



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

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Ministère de l'Énergie et des Ressources naturelles

Quantity, value and duties paid per mine by mining companies in 2014 (Can\$)

Operator	Mine	Mining leases and concessions	Substance ¹	Quantity sold (unit of measurement) ²	Mine-mouth output value ^{3,4} (Can\$)	Duties paid ^{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	19 910 308 dmt	\$617 289 452,00	\$22 591 684,00
	Fire Lake	BM-865	Iron	2 844 620 dmt	\$88 219 667,00	\$3 228 681,00
				TOTAL	\$705 509 119,00	\$25 820 365,00
RIO TINTO FER ET TITANE INC.	Lac Tio	CM-381, CM-368	Ilmenite	2 005 480 t	\$98 188 541,00	\$1 527 542,00
CANADIAN MALARTIC GP	Canadian Malartic	BM-892, BM-1007, CM-226, BM-1011, BM-1020	Gold Silver	543 248 oz 558 144 oz	\$446 460 339,00	\$15 783 000,00
HECLA QUÉBEC INC.	Casa Berardi	BM-768, BM-833	Gold	128 241 oz	\$162 166 928,00	\$4 086 677,00
MINES RICHMONT INC.	Beaufor	CM-280PTA, CM-280PTB, BM-750	Gold	24 006 oz	\$29 218 588,00	\$292 186,00
	Zone W	BM-858, BM-1018 (W area included in the Beaufor mine)	Gold	4 929 oz	\$5 184 856,00	\$51 849,00
	Monique	BM-1012	Gold	23 490 oz	\$22 856 242,00	\$228 562,00
				TOTAL	\$57 259 686,00	\$572 597,00
QMX GOLD CORPORATION	Lac Herbin	CM-300, BM-739, BM-801, BM-873	Gold	20 753 oz	\$18 065 280,00	\$180 653,00
LES MINES OPINACA LTÉE	Éléonore	BM-1009	Gold	15 881 oz	\$2 123 371,00	\$21 234,00
WESDOME GOLD MINES LTD	Kiena	CM-494	Gold Silver	163 oz 17 oz	\$165 560,00	\$1 656,00
BREAKWATER RESOURCES LTD	Langlois	BM-831	Zinc Copper	74 028 t 8 577 t	\$39 206 150,00	\$392 062,00
CANADIAN ROYALTIES INC.	Nunavik Nickel	BM-880, BM-881, BM-882, BM-883	Nickel Copper	81 244 dmt 47 639 dmt	\$37 758 567,00	\$377 586,00
K+S SEL WINDSOR LTÉE	Seleine	BM-1, BM-2, BM-712, BM-819, BM-820	Salt	1 543 880 mt	\$85 024 163,00	\$2 668 320,00
IMERYS GRAPHITE & CARBONE CANADA INC.	Lac-des-Îles	BM-788	Graphite	15 096 mt	\$8 405 955,00	\$1 529 004,00
IMERYS MICA SUZORITE INC.	Lac Letondal	BM-670	Mica	21 861 mt	\$11 288 888,00	\$1 126 464,00
Total (Can\$)					\$1 671 622 547,00	\$54 087 160,00

Quantity, value and duties paid per mine by mining companies in 2014 (US\$)⁶

Operator	Mine	Mining leases and concessions	Substance ¹	Quantity sold (unit of measurement) ²	Mine-mouth output value ^{3, 4} (US\$)	Duties paid ^{4, 5} (US\$)
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 Copper Platinum-group elements	29 523 mt 8 179 mt 74 673 oz/troy	\$387 189 974,00	\$32 670 261,00
	Bracemac-MacLeod	BM-1023, BM-1024	Zinc Copper	64 789 mt 9 161 mt	\$136 567 217,00	\$5 636 842,00
				TOTAL	\$523 757 191,00	\$38 307 103,00
AGNICO EAGLE MINES LIMITED	LaRonde	BM-1027, BM-854, BM-796, CM-240 PTA-PTB	Gold Silver Zinc Copper	204 877 oz 1 275 oz 10 515 t 4 997 t	\$227 569 732,00	\$7 809 297,58
	Lapa	BM-871, CM-290	Gold	92 622 oz	\$94 897 345,00	\$3 256 503,40
	Goldex	BM-879	Gold	100 433 oz	\$99 775 566,00	\$3 423 904,74
				TOTAL	\$422 242 643,00	\$14 489 705,72
IAMGOLD CORPORATION	Mouska	BM-800, BM-843	Gold Silver	16 102 oz 9 129 oz	\$20 354 631,00	\$203 546,00
	Westwood	BM-1002	Gold Silver	64 928 oz 82 586 oz	\$45 358 342,00	\$453 584,00
				TOTAL	\$65 712 973,00	\$657 130,00
NIOBEC INC.	Niobec	BM-663, BM-706	Niobium	5 774 311 kg	\$123 272 835,00	\$6 895 063,00
Total (US\$)					\$1 134 985 642,00	\$60 349 001,72

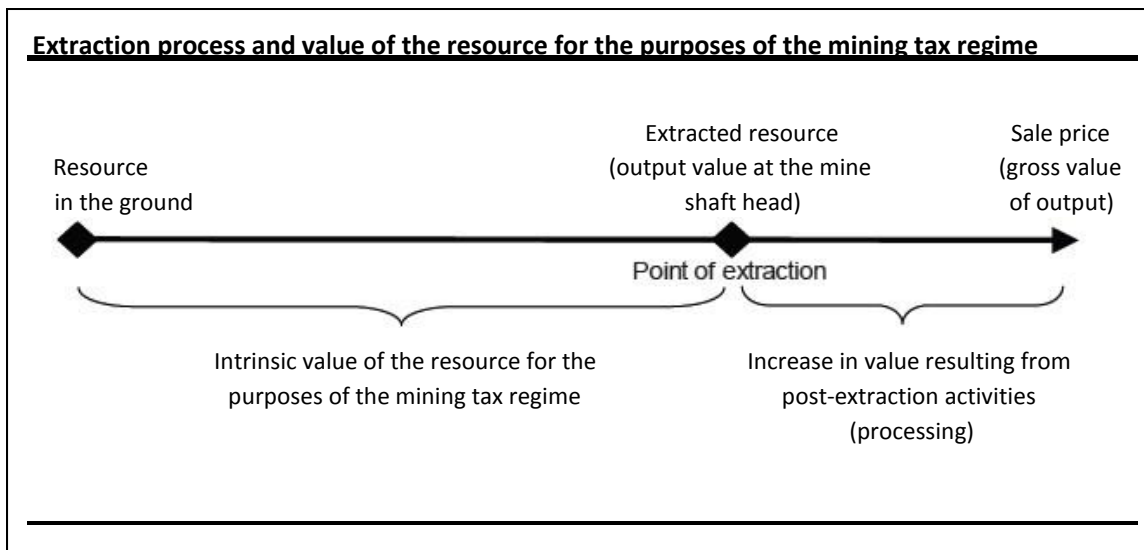
Notes with regard to data made public under Sections 120 and 215 of the Mining Act

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 operation income earned in their fiscal year ending in 2014.

Note 5: An operator is required to pay, for a fiscal year starting after December 31, 2013, mining duties corresponding to the greater of its minimum mining tax and its mining tax on annual profit, for the fiscal year.

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.
= Output value at the mine shaft head in respect of the mine⁽¹⁾
(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:

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.	
= Annual earnings from the mine ⁽¹⁾	
Annual earnings from each mine	
Less :	
- Scientific research and experimental development expenses;	
- Exploration allowance;	
- Pre-production development allowance.	
= Annual profit of an operator	
<small>(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.</small>	

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	Applicable rates
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.