

CONSULTATION DRAFT

This consultation draft is intended to facilitate dialogue concerning its contents. Should the decision be made to proceed with the proposal, comments received will be considered during the final preparation of the lease. The content, structure, form and wording of the draft terms and conditions are subject to change as a result of the environmental assessment and consultation processes and as a result of review, editing and correction by the Lieutenant Governor in Council, the Minister of Mines, or the Land Registry Office, as applicable. There may also be minor adjustments to the legal descriptions of land in this lease as a result of ongoing research and review, including with the Land Registry Office, although there is no proposal to expand the area covered by this lease.

WHEREAS under the authority of the *Mining Act*

COMPASS MINERALS CANADA CORP., an unlimited liability company amalgamated under the laws of Nova Scotia

hereinafter called the "Lessee", is the registered leaseholder (under the name of its predecessor by amalgamation, Sifto Canada Inc.) of Mining Lease numbered 107377, dated the 9th day of November, 2001 registered as Instrument Number R341549 in the Land Registry Office for the Registry Division of Huron, and more particularly described in Instrument Number R341549, being all of Property Identifier Number 41190-0145 (R) and part of Property Identifier Number 41369-0006 (R).

AND WHEREAS the said Mining Lease numbered 107377, hereinafter called the "Prior Lease", expired on the last day of May, 2022;

AND WHEREAS, prior to the expiry of the Prior Lease, the Lessee has made application for renewal of the said mining lease for a further term of twenty-one years commencing with the first day of June, 2022;

AND WHEREAS, since such application, the Lessee has been lawfully overholding in its tenancy under the Prior Lease;

NOW KNOW YE that in consideration of the premises, the rents and conditions herein contained, We, hereinafter referred to as the "Lessor", hereby renew the said mining lease for a further term of twenty-one years beginning with the first day of June, 2022.

PROVIDED that the Prior Lease is hereby superseded and restated by these Presents.

WE, hereinafter referred to as the 'Lessor', by these Presents do demise and lease,

The mining lands described in the attached Schedule A, hereinafter referred to as the "premises", together with all salt and salt products in, upon, and under the premises, with full and exclusive liberty, power, and authority for the Lessee, its agents, servants and workmen to enter upon the premises and to explore for such salt and salt products and to work, mine, remove, and sell such salt and salt products, and to do all other things necessary and proper for the more effectual working of the premises and for procuring and making fit for sale the salt and salt products to be mined therefrom, and to carry on all of the said work on or under the premises.

Together with all and singular the easements, advantages and appurtenances, which are now or at any time during the term hereby granted, may be held, occupied or enjoyed therewith for the purpose of mining upon and under the said lands; and also with full power, subject to the reservations hereinafter contained, to the said Lessee and his contractors, agents and workmen to dig, sink, drive, bore, make and use excavations, pits, shafts, levels, drifts, tunnels, wells, water-courses and other works for winning, raising and removing the mines, ores and minerals in or on or under the said lands.

TO HAVE and TO HOLD the said demised premises for and during the term of twenty-one years, commencing on the first day of June two thousand and two, and from thenceforth next ensuing and fully to be complete and ended.

YIELDING and PAYING THEREFOR in lawful money of Canada unto Us, Our Heirs and Successors, in advance at the Ministry of Mines, Sudbury, for the first year of the said term the rent or sum of \$16,020.17, the receipt of which is hereby acknowledged, and for each and every subsequent year of the said term in advance the annual rental as prescribed under the *Mining Act*, on or before the first day of June in each and every year thereafter during the said term.

ALSO YIELDING and PAYING a per tonne royalty as calculated and paid in Schedule B, annexed hereto.

PROVIDED FURTHER THAT:

1. The Lessee's rights under this lease are subject to the protection provided for existing Aboriginal or treaty rights in section 35 of the *Constitution Act, 1982* and the Lessee shall conduct itself on the demised premises in a manner consistent with the protection provided to any such rights.
2. These Presents are limited to a lease of certain mines, ores, minerals and mining rights in, upon and under the herein described lands and the surface rights are expressly reserved and excepted thereout and therefrom; in addition, the right to remove and to authorize the removal of sand and peat and gravel and all ores, mines and minerals other than salt and salt products from the premises without compensation, and to

grant such parts of the said premises for water lots, wharf, and such other purposes as may be deemed necessary without compensation, is specifically reserved to the Lessor, provided that any such removal or grant shall not unreasonably interfere with the rights granted to the Lessee hereunder and its salt operations.

3. These Presents shall not confer upon the Lessee any right to cut or remove any timber or trees standing, being or hereafter found growing upon the herein described lands.
4. The Lessee shall and will pay the rent or charge which may be payable by it in the manner hereinbefore mentioned without any deduction whatsoever.
5. The Lessee shall and will pay all provincial, municipal and other taxes, rates, duties, royalties or assessments that are or may at any time hereafter be imposed against the demised premises or the product thereof or the profit therefrom.
6. These Presents and the term hereby created shall be subject to the laws of the Province of Ontario and the applicable federal laws of Canada, including, without limitation, environmental laws, and any amendments thereto or regulations thereunder which have been or shall hereafter be made.
7. The mines, ores, minerals and mining rights hereby demised shall be used solely for the purposes of the mining industry, and, in default thereof, these Presents may be declared void by the Lieutenant Governor in Council, as provided in the *Mining Act*.
8. Nothing whatsoever herein contained shall prevent or interfere with the free use of any public or travelled road or highway crossing the hereinbefore described premises.
9. Should the premises herein described or any part thereof be covered by navigable waters, this lease shall be subject to the provisions of the *Navigable Waters Protection Act (Canada)*, the *Beds of Navigable Waters Act* and the *Lakes and Rivers Improvement Act*.
10. Nothing herein contained shall in any manner restrict fishing or fishing rights in any navigable waters covering the premises hereby demised and that the said Lessee shall not do any act resulting in damage to fishing or the fishing industry in the said waters or to nets or other appliances used in fishing in such waters.
11. These Presents shall not vest in the Lessee any right, claim or title to the land under navigable waters which may be included within the limits of the herein described premises, but the Lessee shall have the exclusive right to extract the minerals therefrom during the term of these Presents.
12. The mines, ores, minerals and mining rights herein demised are subject to the conditions in Section 91 of the *Mining Act* with respect to the treating and refining of ores and minerals within Canada.
13. If the rent payable hereunder, or any part thereof, shall remain unpaid for two years or more after the same shall have become legally due and

payable, whether such rent shall have been legally demanded or not, these Presents may be terminated by Our Minister of Mines by an instrument in writing.

14. If default is made in any of the provisos or conditions herein contained except payment of the rent hereby payable or any part thereof, and such default is not remedied within sixty days after notice has been delivered or sent to the Lessee at his last known address of record in the Ministry of Mines setting forth such default and calling upon him to remedy the same, these Presents shall cease and determine until such remedy is made, provided that at any time sixty days after notice has been delivered or sent and unless full remedy has been made these Presents may be terminated by Our Minister of Mines by an instrument in writing.
15. Upon the termination of these Presents by Our Minister of Mines, it shall be lawful for Us, our Heirs and Successors, to enter into and upon the same premises and to repossess the same free and clear of every claim and encumbrance.
16. The Lessee, his heirs, successors or assigns, on the termination of these Presents for whatever cause may within the time provided in the *Mining Act* remove from the herein described premises all buildings, structures, machinery, chattels, personal property and any ore or mineral he has extracted therefrom and slimes or tailings not otherwise owned and in default of so doing within the time prescribed in the *Mining Act* all such buildings, structures, machinery, chattels, personal property, ore, mineral, slimes and tailings shall revert to and belong to Us, Our Heirs and Successors, and may be sold or otherwise disposed of by Our Minister of Mines upon such terms and conditions as deemed expedient.
17. These Presents and the term or terms hereby created shall not be transferred, assigned, mortgaged, charged, sublet, or be the subject of a debenture, without the written consent of Our Minister of Mines, or of some officer duly authorized by him, nor unless all fees on any such transfer have been paid.
18. If application is made therefor within ninety days of the expiry of these Presents or within such further period of time as Our Minister of Mines may deem proper, and the provisos, terms and conditions herein contained have been fulfilled to the satisfaction of Our Minister of Mines and the rent herein reserved has been paid, and the Lessee can reasonably demonstrate to the satisfaction of Our Minister of Mines that the productive life of the salt mine is longer than the current term of this Lease, these Presents may be renewed for further terms of twenty-one years, if considered expedient by our Minister of Mines.
19. The Lessee shall, both during and following the term of this lease, indemnify and hold the Lessor harmless against any and all actions, suits, proceedings, costs, charges, damages, expenses, claims or demands resulting from any property damage or bodily injury including death, resulting in whole or in part from, or in any manner based upon, anything done, or omitted to be done, by the Lessee or its employees or agents under this lease, including the Lessee's operations, actions and maintenance of the premises, EXCEPT that nothing contained herein shall in any way diminish, remove or cause to be inoperative, any immunity, protection, or other limitation of liability of the Lessee, all whether by statute or regulation.
20. Wherever in this lease the word "Lessee" occurs it shall be construed as including Lessees and also the heirs, executors, administrators,

successors, assigns and other legal representatives of the Lessee or Lessees as the case may be; and words importing the singular number only shall include more persons, parties or things than one.

21. The books, accounts, and records of the Lessee, having reference to its operation on the herein described premises, and the plant and machinery in connection therewith, shall be open to inspection by the Lessor or any person designated by him during normal business hours.
22. The Lessor may require the Lessee to furnish security in the form of an irrevocable letter of credit in such amount as may be satisfactory to the Lessor to secure payment of the royalty and other conditions of this Lease.
23. This Lease is granted and accepted by the Lessee on the express condition and understanding that the Lessee shall have no recourse against the Lessor should the Lessor's title to the premises be found to be defective or should this Lease prove ineffectual by reason of any defect in such title.
24. Any dispute relating to this Lease, including any dispute related to the royalty payable hereunder, shall be finally determined in accordance with an arbitration carried out under the *Arbitration Act*, S.O. 1991 C. 17, as amended from time to time.
25. In the event of the salt mine on the lands herein described or on adjoining lands owned, leased or occupied by the Lessee not being operated for a continuous period of twenty-four months, the Lessor may notwithstanding any other provision herein contained terminate this Lease by notice in writing signed by Senior Manager, Mining Lands Section, Ministry of Mines, or by the holder of any successor office thereof, acting on behalf of His Majesty the King in right of Ontario as represented by the Ministry of Mines and sent by registered mail to the last known address of the Lessee as indicated herein.
26. No rock or other material shall be dislodged or disturbed from its natural state which would in any way divert or affect the natural flow of any waters covering the premises hereby demised so as to interfere with the economic development of water power in this vicinity.
27. The Lessee shall not in any way interfere with navigation, with the use of docks and wharves now existing or that may hereafter be constructed upon or built out in the waters covering any of the premises or with the right of access to the water by the riparian proprietor or by the Lessor.
28. The Lessor and its agents and designates shall for all lawful purposes provide sufficient notice to the Lessee and have full and free access to any and every part of the premises during normal business hours subject to such access interfering as little as reasonably possible with the use of the premises by the Lessee and subject to the Lessee's obligations under all applicable statutes and regulations having to do with the operation of the mines in the premises.
29. Notwithstanding anything in this lease, entrance to the premises and removal of salt will only be through existing adjacent underground workings and extensions thereto.
30. Mining within 1000 metres of the shoreline shall not be carried out without first studying the effects of subsidence and obtaining written approval from the Director of Mine Rehabilitation and the Director shall provide

such approval within a reasonable length of time.

31. Any notice or other undertaking hereunder shall be well and sufficiently given if delivered in writing on a business day within normal business hours or sent by prepaid registered mail or courier,

if to the Lessor at:

Ministry of Mines
Willet Green Miller Centre
B3-933 Ramsey Lake Road
Sudbury, Ontario
P3E 6B5

Attention: Senior Manager, Mining Lands Section, Information and Lands Branch

and if to the Lessee at:

Compass Minerals Canada Corp.
300 North Harbour Road W.
PO Box 370
Goderich, Ontario
N7A 3Y9

Attention: Mine Manager

Any notice delivered as aforesaid shall be deemed to have been given on the date of delivery and any notice mailed as aforesaid shall be deemed to have been given on the third business day following the date of mailing of such notice. Either party may give to the other party from time to time notice of change of address for the purpose of notice hereunder, and such new address shall be the address for notice as set out.

SAVING, EXCEPTING AND RESERVING UNTO US, OUR HEIRS AND SUCCESSORS:

1. The right to grant without compensation to any person or corporation the right of way necessary for the construction and operation of one or more railways over or across the Land herein described without let or hindrance from the Lessee where such railway or railways shall not manifestly or materially interfere with the mining operations carried on upon the said premises.
2. The free use, passage and enjoyment of, in, over and upon all navigable waters which shall or may hereafter be found on or under or to be flowing through or upon any part of the herein described Land and reserving also the right of access to the shores of all rivers, streams and lakes for all vessels, boats and persons, together with the right to use so much of the banks thereof not exceeding one chain in depth from the high watermark as may be necessary for fishery or public purposes.
3. The right to raise, lower and maintain the waters of any lake or stream which may be found on or under or be flowing through or upon or over or near any part of the premises to and at such height as may be deemed advisable by the Lessor without any liability for damage by the Lessor or by any person, company or corporation lawfully authorized so to raise or

lower the said waters.

4. Any lands lying within the hereinbefore described premises, the mining rights to which have been patented, sold, leased, or otherwise alienated, or dealt with, by the Lessor.

These Lease Letters Patent are issued under the authority of Section 176(3) of the *Mining Act*, R.S.O. 1990, c. M.14 pursuant to Order in Council No. 1228-2001.

GIVEN under the Great Seal of Our Province of Ontario,

WITNESS: THE HONOURABLE V. ELIZABETH DOWDESWELL,

LIEUTENANT GOVERNOR OF OUR PROVINCE OF ONTARIO.

At Our City of Toronto in Our said Province this <<**Day of Lease spelt out**>> day of <<**Month of Lease**>> in the year of Our Lord two thousand and twenty-three and in the first year of Our Reign.

BY COMMAND

Scott G. Cousineau
Senior Manager
Mining Lands Section
Ministry of Mines
For and on behalf of the Minister of Mines

Mining Lease No.: «**LeaseNo**»
renewing and superseding Mining Lease No. 107377

Land File No.: 110822, 168314

Ministry of Mines will forward a copy to:

Compass Minerals Canada Corp.
300 North Harbour Road W.
PO Box 370
Goderich, Ontario
N7A 3Y9

LEGAL DESCRIPTION

SCHEDULE A

SALT RIGHTS ONLY

FIRSTLY:

All of Location CL 3803,
Being part of the bed of Lake Huron and the Maitland River,
In front of Lots 1 and 2, Concession 1,
And Lot 1, Concession A,
Geographic Township of Goderich,
Now in the Town of Goderich,
And in front of Lot 3, Concession 1,
Geographic Township of Goderich,
Now in the Municipal Township of Central Huron,
And in front of Block A,
Geographic Township of Colborne,
Now in the Municipal Township of Ashfield-Colborne-Wawanosh,
And in front of the Town of Goderich,
County of Huron,
Containing 1058.3 hectares, more or less,
Designated as Parts 1 and 2, on Reference Plan 22R-1690.

SECONDLY:

All of Location CL 3804,
Being part of the bed of Lake Huron,
In front of Lots 1 and 2, Concession 1,
And Lot 1, Concession A,
Geographic Township of Goderich,
Now in the Town of Goderich,
And in front of Lots 3, 4 and 5, Concession 1,
Geographic Township of Goderich,

Now in the Municipal Township of Central Huron,
And in front of Block A,
And in front of Lot 1, Broken Front Concession,
Geographic Township of Colborne,
Now in the Municipal Township of Ashfield-Colborne-Wawanosh,
And in front of the Town of Goderich,
County of Huron,
Containing 1269.6 hectares, more or less,
Designated as Part 1, on Reference Plan 22R-1691.

THIRDLY:

All of Location CL 9861,
Being part of the bed of Lake Huron,
In front of Lots 1 and 2, Concession 1,
And Lot 1, Concession A,
Geographic township of Goderich,
Now in the Town of Goderich
And in front of Lots 3, 4, 5, 6, 7, 8 and 9, Concession 1,
Geographic township of Goderich,
Now in the Municipal Township of Central Huron,
And in front of Block A,
And in front of Lot 1, Broken Front Concession,
Geographic township of Colborne,
Now in the Municipal Township of Ashfield-Colborne-Wawanosh,
And in front of the Town of Goderich,
County of Huron,
Containing 3012.157 hectares, more or less,
Designated as Part 1, on Reference Plan 22R-4113.

**SCHEDULE B
ROYALTY**

A royalty shall be paid of \$ 1.1533 per tonne of salt and impurities sold from the lands described for the period of July 1, 2021 to June 30, 2023 and thereafter at \$0.7293 until June 30, 2026.

The royalty payment provided for above shall be subject to review and adjustment by the Lessor as of the fourth anniversary date of this lease, and thereafter at four year intervals during the balance of the term and any renewal thereof, and each such adjustment shall take effect in the year next following and the amount of each adjustment shall be determined by the Lessor in accordance with the following formula:

$$[R2 = R1 (1+((X-Y/Y))]$$

Where;

R1 = the industry royalty rate per tonne of salt sold during the previous four-year period.

R2 = the industry royalty rate per tonne of salt sold for the following four-year period.

X = the sum of total industry proceeds divided by the total quantity of salt sold by the industry for the previous four-year period as reported on all the industry lessees' tax returns under the *Mining Tax Act*, R.S.O. 1990, c. M.14

Y = the sum of total industry proceeds divided by the total quantity of salt sold by the industry for the four-year period before the previous four-year period as reported on all the industry lessees' tax returns under the *Mining Tax Act*, R.S.O. 1990, c. M.14.

Within 30 days after the determination of the amount of the adjustment by the Lessor, the Lessee may give notice to the Lessor that it requires the amount of the adjustment to be determined by arbitration under the *Arbitration Act*. S.O.,1991 C.17.

The Lessee shall forward to the Lessor the royalty payment on or before the thirty-first day of July in each and every year during the term of this lease the royalty payment for the preceding twelve-month period from July 1 to June 30.