

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

March 2020

Ministère de l'Énergie et des Ressources naturelles

Quantity, value and duties paid per mine by mining companies in 2018 (Can\$)

(The data presented were supplied by the mining companies)

Operator	Mine	Mining leases and concessions	Substance ¹	Quantity sold (Unit of measurement) ²	Output value at the mine shaft head	Fees paid ^{4, 5}
ARCELOMITTAL 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	17 838 924 tms	851 203 601 \$	61 556 125 \$
	Fire-Lake	BM-865	Iron	6 673 132 tms	246 873 391 \$	17 853 037 \$
	TOTAL					1 098 076 992 \$
BONTERRA RESOURCES INC. (RESSOURCES METANOR INC.)	Bachelor	BM-1025, CM-510	Gold	18 352,99 ozt		
			Silver	1 836,37 ozt		
TOTAL					20 141 925 \$	201 419 \$
CANADIAN MALARTIC GP	Canadian Malartic	BM-892, BM-1007, BM-1008, CM-226, BM-1011, BM-1020	Gold	699 307 oz		
			Silver	866 207 oz		
TOTAL					763 182 564 \$	65 000 000 \$
CANADIAN ROYALTIES	Nunavik Nickel	BM-880, BM-881, BM-882, BM-883, BM-1044	Nickel	119 186 t	48 208 633 \$	
			Copper	64 188 t	44 416 000 \$	
TOTAL					92 624 633 \$	1 344 985 \$
CORPORATION AURIFÈRE MONARQUES	Mine Beaufor	BM-750, BM-858, BM-1018, CM-280PTA	Gold	14 856 oz	19 496 255 \$	194 963 \$
			Silver	2 113 oz	0 \$	0 \$
TOTAL					19 496 255 \$	194 963 \$
HECLA QUÉBEC INC.	Casa Berardi	BM-768, BM-833	Gold	165 207 oz	239 422 639 \$	7 176 906 \$
IMERYS GRAPHITE & CARBONE CANADA INC.	Lac-des-Îles	BM-788	Graphite	10 866 t	11 632 190 \$	116 322 \$
IMERYS MICA SUZORITE INC.	Lac Letondal	BM-670	Mica	22 342 tc	13 827 359 \$	767 248 \$
K+S SEL WINDSOR LTÉE	Seleine	BM-1, BM-2, BM-712, BM-819, BM-820	Salt	1 325 122 tm	84 992 641 \$	3 392 900 \$
LES MINES OPINACA LTÉE	Éléonore	BM-1009	Gold	339 411 oz		
			Silver	13 980 oz		
TOTAL					304 089 401 \$	9 763 576 \$
MINERAI DE FER QUÉBEC INC.	Lac Bloom	BM-877	Iron	7 127 600 tms	837 276 016 \$	34 657 878 \$
MINES ABCOURT INC.	Elder	CM-63, BM-1029, BM-1045	Gold	15 683 oz	18 627 976 \$	593 000 \$
NYRSTAR LANGLOIS	Langlois	BM-831	Zinc	51 389 tm		
			Copper	6 766 tm		
TOTAL					52 849 938 \$	528 499 \$
RESSOURCES NOTTAWAY INC.	Veza	BM-1010	Gold	22 333 oz		
			Silver	4 421 oz		
TOTAL					26 425 420 \$	264 254 \$
RIO TINTO FER ET TITANE INC.	Lac Tio	CM-381, CM-384	Ilmenite	1 707 503 tm	81 934 031 \$	877 361 \$
SOCIÉTÉ DE DIAMANT STORNOWAY (CANADA) INC.	Renard	BM-1021	Diamond	1 277 834 ct	51 275 806 \$	512 758 \$
Total (\$ CA)					3 715 875 786 \$	204 801 231 \$

Quantity, value and duties paid per mine by mining companies in 2018 (US\$)⁶

(The data presented were supplied by the mining companies)

Society	Mine	Mining leases and concessions	Substance ¹	Quantity sold (Unit of measurement) ²	Output value at the mine shaft head	Fees paid ^{4, 5}
AGNICO EAGLE MINES LIMITED	Laronde	BM-1027, BM-854, BM-796 CM-240 PTA-PTB	Gold	11 349,43 kg	446 867 018 \$	21 691 289 \$
			Silver	35 741,00 kg		
			Copper	4 323 350,00 kg		
	Lapa	BM-871, CM-290	Gold	991,58 kg	28 979 195 \$	1 406 674 \$
			Silver	73,00 kg		
	Goldex	BM-879	Gold	3 745,34 kg	122 533 339 \$	5 947 868 \$
Silver			45,00 kg			
				TOTAL	598 379 552 \$	29 045 831 \$
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	Nickel	37 983 tm	361 853 476 \$	13 942 172 \$
			Copper	8 035 tm		
			Platinum group elements	162 959 oz		
	Bracemac-McLeod	BM-1023, BM-1024	Zinc	37 701 tm	99 000 464 \$	3 960 019 \$
			Copper	5 505 tm		
		Silver	181 485 oz			
				TOTAL	460 853 940 \$	17 902 190 \$
IAMGOLD CORPORATION	Westwood	BM-1002	Gold	123 986 oz		
			Silver	74 766 oz		
				TOTAL	134 721 639 \$	3 475 753 \$
INTEGRA GOLD CORP	Eldorado Gold Lamaque	BM-1048	Gold	32 022 oz		
			Silver	10 888 oz		
				TOTAL	31 976 896 \$	319 769 \$
NIOBEC INC.	Niobec	BM-663, BM-706 BM-1043	Niobium	7 475 000 kg	135 837 393 \$	12 636 679 \$
TATA STEEL MINERAL CANADA	Goodwood	BM-899	Iron	1 252 140 tmh	7 240 412 \$	72 414 \$
Total (\$ US)					1 369 009 832 \$	63 452 636 \$

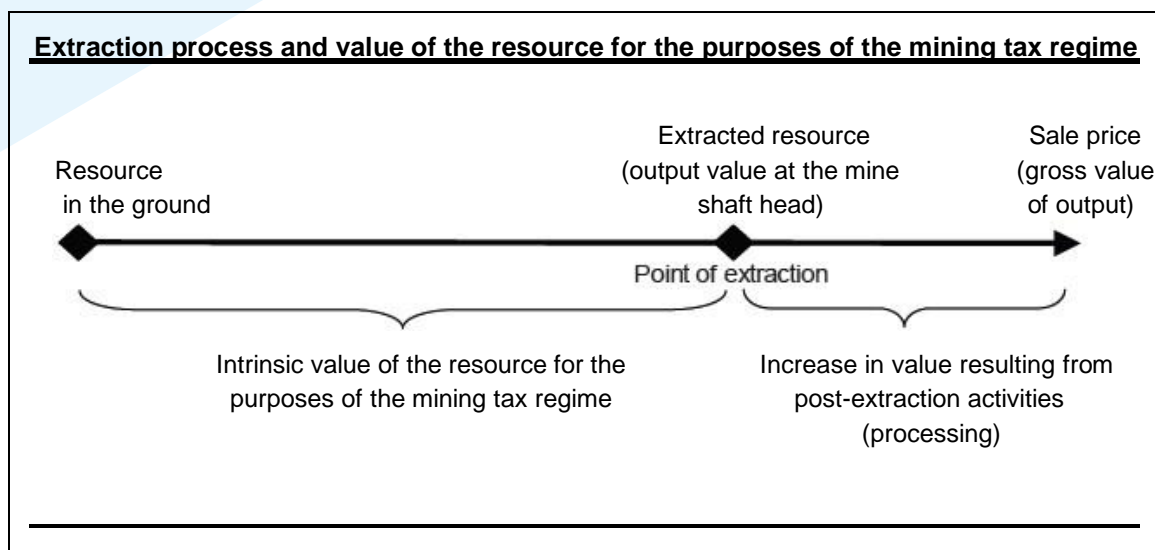
Notes with regard to data made public under Sections 120 and 215 of the Mining Act

Note 1: Main 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 2018.

Note 5: An operator is required to pay mining duties corresponding to the greater amount between 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 is 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 must never 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 exceeding \$80 million.

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;
- Allowance for environmental studies;
- 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.

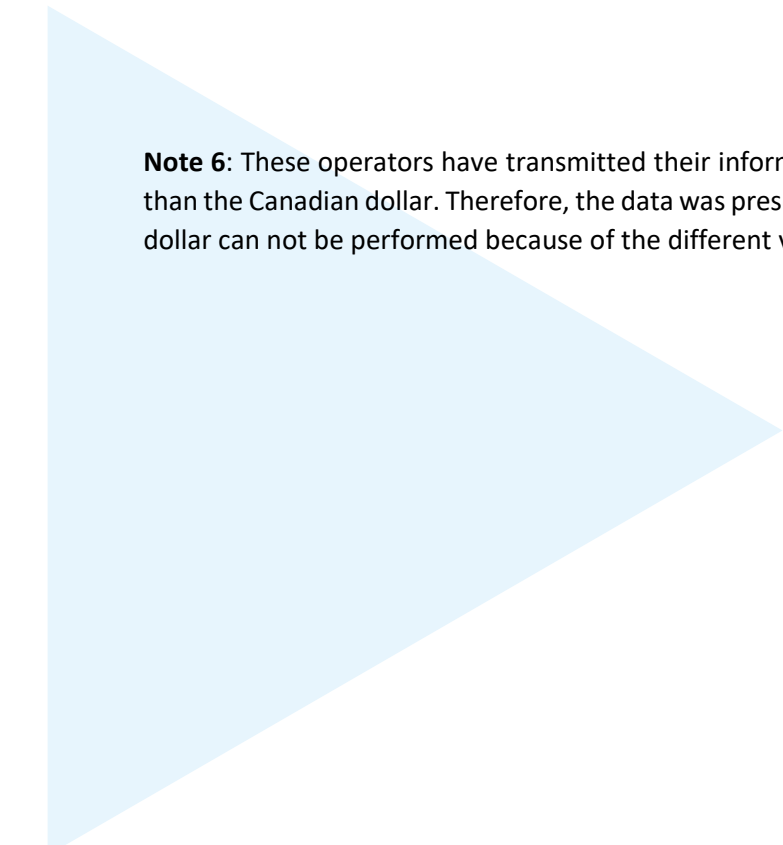
The rates vary from 16% to 28%, depending on the profit margin, which is calculated as follows:

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

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.