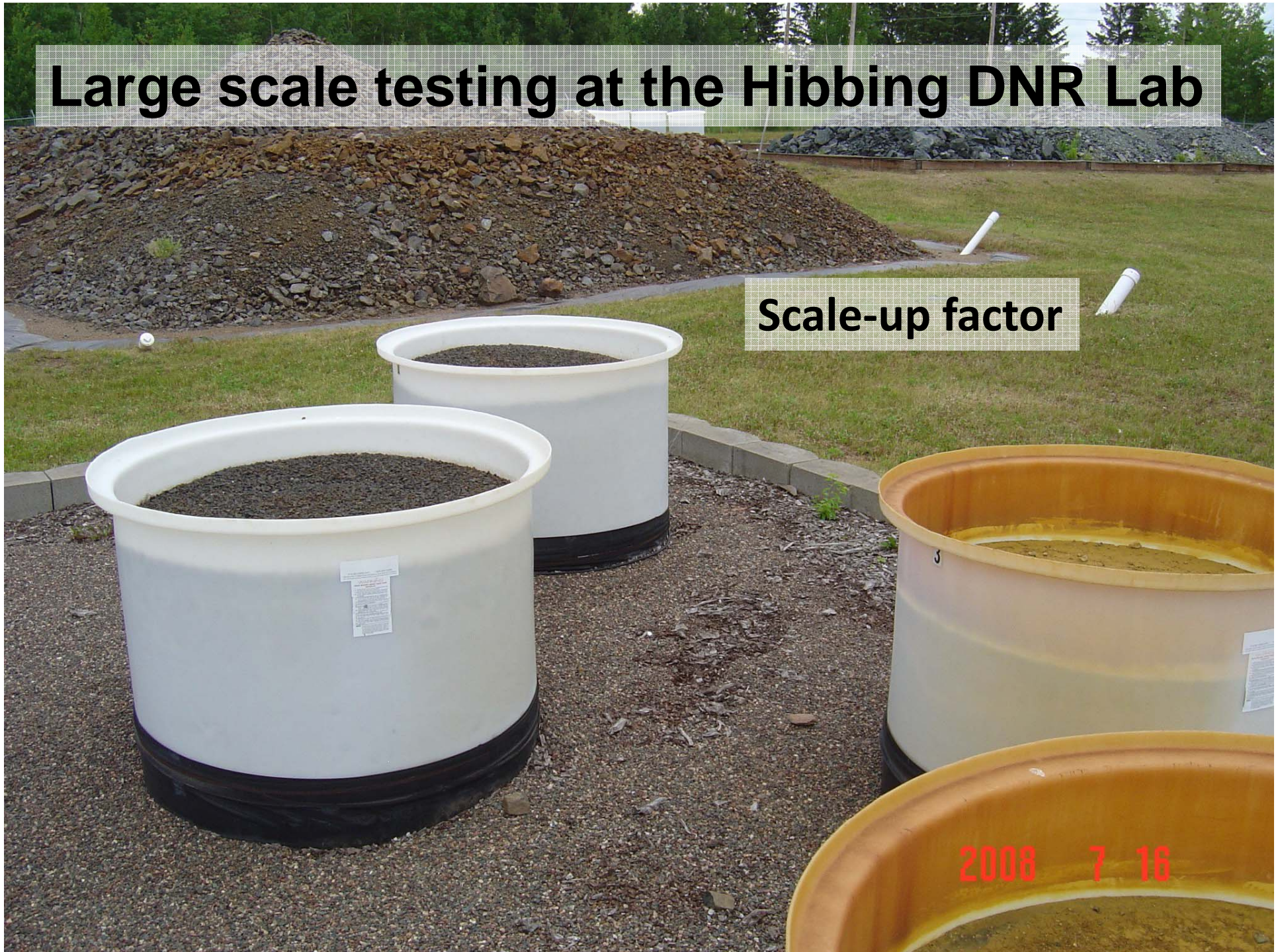


Small scale laboratory tests

Large scale testing at the Hibbing DNR Lab

Scale-up factor

2008 7 16

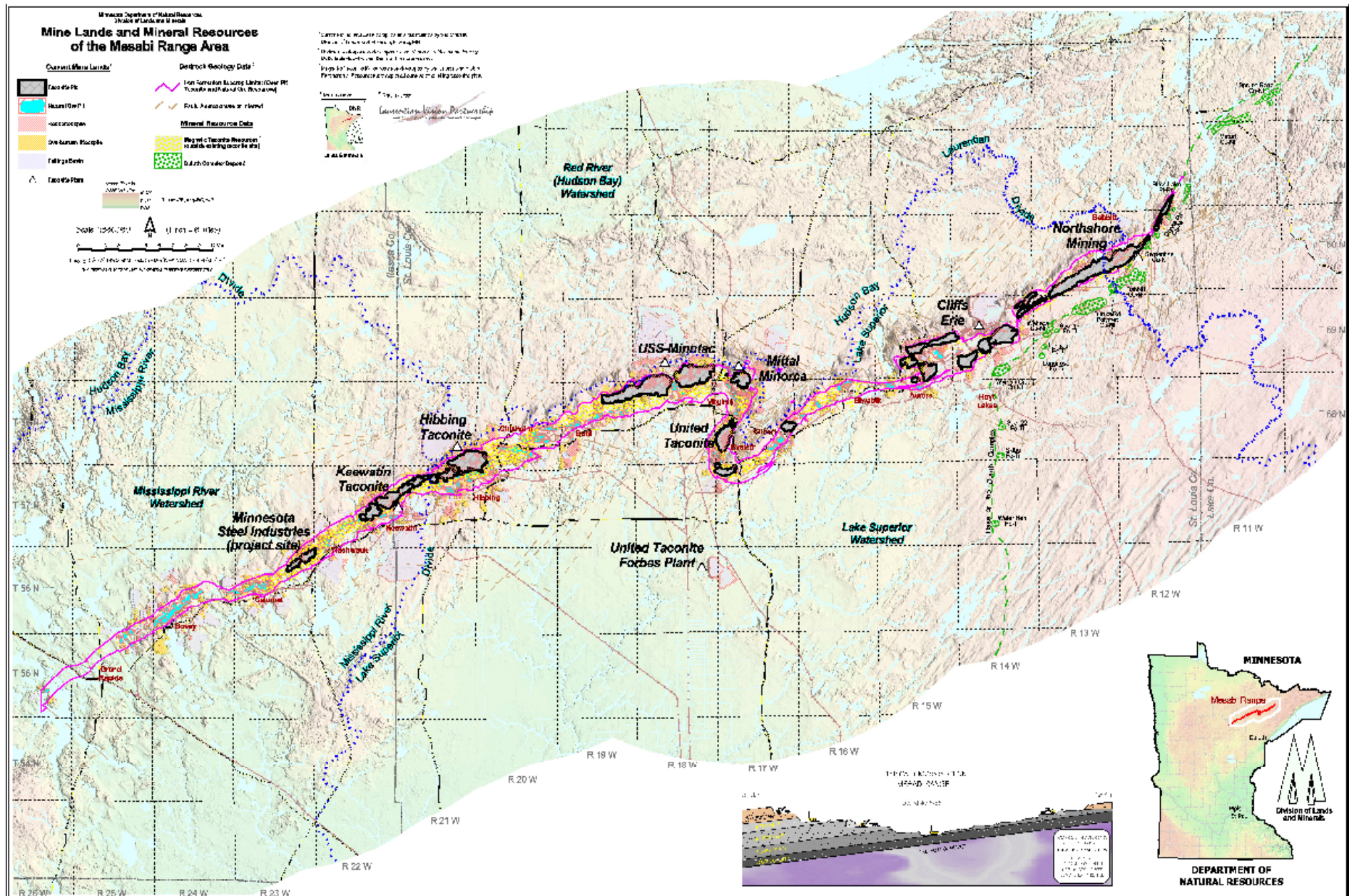


Peat Mining in Minnesota

Company	Sphagnum (cu.yds.)	from State land	Reed-Sedge (cu.yds.)	from State land	Brown Moss (cu.yds.)	from State land	Total (cu. Yds)
Aitkin Agri-Peat: Cromwell	40,645	40,645					40,645
Aitkin Agri-Peat: McGregor			44,646	0			44,646
Berger Horticulture	0	0					0
Fafard, Inc.	60,500	60,500					60,500
Ferweda General Contracting			0	0			0
Hawkes Company, Inc.			25,130	210			25,130
Premier Horticulture	103,795	59,736					103,795
Sampson Farms					28,000	0	28,000
Thompson Farms					3,000	0	3,000
Waupaca Northwoods	65,000	0					65,000
Traeger Industries (no permit to mine)					1101	1101	1,101
TOTAL	269,940	160,881	69,776	210	32,101	1,101	371,817

School Trust land mined for peat is about 1300 acres. Approximately 130,000 yards of school trust peat is currently mined annually. This is about 1/3 of Minnesota's annual peat production.

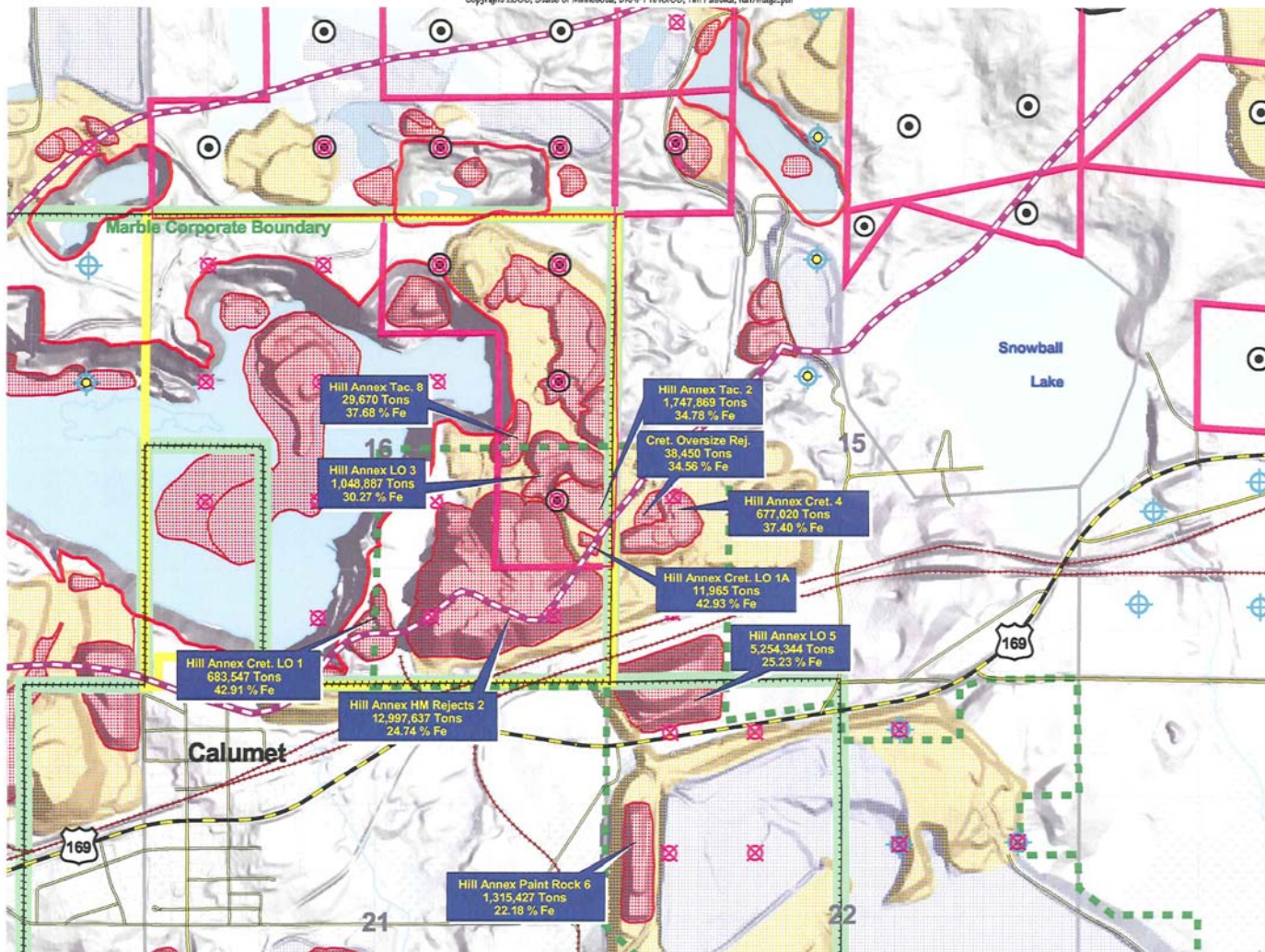
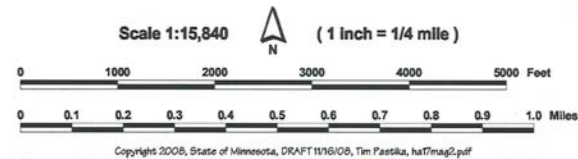
Miscellaneous Leases (Stockpile Leases)



-  Natural Ore Pit Outline
-  Rock Stockpile
-  Overburden Stockpile
-  Tailings Basin

-  Biwabik Iron Formation Subcrop Limit
-  Outline of Selected State Owned Surface Lands
-  Outline of Hill Annex State Park

-  State Taconite Lease to MSI
-  Parcel Containing State Stockpile and/or Tailings Basin
-  Parcel Containing GNIOP Surface Lands
-  Parcel Containing GNIOP Stockpile and/or Tailings Basin



Stockpiles

Hill Annex Area

Possible sale of as much as 1,000,000 yards for Hwy 169 construction.

Virginia Area

Information similar to what is contained in this map allowed a sale of \$320,000 of school trust stockpiled material in the Virginia Area.

Aggregate Leasing

Aggregate is a surface lease not a mineral lease

DNR Lands and Minerals has been promoting gravel leasing of school trust gravel



School Trust Gravel Pit 1.5 miles NW of Cohasset. DNR Lands and Minerals worked with MNDOT through the bidding process to ensure School Trust gravel would be used during the reconstruction of Highway 2. Should receive \$150,000 in royalties this summer.



School Trust Gravel Pit 3.5 miles east of Felton. \$1,625,000 in royalty payments have been made since 1989. DNR Lands and Minerals is currently assisting with reclamation and closure of the Pit.

93.22 DISPOSITION OF PAYMENTS.

Subdivision 1. **Generally.** (a) All payments under sections 93.14 to 93.285 shall be made to the Department of Natural Resources and shall be credited according to this section.

(b) Twenty percent of all payments under sections 93.14 to 93.285 shall be credited to the minerals management account in the natural resources fund as costs for the administration and management of state mineral resources by the commissioner of natural resources.

(c) The remainder of the payments shall be credited as follows:

(1) if the lands or minerals and mineral rights covered by a lease are held by the state by virtue of an act of Congress, payments made under the lease shall be credited to the permanent fund of the class of land to which the leased premises belong;

(2) if a lease covers the bed of navigable waters, payments made under the lease shall be credited to the permanent school fund of the state;

(3) if the lands or minerals and mineral rights covered by a lease are held by the state in trust for the taxing districts, payments made under the lease shall be distributed annually on the first day of September to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths; town or city, two-ninths; and school district, four-ninths;

(4) if the lands or mineral rights covered by a lease became the absolute property of the state under the provisions of chapter 84A, payments made under the lease shall be distributed as follows: county containing the land from which the income was derived, five-eighths; and general fund of the state, three-eighths; and

(5) except as provided under this section and except where the disposition of payments may be otherwise directed by law, payments made under a lease shall be paid into the general fund of the state.

Subd. 2. [Repealed, 1Sp2003 c 9 art 5 s 37]

History: (6411) 1921 c 412 s 9; 1925 c 395; 1927 c 389 s 1; 1973 c 492 s 14; 2000 c 495 s 18; 1Sp2001 c 6 art 1 s 1; 2007 c 57 art 1 s 78

93.2236 MINERALS MANAGEMENT ACCOUNT.

(a) The minerals management account is created as an account in the natural resources fund. Interest earned on money in the account accrues to the account. Money in the account may be spent or distributed only as provided in paragraphs (b) and (c).

(b) If the balance in the minerals management account exceeds \$3,000,000 on June 30, the amount exceeding \$3,000,000 must be distributed to the permanent school fund and the permanent university fund. The amount distributed to each fund must be in the same proportion as the total mineral lease revenue received in the previous biennium from school trust lands and university lands.

(c) Subject to appropriation by the legislature, money in the minerals management account may be spent by the commissioner of natural resources for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities.

History: *1Sp2005 c 1 art 2 s 77*

Mineral Exploration

