

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

January 2019

Ministère de l'Énergie et des Ressources naturelles

Quantity, value and duties paid per mine by mining companies in 2017 (Can\$)

(The data presented were supplied by the mining companies)

Société	Mine	Baux et concessions minières	Substance ¹	Quantité vendue (unité de mesure) ²	Valeur de la production à la tête du puits ^{3, 4} (Can\$)	Droits versés ^{4, 5} (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	19 246 723 dmt	\$910 550 661	\$55 517 334
	Fire Lake	BM-865	Iron	5 110 529 dmt	\$194 843 321	\$11 879 824
				TOTAL	\$1 105 393 982	\$67 397 158
RIO TINTO FER ET TITANE INC.	Lac Tio	CM-381, CM-368	Ilmenite	1 616 376 mt	\$91 116 972	\$1 244 679
HECLA QUÉBEC INC.	Casa Berardi – mine sous terre	BM-768, BM-833	Gold	114 689 oz	\$166 326 380	\$4 816 480
			Gold	37 603 oz	\$51 025 680	\$1 477 602
	Casa Berardi – fosse EMCP			TOTAL	\$217 352 060	\$6 294 082
MINES RICHMONT INC.	Beaufor	BM-1018-858-750 & CM-280PTA	Gold	15 135 oz	\$16 325 718	\$163 257
			Silver	1 827 oz		
CORPORATION AURIFÈRE MONARQUES	Beaufor	BM-1018-858-750 & CM-280PTA	Gold	5 444 oz	\$7 209 000	\$72 090
LES MINES OPINACA LTÉE	Éléonore	BM-1009	Gold	298 386 oz	\$276 092 605	\$8 643 704
			Silver	15 640 oz		
WESDOME GOLD MINES LTD	Kiena	CM-494	Gold	584 oz	\$931 010	
			Silver	90 oz	\$1 868	
			TOTAL		\$932 878	
NYRSTAR LANGLOIS	Langlois	BM-831	Zinc	65 440 mt	\$80 191 358	\$807 654
CANADIAN ROYALTIES INC.	Nunavik Nickel	BM-880, BM-1044	Copper	8 754 mt		
			Nickel	113 670 t	\$130 336 483	
			Copper	58 344 t	\$171 293 978	\$301 630
			TOTAL		\$301 630 461	\$301 630
K+S SEL WINDSOR LTÉE	Seleine	BM-1, BM-2, BM-712, BM-819, BM-820	Salt	1 162 041 mt	\$67 419 730	\$2 913 918
IMERYS GRAPHITE & CARBONE CANADA INC.	Lac-des-Îles	BM-788	Graphite	13 925 t	\$16 348 031	\$883 558
IMERYS MICA SUZORITE INC.	Lac Letondal	BM-670	Mica	23 987 st	\$16 114 653	\$1 061 716
RESSOURCES MÉTANOR INC. (BONTERRA RESOURCES INC. depuis septembre 2018)	Lac Bachelor	CM-510, BM-1025	Gold	36 620 oz	\$46 215 087	\$462 151
RESSOURCES NOTTAWAY INC.	Veza	BM-1010	Gold	23 331 oz	\$28 911 496	\$289 115
			Silver	4 041 oz		
MINES ABCOURT INC.	Elder	CM-63, BM-1029, BM-1045	Gold	13 327 oz	\$14 681 397	\$146 814
CANADIAN MALARTIC GP	Canadian Malartic	BM-892, BM-1007, BM-1008, CM-226, BM-1011, BM-1020	Gold	629 840 oz	\$613 407 541	\$58 626 731
			Silver	673 937 oz		
3409813 CANADA INC. (DENTSPLY CANADA)	Othmer	BM-855	Feldspar	50 675 kg	\$89 324	\$4 502
SOCIÉTÉ DE DIAMANTS STORNOWAY (CANADA) INC.	Renard	BM-1021	Diamonds	1 374 751 kt	\$63 451 250	\$634 513
Total (Can\$)					\$2 962 883 543	\$149 947 272

Quantity, value and duties paid per mine by mining companies in 2017 (US\$)⁶

(The data presented were supplied by the mining companies)

Société	Mine	Baux et concessions minières	Substance ¹	Quantité vendue (unité de mesure) ²	Valeur de la production à la tête du puits ^{3, 4} (\$ US)	Droits versés ^{4, 5} (\$ US)
MINES AGNICO EAGLE	LaRonde	BM-1027, BM-854, BM-796, CM-240 PTA-PTB	Gold Silver Copper	349 948 oz 1 429 636 oz 4 779 mt	\$409 182 798	\$19 702 028
	Lapa	BM-871, CM-290	Gold Silver	50 214 oz 2 827 oz	\$50 961 834	\$2 453 797
	Goldex	BM-879	Gold Silver	119 090 oz 1 447 oz	\$120 479 977	\$5 801 074
	TOTAL				\$580 624 609	\$27 956 899
INTEGRA GOLD CORP	Projet Lamaque Sud Secteur Triangle	BM-1048	Gold	7 061 oz	\$7 868 944	\$132 725
			Silver	2 766 oz	\$34 043	\$574
TOTAL					\$7 902 987	\$133 299
SOCIÉTÉ IAMGOLD	Westwood	BM-1002	Gold Silver	124 970 oz 92 811 oz	\$124 706 739	\$3 206 493
NIOBEC INC.	Niobec	BM-663, BM-706, BM-1043	Ferroniobium	6 846 000 kg	\$108 839 892	\$9 301 968
GLENCORE 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	Nickel Copper Platinum-group elements	35 486 mt 8 992 mt 208 687 oz	\$273 531 856	\$8 643 131
	Bracemac-McLeod	BM-1023, BM-1024	Zinc Copper Silver	37 364 mt 6 968 mt 231 631 oz	\$116 432 315	\$5 107 293
TATA STEEL MINERALS CANADA	Goodwood	BM-899	Fer	1 252 140 wmt	\$7 240 412	\$72 414
Total (US\$)					\$1 219 278 810	\$54 421 497

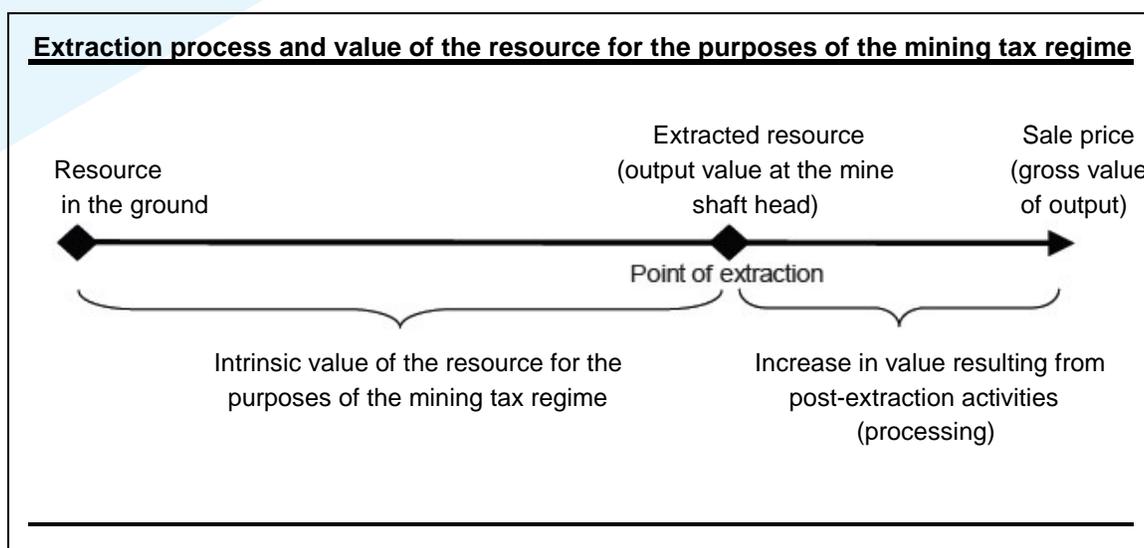
Notes with regard to data made public under Sections 120 and 215 of the Mining Act

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 2017.

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:

Calculation of the output value at the mine shaft head in respect of a mine	
Gross value of the annual output for the mine	
Less :	
-	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.
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= Output value at the mine shaft head in respect of the mine ⁽¹⁾	
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(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.

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.

Mining tax on annual profit

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

Calculation of the annual profit of an operator
Gross value of the annual output for the mine
Less :
- 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.
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= Annual earnings from the mine ⁽¹⁾
Annual earnings from each mine
Less :
- Scientific research and experimental development expenses;
- Exploration allowance;
- Allowance for community consultations;
- Environmental studies allowance;
- Pre-production development allowance.
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= Annual profit of an operator
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(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.

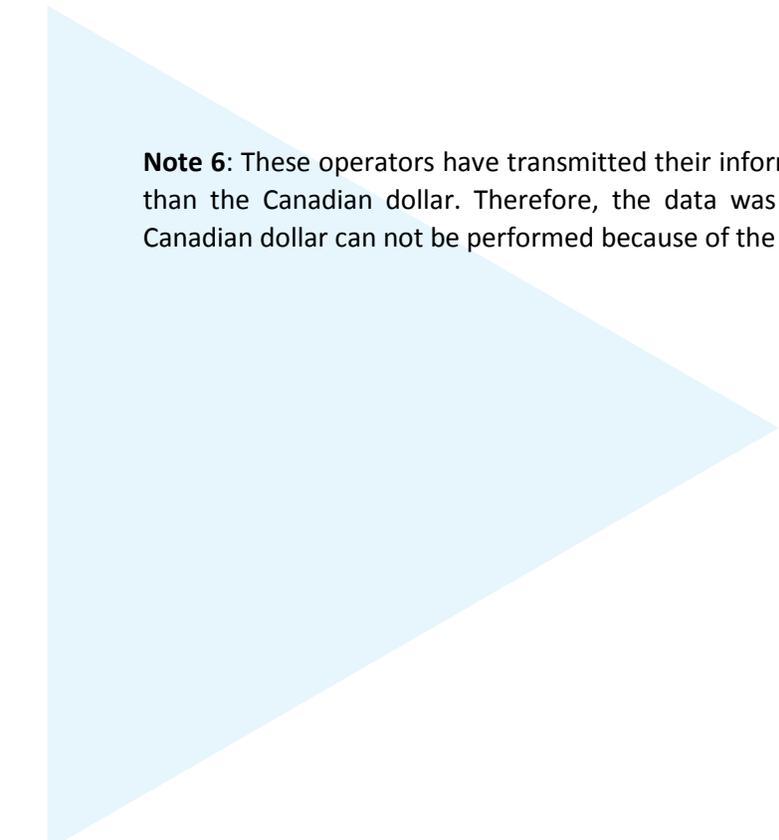
The government has implemented a progressive mining tax on profit so that the higher a mining corporation's profit margin, the higher the mining tax.

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	
Profit margin	Application rates
0% to 35%	16,0%
35% to 50%	22,0%
50% to 100%	28,0%

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.



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.