

## **NOTICE OF SALE OF STATE METALLIC MINERALS LEASES**

Notice is hereby given that a sale of leases to explore for, mine and remove metallic minerals in trust fund lands, lands and minerals forfeited for non-payment of taxes, lands and minerals otherwise acquired, and other state-owned land under the jurisdiction of the Commissioner of Natural Resources, and located in portions of Beltrami, Itasca, Koochiching, Lake of the Woods, and Saint Louis Counties, is scheduled to be held on Friday, June 9, 2017, at 8:30 a.m. The sale will take place in the Lobby of the Department of Natural Resources, 500 Lafayette Road, Saint Paul, Minnesota.

The Commissioner will receive sealed bids and applications for leases covering minerals in state lands, in accordance with Minnesota Rules, parts 6125.0100 through 6125.0700 – the metallic mineral rules issued under the authority of Minnesota Statutes, Chapter 93. Each bid must be submitted on a form obtained from the Commissioner. Each bid form must be accompanied by a certified check, cashier's check, or bank money order, payable to the Department of Natural Resources in the sum of the following amounts: a) an application fee of \$100.00 for each mining unit bid upon; and b) rental for one full calendar year for each mining unit bid upon. All bids must be received by the Commissioner at the office of the Division of Lands and Minerals, Fourth Floor, Department of Natural Resources, 500 Lafayette Road, Saint Paul, Minnesota 55155-4045, before 4:30 p.m. on Thursday, June 8, 2017.

On Friday, June 9, 2017, at the time specified, the Commissioner or his representative will publicly open the bids and announce the amount of each bid separately. At a subsequent time, leases will be awarded by the Commissioner, subject to the approval of the State Executive Council, to the highest bidder for the respective mining units, but no bids will be accepted that do not equal or exceed the base royalty rates set forth in the Rules or that do not comply with all provisions of the Rules. The State reserves the right, through the State Executive Council, to reject any or all bids.

The purpose of Minnesota's metallic minerals rules is to promote and regulate the prospecting for, mining and removal of metallic minerals on state-owned and state-administered lands. These Rules, and the leases issued under the Rules, authorize exploration and development of these minerals and impose certain requirements on the lessee. The requirements include: the payment of minimum rentals that increase over the term of the lease; the payment of royalty for all ore mined and removed; the submission of data and other reports; and the submission of exploration plans. In addition, the lessee must comply with all applicable laws.

After the conclusion of the sale, each high bidder will be required to provide evidence demonstrating that the bidder is qualified to hold a state mineral lease pursuant to Minnesota Rules, part 6125.0410. The Rules state that a lease will only be issued to an applicant qualified to do business in Minnesota and qualified to conduct exploratory borings in Minnesota. In addition, the Commissioner may request evidence that the lease applicant is technically and financially capable of performing under the terms of a state mineral lease. The requested evidence must be provided within 45 days of the request from the Commissioner or the bids from that high bidder will be rejected.

Upon the award of a lease, the application fee submitted with the bid will be deposited as a fee for the lease. All bids not accepted will become void, and the application fee and rental payment accompanying such bids will be returned to each respective bidder; provided however, the application fee and rental payment accompanying a bid shall not be returned if the bidder was the high bidder and subsequently withdrew the bid prior to the award of a lease.

Bid forms, instructions on how bids are to be submitted, copies of the rules (Minnesota Rules, parts 6125.0100 through 6125.0700) and copies of the Mining Unit Book listing the land areas designated by the Commissioner as mining units may be obtained from the Land Acquisition and Legal Services Section, Division of Lands and Minerals, DNR Building, 500 Lafayette Road, Saint Paul, Minnesota 55155-4045. E-mail inquiries may be sent to [MMLeaseSale.dnr@state.mn.us](mailto:MMLeaseSale.dnr@state.mn.us).

The Mining Unit Book will be available at least 30 days prior to June 9, 2017. Application for each copy of the Mining Unit Book must be accompanied by a check or money order payable to the Department of Natural Resources in the sum of \$25.00 as a fee for such Mining Unit Book plus shipping and applicable State of Minnesota sales tax. Mining Unit Books will also be available for inspection at the Hibbing and Saint Paul offices of the Division of Lands and Minerals, and on the internet through the DNR website at:

[http://www.dnr.state.mn.us/lands\\_minerals/leasesale/index.html](http://www.dnr.state.mn.us/lands_minerals/leasesale/index.html).



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