



October 8, 2015

Dear Industry Client

Re: Reporting royalty rate changes on the 2015 Surface Material Annual Return

Please be reminded that royalty rates for surface materials were increased effective April 2, 2015. The legislated (Ministerial Order 28/2015) changes are as follows:

Surface Materials	Old royalty rates up to April 1, 2015	New royalty rates effective April 2, 2015
Gravel (or combination of sand and gravel)	\$0.60	\$1.20
Manufacturing clay	\$0.50	\$1.00
Sand or Silica Sand	\$0.35	\$0.70
Topsoil	\$0.20	\$0.40
Non-Manufacturing Clay or Silt	\$0.10	\$0.20
Marl or Peat Moss	\$0.05	\$0.10

The rate changes listed above require that Surface Material lease (SML) Holders pay special attention when reporting types of materials and volumes removed on their *2015 annual return*.

All commercial volumes removed from the SML up to and including April 1, 2015, must be recorded in the “*Jan1 – Mar31*” column of the annual return. This will allow the Department’s electronic systems to recognize volumes that should be charged out at the old rate of royalty and invoice SML holders accordingly.

This also means that the commercial volumes recorded in the “*Apr1 – Dec31*” column of the *2015 annual return* should only reflect the materials removed April 2 onwards. Please note that these reporting changes will pertain to the *2015 annual return* only.

Thank you for your cooperation and attention to this important matter. If you have any questions please contact Jane Fletcher at (780) 415-4672 or Brenda Huxley at (780) 415-4664.

Sincerely,

Original Signed by:

Corinne Kristensen
Senior Manager
Provincial Approvals Section