

STATE BOARD OF LAND COMMISSIONERS

December 17, 2024

Consent Agenda

Subject

Mineral Lease Live Auction—October 16, 2024

Question Presented

Shall the Land Board direct the Department to award a mineral lease to the high bidder at the live auction?

Background

The Idaho Department of Lands (Department) received an application for a metallic mineral lease on a 28,028.47-acre contiguous block of Public School endowment land located in Adams and Washington Counties (north of Cambridge and west of Council, Idaho). Site maps are included as Attachment 1. The area is known by the Department as the Hornet Block. It is expected that the mineral lessee will pursue a potential subsurface copper deposit.

Pursuant to Idaho statute and Department procedure, the public auction was advertised and held to determine the high bidder for the lease. Auction participants were required to register for the live auction one week prior to the auction date. Department staff conducted the live auction.

Discussion

For the purpose of securing a single lessee for the mineral lease, a live auction was held on October 16, 2024, at the Department's Payette Lakes Area office in McCall. Silver Rock Resources, Inc. submitted the successful premium bid of \$28,000 (the advertised minimum opening bid at \$1.00 per acre) for mineral lease E500059. Anglo-Bomarc, U.S., Inc. and Barrick Gold Exploration, Inc. also registered for the auction, but did not bid. Kennecott Exploration Company, the original applicant, did not register for the auction. The lease includes a 20-year term for the extraction of metallic minerals, including annual rent of \$84,085.41 (\$3.00 per acre); a minimum annual royalty payment of \$20,000.00, escalating to \$100,000.00 over the course of the lease; and a 5% net smelter return for the royalty rate. Attachment 2 summarizes the results of the live auction.

Idaho Code § 58-310(4) provides that the State Board of Land Commissioners (Land Board) has the right to reject any bid made at a live auction where fraud or collusion are present, or for any reason, all within the sole discretion of the Land Board. The Department completed the lease auction process in accordance with existing statute and procedures and did not observe any indication of fraud or collusion related to this process.

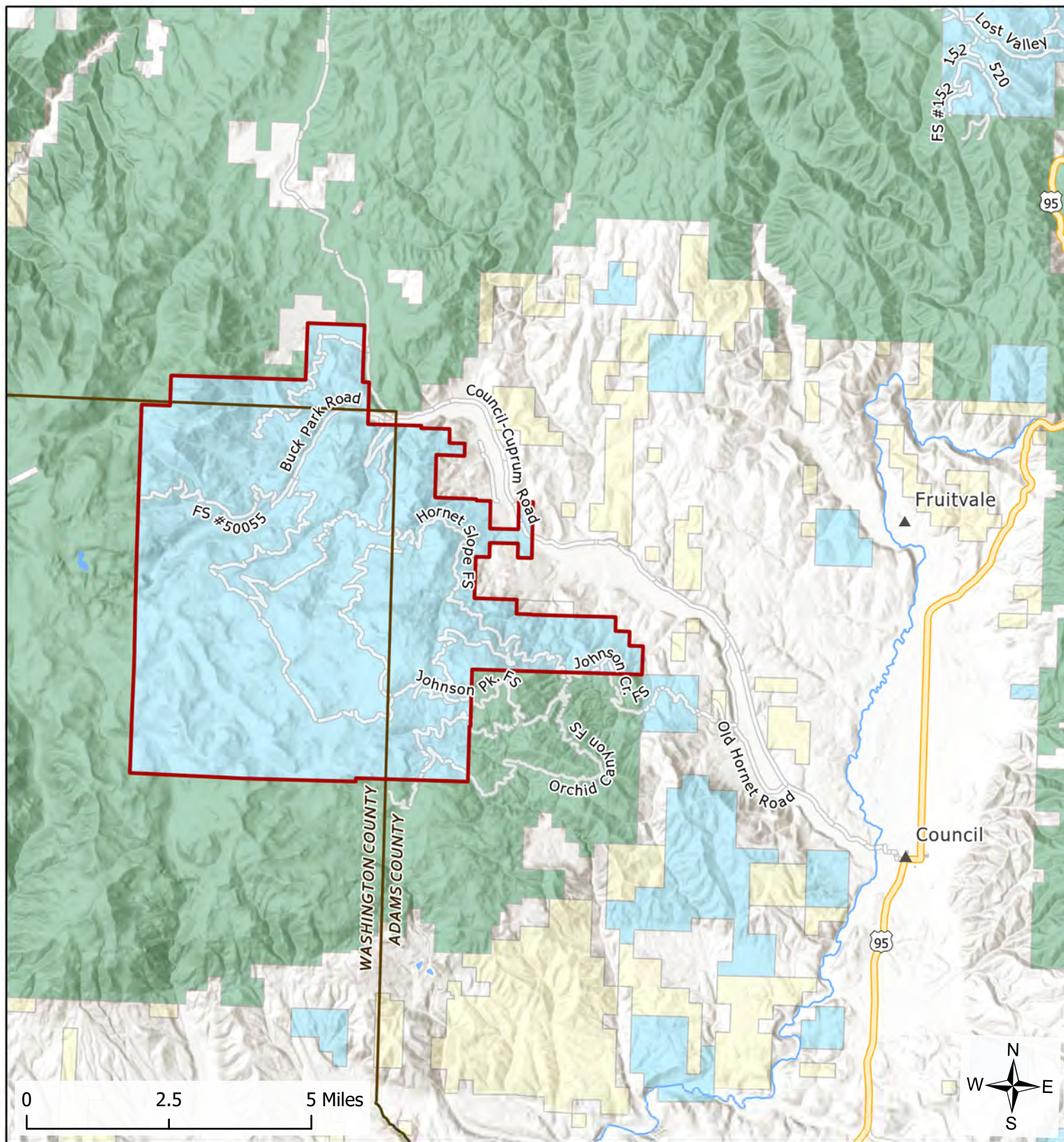
Recommendation

Direct the Department to award mineral lease E500059 to Silver Rock Resources, Inc., the high bidder at the auction.

Board Action

Attachments

1. Site Maps
2. Summary of Auction Results



E500059 - Overview

Sec. 5-8, 16-21, 26-31 - T17N - R02W

Sec. 1-4, 9-16, 21-28, 33-36 - T17N - R03W

Sec. 5-6 - T16N - R02W

Sec. 1-4 - T16N - R03W

Adams County, Idaho

Washington County, Idaho

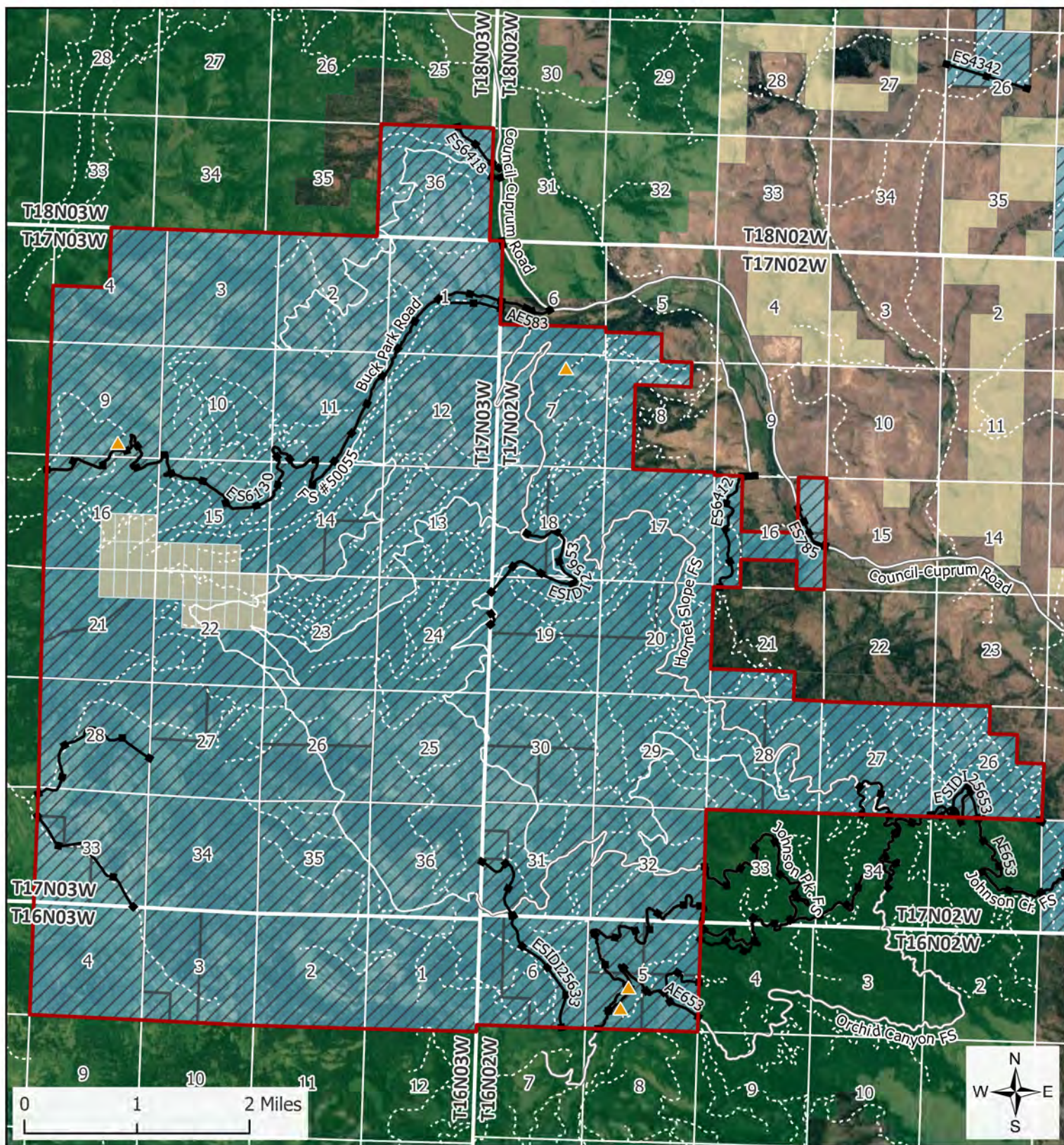
2/7/2024

- Subject Lease
- County
- Cities
- US Highway
- Local Road
- BLM
- USFS
- Private
- State



Disclaimer: This map has been compiled using the best information available to the Idaho Department of Lands at the time and may be updated and/or revised without notice. In situations where known accuracy and completeness is required, the user has the responsibility to verify the accuracy of the map and the underlying data sources.





- Subject Lease
- Existing Easement
- ▲ Water Rights
- Exploration Location
- Grazing
- Main
- Local
- Spur
- BLM
- USFS
- Private
- State

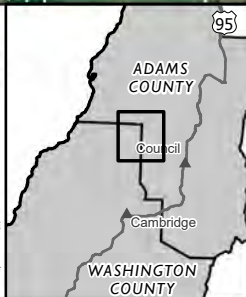
E500059 - Detail

Sec. 5-8, 16-21, 26-31 - T17N - R02W
 Sec. 1-4, 9-16, 21-28, 33-36 - T17N - R03W

Sec. 5-6 - T16N - R02W
 Sec. 1-4 - T16N - R03W
 Adams County, Idaho
 Washington County, Idaho
 2/8/2024



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Summary of October 16, 2024 Mineral Lease Live Auction

Supervisory Area	Lease Number	Endowment	Lease Term (Years)	Acres	Commodity	# of Participants	# of Bids	High Bid Amount	High Bidder
Payette Lakes	E500059	PS	20	28,028	Metallic	3	1	\$28,000	Silver Rock Resources, Inc.