

QUANTITY, MINE-MOUTH  
OUTPUT VALUE AND DUTIES  
PAID BY MINING COMPANIES

January 2018

**Ministère de l'Énergie et des Ressources naturelles**

## Quantity, value and duties paid per mine by mining companies in 2016 (Can\$)

(The data presented were supplied by the mining companies)

Mining company	Mine	Mining leases and concessions	Substance <sup>1</sup>	Quantity sold (unit of measurement) <sup>2</sup>	Mine-mouth output value <sup>3,4</sup> (Can\$)	Duties paid <sup>4,5</sup> (Can\$)
ARCELORMITTAL EXPLOITATION MINIÈRE CANADA S.E.N.C.	Mont-Wright	CM-457, CM-484, CM-498, CM-514, BM-822, BM-840, BM-841, BM-1003, CM-523	Iron	22 620 691 dmt	487 858 413 \$	17 373 754 \$
	Fire Lake	BM-865	Iron	3 479 297 dmt	73 292 037 \$	2 672 264 \$
	<b>TOTAL</b>				<b>561 150 450 \$</b>	<b>20 046 018 \$</b>
RIO TINTO FER ET TITANE INC.	Lac Tio	CM-381, CM-368	Ilmenite	1 677 476 mt	83 612 643 \$	944 506 \$
HECLA QUÉBEC INC.	Casa Berardi	BM-768, BM-833	Gold	142 735 oz	207 267 622 \$	5 890 705 \$
MINES RICHMONT INC.	Beaufor	CM-280PTA, CM-280PTB, BM-750	Gold	19 216 oz	22 429 114 \$	224 291 \$
			Silver	2 018 oz		
	Monique	BM-1012	Gold	1 171 oz	436 099 \$	4 361 \$
			Silver	164 oz		
<b>TOTAL</b>				<b>22 865 213 \$</b>	<b>228 652 \$</b>	
QMX GOLD CORPORATION	Lac Herbin	CM-300, BM-739, BM-801, BM-873	Gold	2 491 oz	599 121 \$	5 991 \$
LES MINES OPINACA LTÉE	Éléonore	BM-1009	Gold Silver	277 589 oz 14 927 oz	253 004 629 \$	7 720 185 \$
WESDOME GOLD MINES LTD	Kiena	CM-494	Gold Silver	1 391 oz 229 oz	2 444 680 \$	24 447 \$
BREAKWATER RESOURCES LTD	Langlois	BM-831	Zinc	69 006 mt	50 507 207 \$	505 072 \$
			Copper	4 867 mt		
CANADIAN ROYALTIES INC.	Nunavik Nickel	BM-880, BM-881, BM-882, BM-883 BM-1044	Nickel Copper	106 839 dmt 52 510 dmt	22 114 053 \$	221 141 \$
K+S SEL WINDSOR LTÉE	Seleine	BM-1, BM-2, BM-712, BM-819, BM-820	Salt	1 213 907 t	70 337 105 \$	3 258 723 \$
IMERY'S GRAPHITE & CARBONE CANADA INC.	Lac-des-Îles	BM-788	Graphite	11 966 t	4 467 236 \$	44 672 \$
IMERY'S MICA SUZORITE INC.	Lac Letondal	BM-670	Mica	23 749 st	16 021 510 \$	994 987 \$
RESSOURCES MÉTANOR INC.	Lac Bachelor	CM-510, BM-1025	Gold	33 890 oz	33 826 830 \$	338 268 \$
RESSOURCES NOTTAWAY INC.	Veza	BM-1010	Gold	7 136 oz	8 143 181 \$	81 432 \$
THE BLOOM LAKE IRON ORE MINE LIMITED PARTNERSHIP	Bloom Lake	BM-877	Iron	190 861 wmt	1 379 268 \$	13 793 \$
MINES ABCOURT INC.	Elder	CM-363, BM-1029	Gold	15 562 oz	19 888 334 \$	198 883 \$
CANADIAN MALARTIC GP	Canadian Malartic	BM-892, BM-1007, BM-1008, CM-226, BM-1011, BM-1020	Gold Silver	588 793 oz 677 172 oz	399 307 021 \$	14 400 000 \$
GLENORE CANADA CORPORATION	Raglan	BM-836, BM-837, BM-838, BM-839, BM-844, BM-853, BM-859, BM-860, BM-861, BM-866, BM-867, BM-1016, BM-1017	Nickle	42 549 mt	358 699 035 \$	13 903 012 \$
			Copper	9 149 mt		
			Platinum-group elements	225 340 oz		
	Bracemac-MacLeod	BM-1023, BM-1024	Zinc	43 482 mt	121 872 436 \$	2 951 824 \$
<b>TOTAL</b>				<b>480 571 471 \$</b>	<b>16 854 836 \$</b>	
<b>Total (Can\$)</b>					<b>2 237 507 574 \$</b>	<b>71 772 311 \$</b>

## Quantity, value and duties paid per mine by mining companies in 2016 (US\$)<sup>6</sup>

(The data presented were supplied by the mining companies)

Mining company	Mine	Mining leases and concessions	Substance <sup>1</sup>	Quantity sold (unit of measurement) <sup>2</sup>	Mine-mouth output value <sup>3,4</sup> (US\$)	Duties paid <sup>4,5</sup> (US\$)
AGNICO EAGLE MINES LIMITED	LaRonde	BM-1027, BM-854, BM-796, CM-240 PTA-PTB	Gold Silver Zinc Copper	307 007 oz 1 088 134 oz 3 174 mt 4 694 mt	313 815 271 \$	11 491 044 \$
	Lapa	BM-871, CM-290	Gold Silver	74 169 oz 5 433 oz	74 873 528 \$	2 741 661 \$
	Goldex	BM-879	Gold Silver	119 940 oz 1 447 oz	123 901 775 \$	4 536 939 \$
				<b>TOTAL</b>	<b>512 590 574 \$</b>	<b>18 769 644 \$</b>
IAMGOLD CORPORATION	Westwood	BM-1002	Gold Silver	68 395 oz 67 587 oz	57 803 468 \$	578 035 \$
NIOBEC INC.	Niobec	BM-663, BM-706, BM-1043	Ferroniobium	6 209 679 kg	99 653 090 \$	6 466 896 \$
<b>Total (US\$)</b>					<b>670 047 132 \$</b>	<b>25 814 575 \$</b>

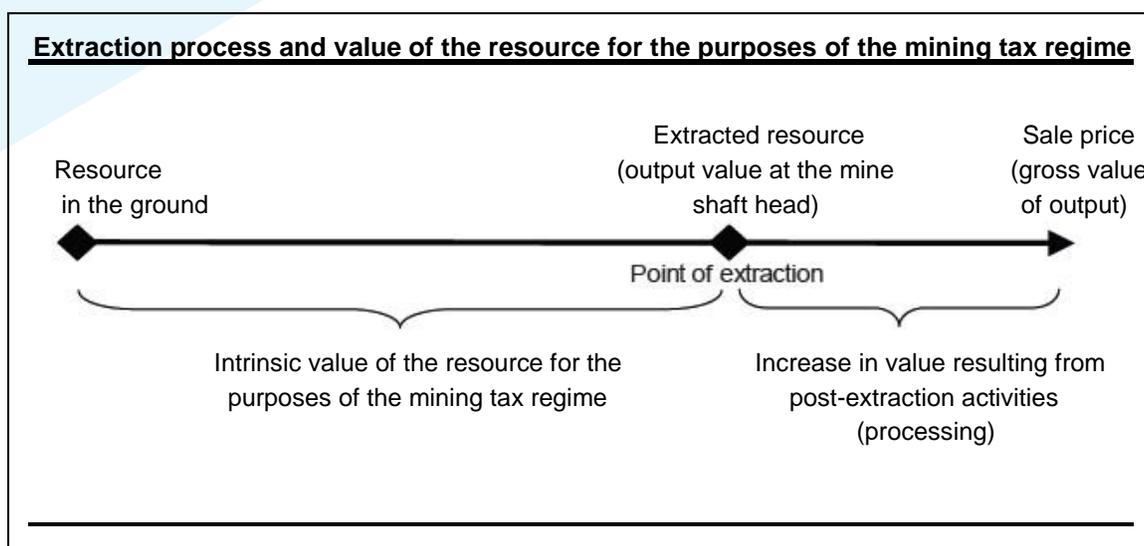
## Notes with regard to data made public under Sections 120 and 215 of the Mining Act

**Note 1:** Principal mineral substances sold.

**Note 2:** The units of measurement are those provided by the operators.

**Note 3:** The objective of the mining tax regime is to tax the resource at the time of its extraction at the mine shaft head, which means that the value added by the processing activities is exempt from mining tax.

This increase in value is not related to the economic value of the resource and does not belong to Quebecers. However, it is subject to the general corporate income tax system, like all other manufacturing activities.



**Note 4:** Data relative to operators with mining income earned in their fiscal year ending in 2016.

**Note 5:** An operator is required to pay mining duties corresponding to the greater of its minimum mining tax and its mining tax on annual profit, for the fiscal year.

Sources: Certain extracts of the explanatory notes have been derived from the documents *Information Bulletin 2013-4* and *A new mining tax regime fair for all*, published by the ministère des Finances du Québec.

## Minimum mining tax

In order that the minimum mining tax be calculated on a value that approaches the value of the ore at the mine shaft head, expenses incurred by the operator from the first accumulation site of the mineral substance after it is removed from the mine will be deducted from the gross value of the annual output for the mine.

Note that the gross value of the annual output of an operator from a mine, for a fiscal year, is the value of the mineral substances and the processing products from the operator's mining operation. Therefore, this value may include a value-added resulting from processing activities.

For some operators, the inclusion of this value-added to the gross value of the annual output is significant. As previously mentioned, this increase in value is not subject to the mining tax regime. However, it is subject to the general corporate income tax system. Therefore, the taxation of these added-values are not reflected in the duties paid by companies under the Mining Tax Act.

The calculation of the output value at the mine shaft head in respect of a mine can be illustrated as follows:

<b>Calculation of the output value at the mine shaft head in respect of a mine</b>	
Gross value of the annual output for the mine	
<b>Less :</b>	
- Expenses incurred to achieve the gross value of the annual output in respect of the mine that relate to :	
▪ activities of crushing, grinding, sieving, processing, handling, transportation and storage of the mineral substance from the mine, from its first accumulation site after it is removed from the mine;	
▪ marketing activities of the mineral substance.	
- General and administrative expenses that relate to the above activities;	
- Depreciation allowance for property used in mining operation activities from the first accumulation site of the mineral substance after it is removed from the mine;	
- Processing allowance.	
<b>= Output value at the mine shaft head in respect of the mine<sup>(1)</sup></b>	
(1) The output value at the mine shaft head in respect of the mine may in no case be less than 10% of the gross value of the annual output for the mine.	

As for the minimum mining tax, it is calculated as follows:

- 1% in respect of the first \$80 million of output value at the mine shaft head;
- 4% in respect of the output value at the mine shaft head in excess of \$80 million.

## Mining tax on annual profit

Briefly, the calculation of the annual profit of an operator can be illustrated as follows:

<b>Calculation of the annual profit of an operator</b>
Gross value of the annual output for the mine
<b>Less :</b>
- Mining costs (production costs and other expenses attributable to the mine);
- Depreciation allowance of assets used in mining operations;
- Post-production development allowance;
- Processing allowance;
- Additional allowance for a mine situated in northern Québec.
<hr/>
= Annual earnings from the mine <sup>(1)</sup>
Annual earnings from each mine
<b>Less :</b>
- Scientific research and experimental development expenses;
- Exploration allowance;
- Pre-production development allowance.
<hr/>
= Annual profit of an operator
<hr/>
(1) For an operator that develops a mineral substance in reasonable commercial quantities or that is associated with an entity that develops a mineral substance in reasonable commercial quantities, the loss of the mine is deemed null and cannot reduce the profits of another mine.

The government has implemented a progressive mining tax on profit so that the higher a mining corporation's profit margin, the higher the mining tax.

The rates vary from 16% to 28%, depending on the profit margin, which is calculated as follows:

$$\frac{\text{Operator's mining profit}}{\text{Total of the gross value of the annual output for all the mines it operates}}$$

### **Mining tax on profit according to the profit margin**

<b>Profit margin</b>	<b>Application rates</b>
0% to 35%	16,0%
35% to 50%	22,0%
50% to 100%	28,0%

**Note 6:** These operators have transmitted their information using functional currency which is a currency other than the Canadian dollar. Therefore, the data was presented in the chosen currency. The conversion into Canadian dollar can not be performed because of the different variations in the exchange rate during the year.

Sources: Certain extracts of the explanatory notes have been derived from the documents *Information Bulletin 2013-4* and *A new mining tax regime fair for all*, published by the ministère des Finances du Québec.