



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 |
| 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 |

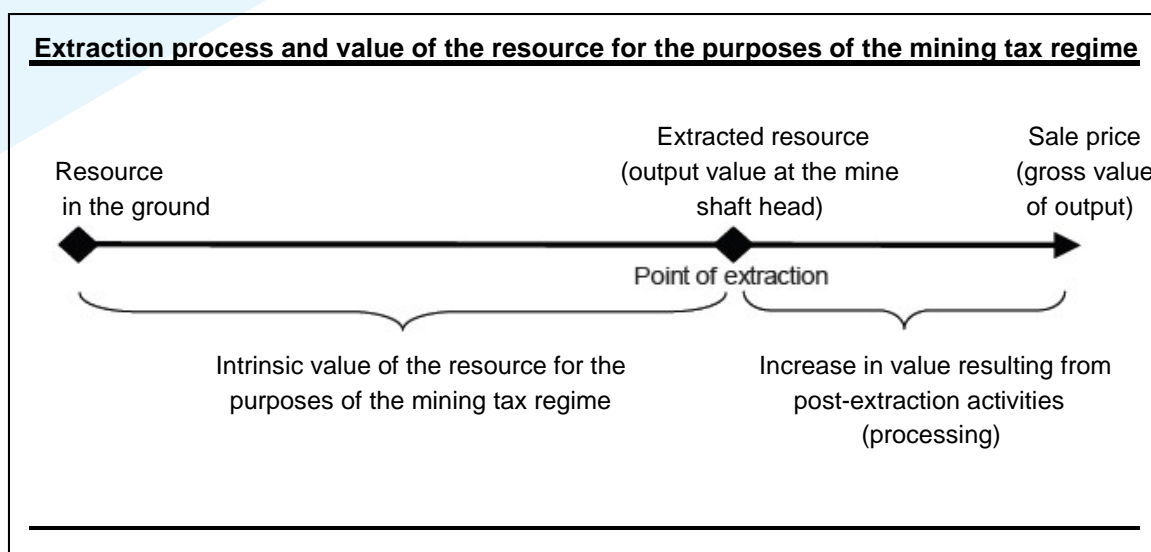
Notes with regard to data made public under Sections 120 and 215 of the Mining Act

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. |
| <hr/> | |
| = Output value at the mine shaft head in respect of the mine ⁽¹⁾ | |
| <hr/> | |
| (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. |
| <hr/> |
| = 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. |
| <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. |

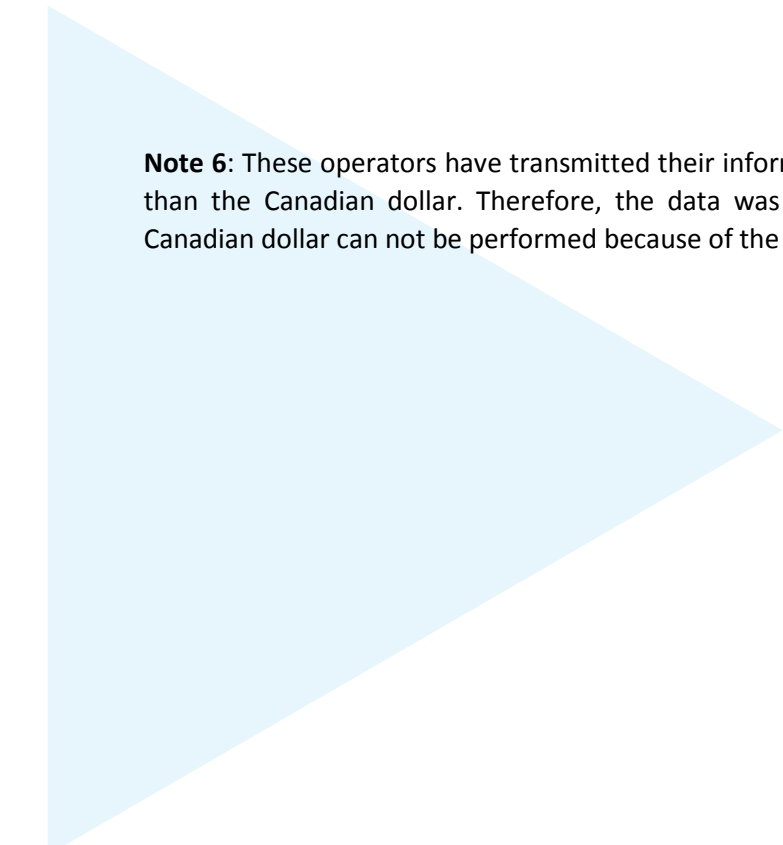
The government has implemented a progressive mining tax on profit so that the higher a mining corporation's profit margin, the higher the mining tax.

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 | |
|--|--------------------------|
| 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.