

*Request for Decision United Townships of Head, Clara & Maria Council*

Type of Decision									
Meeting Date	Thursday, August 15, 2019				Report Date	Wednesday, August 7, 2019			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction	X	Information Only			Type of Meeting	X	Open		Closed
Report #15/08/19/902- Northern Graphite Unopened Road Allowances									

**SUBJECT: To review the unopened road allowance options for Northern Graphite**

**RECOMMENDATION:**

That Council provide direction to staff regarding how to proceed with the request to purchase/lease the unopened road allowances from Northern Graphite (Northern).

**BACKGROUND/EXECUTIVE SUMMARY:**

New information has been received from Northern addressing Council’s concerns regarding financing and the possibility of selling or leasing land that may never be used. Northern has explained that investors are reluctant to get involved knowing that Northern does not own the surface rights for the road allowances. Originally, it was thought that lands needed to be sold or leased not knowing whether mining operations would proceed. A third option could be to proceed with a Memorandum of Understanding.

In an email from Greg Bowes dated June 12, 2019, “Maybe we just do a simple Memorandum of Understanding that states the Township supports the project (assuming you do), and that it will agree to sell/lease the allowances to Northern for a specified amount once financing is arranged. At that time a formal agreement will be put in place and Northern will pay all the costs of doing so.”

This will allow Northern to proceed with their endeavor and Council will be assured that they are not selling or leasing lands that won’t be used for its original intent.

**Options:**

Sell the unopened road allowances to Northern.

Lease the unopened road allowances to Northern.

Enter a Memorandum of Understanding with Northern and proceed with selling or leasing the lands when Northern is prepared to begin mining operations.

**Financial Considerations/Budget Impact:**

None at this time. It is recommended that if a MoU is pursued, Northern would pay the costs associated with having it created. Council may request their legal counsel to review it once completed.

**Others Consulted:**

<b>Approved and Recommended by the Clerk</b>
Crystal Fischer, Clerk