

## Mining Action Group

Attn: Upper Peninsula Environmental Coalition  
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### Keweenaw Land Association Seeks 10,000 Acres of Michigan Minerals

Approximately 10,631.43 acres of metallic minerals lease rights in Baraga, Dickinson, Iron, Marquette and Menominee counties have been requested by Keweenaw Land Association, Limited. See [DNR press release](#). Detailed information regarding the lease request can be found on the [DNR metallic minerals webpage](#).

#### **PUBLIC MEETING**

Informational public meetings will be held 11 a.m.-noon. and 5-6 p.m. EDT, Wednesday, April 17, with an opportunity for public comment (2 minutes per person).

**Virtual public meeting and registration link:** Interested parties may join the meetings by going to: <https://events.gcc.teams.microsoft.com/event/75b549a3-2ae7-44c8-953a-39bcbd8b6864@d5fb7087-3777-42ad-966a-892ef47225d1>. Registration is required to provide public comment during the meetings. Anyone wishing to participate in the public comment portion of the meetings will be allowed two minutes to speak. If you do not wish to register or do not have internet access, please use the phone option by dialing 1-248-509-0316 and using access code 209-806-381#.

#### **KEWL HISTORY**

Keweenaw Land Association (KEWL) previously owned nearly a half-million acres of forest lands in the Upper Peninsula of Michigan and Northern Wisconsin (of which 400,000 acres were acquired via a federal land grant, following the Civil War). According to their website: "Keweenaw Land Association, Limited, headquartered in Ironwood, Michigan, previously operated as a forest products and land management company owning substantial subsurface mineral rights. Following the December 27, 2021, sale of its timberland assets, Keweenaw's business is focused on its mineral assets." KEWL retained ownership of all underlying minerals, effectively "severing" hundreds of thousands of acres of mineral rights in the process.

In light of the company's massive mineral rights ownership – it now owns 429,475 acres of mineral rights in Michigan and northern Wisconsin – KEWL's attempt to control an additional 10,631 acres of state-owned mineral rights must be thoroughly examined.

#### **KEWL MOTIVES**

Keweenaw Land Association seeks the long-term control of mineral rights, yet they have only 2 full-time employees, and almost NO capacity to conduct mineral exploration. Why seek additional mineral leases? In their 2023 year-end report, the company wrote: "At the 2020 Berkshire Hathaway annual meeting, Warren Buffett explained our motivation well in a parable. *"And if you live in Texas, and your grandfather*

*is close to dying, and he calls - he calls the grandchildren, children around him, and in his final words, he always says, "Don't sell the mineral rights." Said slightly differently, mineral rights are not valuable . . . until they are."*

Unfortunately, the Michigan DNR does not understand this parable. The DNR uses a "help yourself" self-nomination approach to mineral leasing, enabling companies like Keweenaw Land Association to grab the steering wheel, controlling valuable state-owned mineral rights for a pittance, and avoiding the competitive bidding process (common with oil and gas leasing).

#### **KEWL + COPPERWOOD**

Keweenaw Land Association is deeply entwined with the Copperwood project, from which they earn royalties. "Since 2021, the Company has increased its mineral ownership from around 40% of the defined resource at Copperwood, to owning virtually all of it today. In addition, we have significantly expanded our ownership of the subsurface rights for the highest-probability acreage for future expansion of Copperwood (...)" KEWL's cash flow from operations in 2023 was only \$37,587. They have a Federal net operating LOSS (carryforward) for income tax purposes of -\$1,708,306 and a State net operating LOSS (carryforward) of -\$2,087,348. To call the company unprofitable is an understatement.

#### **MICHIGAN DNR MINERALS MANAGEMENT FAILS TO PROTECT + CONSERVE**

The DNR's mission includes the wise stewardship of resources for current and future needs, but the DNR mineral leasing process does not consider Michigan's future need for non-renewable mineral resources, or the negative impacts to private surface owners. The DNR's Mineral Management office provides no information related to likelihood of development (ie, economic feasibility, or a mineral remoteness report).

The DNR disregards the agency's responsibility for Natural Resource protection, as it does not consider the reasonable and foreseeable environmental impacts of granting a mineral lease – the demonstrated risks and impacts of metallic mineral exploration. Instead, the agency claims "The DNR is responsible only for the leasing of state-owned mineral rights. The Michigan Department of Environment, Great Lakes, and Energy is responsible for all permits and regulations for the act of extracting the minerals from the land."

Because granting a mineral lease is one of the first steps in Michigan's mineral extraction flow-chart, we believe that the State of Michigan must pause at this point, before a leasing decision is made, to consider the threats to cultural and natural resources posed by mineral exploration and metallic mining.

The DNR promises that all necessary "exploration" permits will be handled by Michigan's EGLE when a company (later) applies for permits to proceed to the next step of resource development. But once a mineral lease has been granted, exploration permits are perfunctory. And exploration permits are considered PROPRIETARY, so there is no public awareness or opportunity for public input. How are the wetland resources protected in this process? How are treaty resources protected? How is the public trust protected? And how can the DNR ensure that non-renewable resources are set-aside for future need if they simply approve all self-nominated requests for minerals?

**DNR's Primary Statutory Obligation is to Protect and Conserve the Natural Resources of the State.** In accordance with NREPA Act 451 of 1994, 324.503 *Duties of department; powers and jurisdiction; purchase of surface rights; limitations; record; strategic plan; managed public land strategy; volunteers;*

*granting concessions; lease and sale of land; reservation of mineral rights; sale of economic share of royalty interests; definitions. Sec. 503.*

The clear primary mandate of Sec. 503 is that natural resources are to be protected prior to economic considerations. First and foremost, *“(1) The department shall protect and conserve the natural resources of this state; provide and develop facilities for outdoor recreation; prevent the destruction of timber and other forest growth by fire or otherwise; promote the reforestation of forestlands belonging to this state; prevent and guard against the pollution of lakes and streams within this state and enforce all laws provided for that purpose with all authority granted by law; and foster and encourage the protection and propagation of game and fish.”*

The Michigan DNRs’ first duty is to “protect and conserve the natural resources of this state” and this specifically includes the prevention of harm, and a further charge to “prevent and guard against the pollution of lakes and streams.” Yet many of the mineral lease parcels requested by Keweenaw Land Association are predominantly or entirely covered by wetlands, and crossed by rivers and cold-water trout streams.

In order for the DNR to act as a wise steward and watchdog, it needs to assess the value of Michigan’s natural resources, with a complete understanding of site-specific resources, and proposal-specific risks to those resources. In order to “prevent and guard against” pollution of lakes and streams, the DNR must also assess the legacy impacts of mining pollution, especially the unique factors (such as a century of mining, mine waste storage, subsidence risks, and damages to wetlands and streams).

The DNR’s charge to “prevent and guard against” cannot be shunted off into the future, nor resolved with nebulous promises made by Minerals Management staff that additional “environmental permits” would be required by a different agency before exploration and drilling take place on leased lands. The DNR’s decision to lease minerals is not merely an economic decision, and must meet the statutory obligations of protection and conservation.

Michigan’s current approach to metallic minerals management, in which resource management decisions are driven by the whims of private corporations, is not conservative. Metallic minerals are non-renewable resources. Where natural resources are non-renewable, the principle of conservation is especially critical. Where there is doubt, the DNR must conserve; the clear obligation is to “prevent and guard against” harms and degradations to the State’s natural resources. The DNR’s Mineral Management office failed to demonstrate that these direct development lease requests are compatible with their mission to protect and conserve non-renewable mineral resources for current and future generations. The nominated parcels contain sensitive headwater wetlands, vernal wetlands, critical habitat for endangered species, state forest lands, rivers, and top quality coldwater trout streams.

**We urge the State of Michigan to reexamine their approach to minerals management in order to align the classification review process with the agency’s mission of resource management, and in order to fully protect Michigan’s natural resources, non-renewable resources, treaty-protected resources, and the public trust.**