

Project Description: Compass Minerals Canada Corp. - Issuance of a Mining Lease

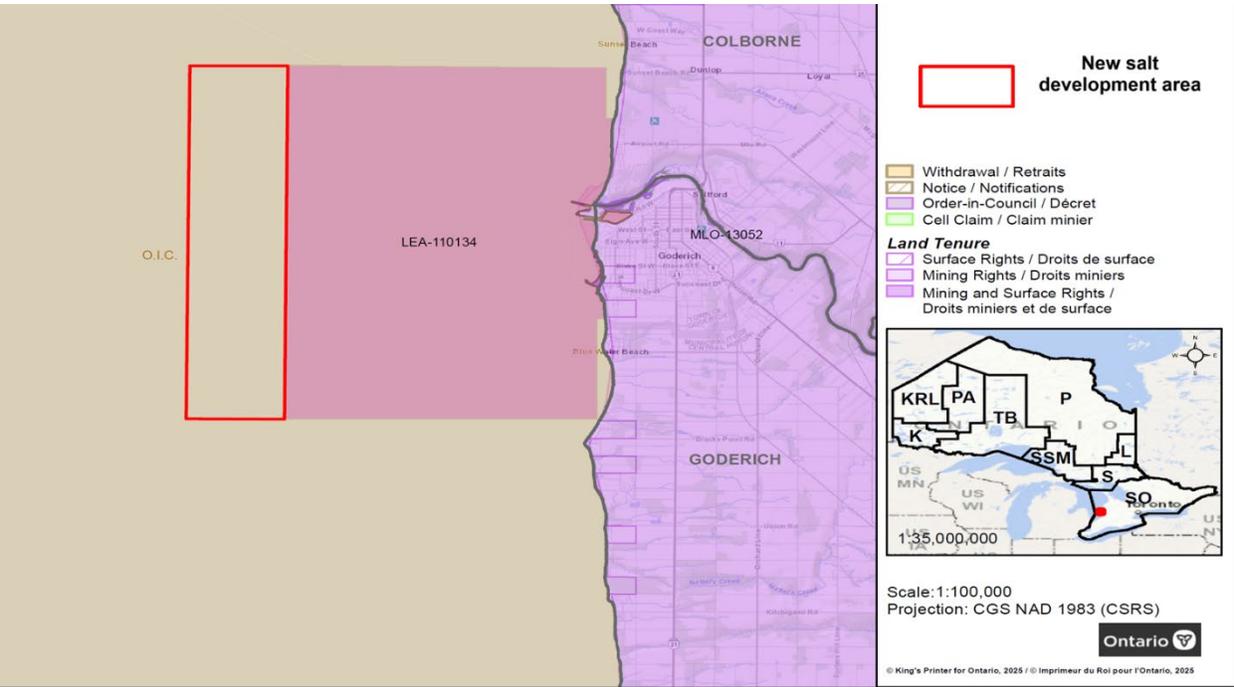
BACKGROUND

Under subsection 176(3) of the *Mining Act* (the “Act”), despite anything in the Act, in special circumstances the Minister may, subject to the approval of the Lieutenant Governor in Council, issue a mining lease on such terms and conditions as the Minister considers appropriate.

Compass Minerals Canada Corp. has applied for the issuance of a mining lease under subsection 176(3) of the *Mining Act* the (“Act”) for a new salt development area. The requested area is for lands under Lake Huron that are not open to conventional acquisition through the registration of a mining claim. Due to the unique nature of salt extraction, Crown mining leases issued under the authority of the Lieutenant Governor in Council allows the Minister of Energy and Mines to establish special provisions that may differ from other mining leases issued under s.81 of the Mining Act, which can include the payment of royalties and conditions for future renewals.

The new salt development area covers approximately 1,592 hectares of land under the water of Lake Huron, approximately 6.2 km west of the Town of Goderich. The area is situated adjacent to the western boundary of the applicant’s existing mining lease 110134.

The location of the new salt development area is provided below on Figure 1.



Low to moderate environmental impacts are anticipated with the issuance of a new mining lease that will expand the current underground mining operation given the proposed area is adjacent to the applicant's existing mining lease, and since activities on the mining lease are subject to other regulatory authorizations and requirements that govern environmental impacts. In addition, a mining lease is an administrative requirement to hold proper tenure for a new salt development area.

EXPLORATION ACTIVITIES

Over the past 10 years, Compass Minerals Canada Corp. has modernized their mining methods to incorporate continuous mining technology at great investment and infrastructure deployment. Their mine plans have been focused on salt development in the northern and northwestern sectors of mining lease 110134. In the past four years, they have discovered geologic anomalies in the northwestern region of lease 110134 that requires additional assessment and exploration. An alternative mine plan for a new salt development area has been designed, sized and developed with a focus on long-term operation and preservation that incorporates sound rock mechanics principles. Future plans involve assessing the geometry of the salt deposit in the northwestern region of their existing lease while they continue mine development elsewhere. They have encountered high-quality salt in the western region of mining lease 110134 and historic workings are relatively close to the lease's western boundary. To that end, to optimize their mining configuration, they need to expand their exploration area by an additional 2 kilometers (2000 metres) from the western boundary of mining lease 110134.

CLASS EA SCREENING

The proposed project is subject to the Ministry of Energy and Mines Class Environmental Assessment (EA) process. The undertaking has been screened as a Category B project with low to moderate impacts for environmental effects, in accordance with the requirements of the *Class Environmental Assessment for Activities of the Ministry of Northern Development and Mines under the Mining Act* (amended 2018). The issuance of a mining lease is an administrative requirement to hold proper tenure for a new salt development area.

ENVIRONMENTAL EFFECTS AND PROPOSED MITIGATION MEASURES

Some potential environmental effects associated with the undertaking have been identified during the Class EA screening process. A summary of negative environmental effects and proposed mitigation measures that would negate or reduce the significance of the environmental effects are provided below in Table 1.

Table 1. Environmental Effects

Environmental Effect	Description	Proposed Mitigation Measure
Noise limits/vibration limits	Potential for noise or vibrations from underground blasting.	Continuous miners are used in the underground mine to cut and load materials in a single, continuous operation. It replaces traditional methods of drilling, blasting, and then loading with separate equipment. Mine development occurs at depths greater than 550m beneath surface.
Ground water quality/quantity	Potential for the contamination of groundwater from salt operations.	Mine development occurs at depths greater than 550m beneath surface. MECP permits to take water are in place.
Surface water - quality/quantity	Potential for the contamination of surface water bodies from salt operations.	Mine development occurs at depths greater than 550m beneath surface. Site draining is permitted under certificates of approvals. Stormwater management system is in place and inspected regularly. The lake is up to 32m (105 feet) deep above the mine.
Soils - contaminants, sedimentation, erosion	Potential for the contamination of soils from salt operations.	No surface material waste or tailings is generated from rock salt mining. Subsidence assessment completed in August 2024. The area surrounding the shafts and mine infrastructure, as well as the coastal region adjacent to the town of Goderich, is projected to experience minimal subsidence over the next 100 to 200 years.
Wells / drinking water sources	Potential for the contamination of water sources from salt operations.	Mine development occurs at depths greater than 550m beneath surface. Lake Huron is a source of water for the mine and the town of Goderich. The mine is within intake protection zones 1 and 2. The lake is up to 32m (105 feet) deep above the mine.

NEXT STEPS

The Ministry of Energy and Mines is currently seeking input on the proposed issuance of a mining lease and proposed mitigation measures as part of the Class EA process. The Ministry has also notified proximate Indigenous communities and stakeholders seeking input. Such input will be considered as the application is being evaluated. If the

Ministry determines that the application should proceed, the approval of the Lieutenant Governor in Council would be expected to be sought in 2026 (subject to Cabinet scheduling) and the mining lease would be issued shortly after final government approvals.