



January 16, 2006

Industrial Mineral Sector Clients

Dear Sir or Madam:

**Re: Amendments to Schedules A and C of
Quarry Minerals Regulation MR 65/92
Effective Date January 30, 2006**

Mines Branch services are regularly being improved to meet the needs of our clients, stakeholders and aggregate operators. While meeting their requirements and remaining competitive in the industrial mineral sector, it was necessary for the department to increase some royalty rates and service fees. The increases in revenue will offset the costs associated with upgrading our data management systems, including development of a web interface to enhance mineral title and disposition administration. Upon completion of the enhancements, clients will benefit from improved client services and have the ability to transact business through e-Business solutions.

The fees for service have been increased by the Consumer Price Index. Royalty rates have been raised based upon the Construction Price Index. At this time not all fees and royalties have been increased. In fact many royalties remain unchanged since 1992 when the new Mines and Minerals Act and Regulations were introduced. The attached Schedules A and C indicate the changes to the rates, fees and effective date. A general review of fees and royalty rates will be conducted annually and adjusted where appropriate in accordance with Index changes.

Complete copies of The Mines and Minerals Act and Regulations are available on our department website at <http://www.gov.mb.ca/itm/mrd>. Also available in PDF format are commonly used quarry mineral application and miscellaneous forms. Select the link 'Quarry Mineral Application Forms'.

If you wish to provide comments regarding management system enhancements and internet services please contact me or Mrs. Lynda J. Bennett, Mining Recorder.

Yours truly,

A handwritten signature in black ink, appearing to read 'Ernie Armitt'.

Ernie Armitt, P. Eng.
Director of Mines

Attachment



AMENDMENT TO SCHEDULE A

SCHEDULE OF FEES, RENTALS, DEPOSITS AND EXPENDITURES (Effective Date January 30, 2006)

FEES	EXISTING RATE	NEW RATE
Application for quarry lease and quarry exploration permit (first term and renewal) – per quarry mineral disposition	\$50.00	\$60.00
Application for relief from forfeiture and extension of time – per quarry mineral disposition	\$50.00	\$60.00
Application for casual quarry permit	\$25.00	\$30.00
Application for surface lease and renewal	\$50.00	\$60.00
Application for registration certificate – private aggregate quarry	\$10.00	\$13.00
Application to Mining Board	\$250.00	\$322.00
Copy of each recorded document or instrument	\$5.00	\$6.00
Examination of each record in response to mail or telephone enquiry	\$3.00	\$4.00
Filing report of work for quarry exploration permit – per year	\$10.00	\$14.00
Registration of assignment, transfer or any other document or instrument – per mineral disposition	\$10.00	\$13.00

RENTALS

(Not refundable for any cause)

(1) Rental for a first term quarry lease and renewals for quarry minerals other than peat – per hectare or fraction thereof per year.	\$18.50	\$24.00
(2) Rental for a first term quarry lease and renewals for peat – per hectare or fraction thereof per year	\$5.00	\$6.50
(3) Rental for surface lease or renewals – per hectare or fraction thereof per year but not less than \$129.00	\$5.00	\$6.50

CASH DEPOSITS

The cash deposit required upon application for a Quarry Exploration Permit or \$25.00 per hectare whichever is greater.	\$1,000.00	No Change
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EXPENDITURES

The expenditures on required work carried out on a Quarry Exploration
Permit are as follows:

(1) \$12.00 per hectare or part thereof for the first year	\$12.00	No Change
(2) \$24.00 per hectare or part thereof for the second year	\$24.00	No Change
(3) \$36.00 per hectare or part thereof for the third year	\$36.00	No Change



AMENDMENT TO SCHEDULE C

ROYALTY RATES AND REHABILITATION LEVY (Effective Date January 30, 2006)

The following rates are per tonne, except for peat and amber.

ROYALTY RATES

<i>MINERAL</i>	<i>EXISTING RATE</i>	<i>NEW RATE</i>
Amber – per kilogram	\$5.00	No Change
Bentonite	0.60	No Change
Kaolin	0.60	No Change
Other Clays	0.25	\$0.32
Gypsum	0.35	\$0.45
Limestone – greater than 90% calcium carbonate	0.25	\$0.32
Silica Sand – greater than 95% silica content	0.30*	\$0.45*
Heavy mineral sand	0.35*	No Change
Coal	0.50	No Change
Salt	0.50	No Change
Shale	0.25*	\$0.32*
Peat - per cubic metre	0.06	No Change
Gravel	0.35*	\$0.45*
Mining Backfill	0.15	\$0.19
Common Stone	0.10	\$0.13
Processed Stone	0.25*	\$0.32*
Dimension Stone	0.75	\$0.96
Rehabilitation Levy for production of aggregate quarry mineral, per tonne	0.10**	No Change

*A conversion factor of 1.78 tonnes per cubic metre shall be used where quarry mineral production is calculated in cubic metres.

****Calculation of rehabilitation levy**

Every operator of an aggregate quarry shall remit to the recorder a rehabilitation levy equal to the product of the number of tonnes of aggregate quarry mineral produced multiplied by \$0.10.