

Annual Survey on Mineral Exploration, Deposit Appraisal, Mine Complex Development, Capital and Repair Expenditures

Reporting Guide

General Instructions

1. REPORTS REQUIRED

Reports are required for mining activities **located in Canada**.

Separate reports should be completed by province for each type of metal and non-metal mining activity.

Included:

- Potash refineries
- Milling and pelletizing operations
- Electric generating plant if it is installed for use mainly at the mining site

Excluded :

- Exploration and development expenditures for oil and gas.
- Metal smelting and/or refining establishments.

If the report is **NIL**, please complete page 1 and return questionnaires so that we may complete our file.

2. JOINT VENTURE

In the case of joint ventures, only the company responsible for the accounting records (*the operator*) should complete a report for the venture to avoid any duplication in reporting expenditures.

3. GRANTS, SUBSIDIES AND INVESTMENT TAX CREDITS

Grants, subsidies and investment tax credits **should not be netted** from expenditures reported in Sections 1 and 2.

4. DOLLAR AMOUNTS AND PERCENTAGES

- All dollar amounts should be expressed in **CANADIAN DOLLARS**
- Percentages should be rounded (e.g., 37%, 76%, 94%)
- Your **best estimates** are acceptable when precise figures are not available
- Shaded areas indicate that no response is required
- Pre-printed numbers 055 to 872 are for identification purposes

5. DEFINITIONS

An asterisk* indicates that a definition is provided in the Reporting Guide.

6. QUESTIONS

If additional information, questionnaires or assistance in preparing this questionnaire is required, **Please Call Collect** the appropriate government department:

- In Quebec - to Institut de la statistique du Québec, in Canada, call (418) 691-2411.
- In all other provinces and territories - to Statistics Canada toll-free number at 1 800 345-2294, at (613) 951-9815 or by e-mail at Invest@statcan.gc.ca.

7. FILING OF RETURN

Please send the completed questionnaire(s) in the enclosed envelope to the appropriate government department listed below:

- Operations in Quebec - to Institut de la statistique du Québec, 200, chemin Sainte-Foy, 3^e étage, Québec, Qc, G1R 5T4.
- Operations in all other provinces and territories - to Statistics Canada, Ottawa, ON K1A 0T6, or by fax at: (613) 951-0196 or toll free number at 1 800 606-5393.

Instructions on Sections

SECTION 2 - CAPITAL AND REPAIR EXPENDITURES

- For coding assets in Section 2 Column 1, please refer to the asset description and code page in the Reporting Guide
- The use of "Other" code (*i.e., ending in 99*) is to be avoided, if possible
- In Section 2, construction and machinery and equipment type of assets are separate. This is not necessary in Section 5
- If more lines are required for Section 2, please photocopy and attach to questionnaire

SECTION 4 - YEAR OVER YEAR VARIATION OF CAPITAL EXPENDITURES

Complete this section **only if this report shows significant changes** in TOTAL capital expenditures over previous fiscal period. The intent of this section is to reduce possible further inquiries by clarifying the reason(s) for major changes in the capital expenditures reported.

If there has been a launch of a major project or expansion of an existing project, please provide the nature, location, and (if applicable) the name(s)/title(s) of the project in the comment section of the questionnaire.

SECTION 5 - DISPOSALS AND SALES OF FIXED ASSETS

- For coding assets in Section 5 Column 1, please refer to the asset description and code page in the Reporting Guide
- If you have purchased more than one asset in a particular asset group, report them separately or combine the data and provide a weighted average
- The use of "Other" code (*i.e. ending in 99*) is to be avoided, if possible
- If more lines are required for Section 5, please photocopy and attach to questionnaire

PAGE 1

ORGANIZATION IDENTIFICATION

The pre-printed label on page 1 indicates the most current identification of your organization on our files. Please use the appropriate space below the label to make any changes that would reflect a better description of your operations for this particular report.

LABEL INFORMATION

A) Type of Ownership

Ownership is defined as the level of government, person, group of persons, agency or incorporated body controlling more than 50% of the voting rights.

NOTE: Financial assistance (*grants, subsidies, etc.*) provided by any level of government to an enterprise and/or institution does not necessarily constitute ownership of that organization.

B) Period Covered by this Report

Please report expenditures for the period **January 1 to December 31, 2009**.

Definitions (Continued)

PAGE 2

SECTION 1 : Exploration, Deposit Appraisal and Mine Complex Development Expenditures (*Capitalized and/or expensed*)

Section 1 is now reported under form MIN-EX3R of Natural Resources Canada questionnaire.

PAGE 3

SECTION 2 : Capital and Repair Expenditures

Columns 2, 3, 4 and 5 - Capital Expenditures by Assets

New Assets, Renovation, Retrofit, includes both existing assets being upgraded and additions of new assets.

Report the **gross expenditures** (*including subsidies*) on fixed assets for use in the operations of your organization or for lease or rent to others. Include all capitalized costs such as feasibility studies, architectural, legal, installation and engineering fees as well as work done by your own labour force. Capitalized interest charges on loans with which capital projects are financed should be included.

EXCLUDE : If you are capitalizing your leased fixed assets as a lessee in accordance with the Canadian Institute of Chartered Accountant's recommendations, please **exclude** the total of the capitalization of such leases during the year from capital expenditures.

2.1 Land/Mining Rights

Capital expenditures for land should include all costs associated with the purchase of the land that are not amortized or depreciated.

These costs must not already be included in exploration or deposit appraisal expenditures.

2.2 Residential Construction

Report the value of residential structures including the housing portion of multi-purpose projects and of townsites with the following **EXCEPTIONS**:

- buildings that have accommodation units without self-contained or exclusive use of bathroom and kitchen facilities (*e.g., bunkhouses, dormitories, camp cookeries, camps - see asset code 1022*).
- the non-residential portion of multi-purpose projects and of townsites
- associated expenditures on services

The exceptions should be included in the appropriate construction (*i.e., non-residential*) asset

2.3 Non-Residential Construction

Report the total cost incurred during the year of building and engineering construction (*contract and by own employees*) whether for your own use or rent to others. Include also:

- the cost of land servicing, demolition of buildings and of site-preparation
- leasehold and land improvements
- townsite facilities, such as streets, sewers, stores, schools
- oil or gas pipelines, including pipe and installation costs
- all preconstruction planning and design costs such as engineering and consulting fees and any materials supplied to construction contractors for installation

2.5 Machinery and Equipment

Report total cost incurred during the year of all new machinery, whether for your own use or for lease or rent to others. Any capitalized tooling should also be included. Include progress payments paid out before delivery in the year in which such payments are made. Receipts from the sale of your own fixed assets or allowance for scrap or trade-in should not be deducted from your total capital expenditures. Any balance owing or holdbacks should be reported in the year the cost is incurred. (*See EXCLUDE above.*)

Column 3 - Purchase of Used Canadian Assets

Data is needed separately from columns 2 and 4 to identify the existing assets that were used previously in Canada and were already included in measurements for those previous years.

Purchase of Used Fixed Assets

Definition: Used fixed assets may be defined as existing buildings, structures or machinery and equipment which have been previously used by another organization in Canada that you have acquired during the time period being reported on this questionnaire.

Explanation: The objective of our survey is to measure gross annual new additions to fixed assets separately from the acquisition of gross annual used fixed assets in the Canadian economy as a whole.

Hence, the acquisition of a **used fixed asset** from within Canada should be reported separately since such acquisition would not change the aggregates of our domestic inventory of fixed assets, it would simply mean a transfer of assets within Canada from one organization to another.

Imports of Used Assets, on the other hand, should be included in Column 2 New Assets because they are newly acquired for the Canadian economy.

Column 4 - Renovation, Retrofit, Refurbishing, Overhauling, Restoration

The renovation components column is intended to separate the portion of existing assets being upgraded in contrast to the additions of new assets.

2.7 Non-Capitalized Repair and Maintenance Expenditures

Report the **gross** non-capitalized repair expenditures on non-residential buildings, other structures and machinery. Include the value of repair work done by your own employees, as well as payments to persons outside your employ. Maintenance expenditures also include the routine care of assets such as janitorial service, snow removal, salting and sanding, oil change and lubrication of vehicles and other machinery. This question represents non-capitalized expenditures in contrast to the capitalized expenditures of column 4 (*Renovation, Retrofit, Refurbishing, Overhauling, Rehabilitation*).

SECTION 3 : Detail of Expenditures for Fixed Assets

3.3 - Work in progress

Work in progress represents accumulated costs since the start of capital projects which are intended to be capitalized upon completion.

3.4 - Assets acquired through capital (*financial*) lease

If you are capitalizing your leased fixed assets, please include the total amounts capitalized here. These amounts should not have been included in Sections 1 or 2.

SECTION 5 : Disposals and Sales of Fixed Assets

Report those fixed assets which are disposed, sold, retired, destroyed or otherwise discarded and also traded in for credit in the acquisition of purchase of new fixed assets. When land and buildings are sold together, please report the selling price of the land separately (*Column 2, data cell 735*) along with other land sales.

If you have disposed/sold similar assets with varying ages, report them separately or combine the data and provide a weighted average for the age.

5.1 Land/Mining Rights

Capital expenditures for land should include all costs associated with the purchase of the land that are not amortized or depreciated.

These costs must not already be included in general or mine-site expenditures.

5.2 Residential Construction

Report the value of residential structures including the housing portion of multi-purpose projects and of townsites with the following **EXCEPTIONS**:

- buildings that have accommodation units without self-contained or exclusive use of bathroom and kitchen facilities (*e.g., bunkhouses, dormitories, camp cookeries, camps - see asset code 1022*)
- the non-residential portion of multi-purpose projects and of townsites
- associated expenditures on services

The exceptions should be included in the appropriate construction (*i.e., non-residential*) asset

Column 3 - Accumulated Capital Cost should represent total capital expenditures for an asset at and since the time of construction or purchase including capital expenditures for the purposes of modernization, expansion, etc. Any subsidies received should not be subtracted.

SECTION 6 : Capacity Utilization

Capacity utilization is calculated by taking the actual production level for a mine (*production can be measured in dollars or units*) and dividing it by the mine's capacity production level.

Capacity production is defined as maximum production attainable under normal conditions.

To calculate capacity production, follow the mine's operating practices with respect to the use of productive facilities, overtime, workshifts, holidays, etc. For example, if your mine normally operates with one shift of eight hours a day, five days a week, then capacity will be calculated subject to these conditions and not on the hypothetical case of three shifts a day, seven days a week.

Example

Mine "A" normally operates one shift a day, five days a week and given this operating pattern, capacity production is 150 units of product "X" for the month. In that month actual production of product "X" was 125 units. The capacity use for mine "A" is $(125/150) * 100 = 83\%$.

Now suppose that mine "A" had to open for a shift on Saturdays to satisfy an abnormal surge in demand for product "X". Given this mine's normal operating schedule, capacity production remains at 150 units. Actual production has grown to 160 units though, so capacity use would be $(160/150) * 100 = 107\%$.

Asset Description and Codes

The **asset items and categories** listed below are groupings of fixed assets generally having a similar function which can apply to various industries.

- a) **Construction** structures should be classified to an asset according to its principal use unless it is a multi-purpose structure where we would like you to separate the components. The cost of any machinery and equipment which is an integral or built-in feature of the structure (*i.e., elevators, heating equipment, sprinkler systems, environmental controls, intercom systems, etc.*) should be reported as part of that structure as well as landscaping, associated parking lots, etc.
- b) **Machinery and equipment** which are housed in structures and which can be removed or replaced without significantly altering the structure should be reported separately. Computers for administration and educational purposes should be reported under asset code 8001. All **other computer related machinery and equipment** should be reported under asset codes 8003, 8021 to 8024, 8107, 8109, 8116 to 8199.

CONSTRUCTION		MACHINERY AND EQUIPMENT	
CODE	INDUSTRIAL AND COMMERCIAL		TRANSPORTATION EQUIPMENT
1005	Pollution abatement and control	6001	Trucks and other motor vehicles (<i>excluding off-highway trucks, see category 6010</i>) designed for the transport of goods
1006	Warehouses, refrigerated storage, freight terminals	6003	Automobiles
1008	Maintenance garages, workshops, storage facilities	6004	Trailers and semi-trailers for the transport of goods
1013	Office buildings	6006	Locomotives, rolling-stock, street and subway cars, and other rapid transit equipment
1022	Bunkhouses, dormitories, camp cookeries, camps	6007	Aircraft, helicopters, aircraft engines and major replacement parts (exclude satellites and flight simulators)
1097	Other industrial construction	6010	Other motor vehicles and vehicles not mechanically propelled; e.g., off-highway trucks, all-terrain vehicles
	MARINE CONSTRUCTION	6099	Other transportation equipment; e.g., buses, ships, engines, tires for motor vehicles
2001	Docks, wharves, piers, terminals (<i>coal, oil, natural gas, container, general cargo</i>)		
2099	Other marine construction		
	TRANSPORTATION		OTHER MACHINERY AND EQUIPMENT
2202	Highways, roads, streets, including logging roads (<i>also include signs, guardrails, lighting, landscaping, sidewalks, fences</i>)		8117 Terminal equipment - PBX's telephone handsets, cellular phones, key systems, modems, palm pilots, fax machines, pagers, satellite terminals/dishes, decoders, set-top boxes
2204	Rail track and roadbeds including signals and interlockers	7106	8127 Transmission equipment - transponders, receivers, cross connects, multiplexes, optical electronics, satellite earth stations, cell site equipment, antennas, cable head end equipment and components, cable distribution system plant equipment
2299	Other transportation	7109	8199 Other telecommunication cable and broadcasting equipment; e.g., satellite dishes, radar
	WATERWORKS	7199	
2402	Trunk and distribution mains		OTHER MACHINERY AND EQUIPMENT
2412	Water pumping stations and filtration plants		9001 Gas generators, turbines, internal combustion engines and other motors for other than transportation equipment
2413	Water storage tanks		9002 Pumps, air compressors and fans
2499	Other waterworks construction		9003 Air conditioning (<i>excluding portable air conditioners, see category 9099</i>), refrigerating or freezing equipment
	SEWAGE SYSTEMS		9004 Industrial or laboratory furnaces and ovens and furnace burners and related equipment
2601	Sewage treatment and disposal plants including pumping stations		9005 Well drilling and servicing rigs (<i>other than floating</i>)
2602	Sanitary and storm sewers, trunk and collection lines, open storm ditches and laterals		9106 Pulling, lifting, handling, loading or unloading machinery
2699	Other sewage system construction		9007 Fork-lift trucks and warehouse trucks
	ELECTRIC POWER		9008 Moving, grading, excavating, compacting, extracting or boring machinery for earth, minerals, ores or snow (<i>excluding track-laying tractors and other tractors, see category 9099</i>)
2801	Electric power construction		9009 Electric motors and generators
	MINING		9010 Electric transformers, static converters, inductors, switch gear and similar electric equipment
3401	Mine buildings including headframes, ore bins, ventilation structures, backfill plants and other surface buildings		9011 Optical instruments and apparatus, instruments and apparatus designed for certain specifically defined uses (<i>surveying, meteorology, drawing, calculating, etc.</i>) and machines for testing materials
3402	Mine buildings for beneficiation treatment of minerals (<i>excluding smelters and refineries</i>)		9012 Instruments and appliances for medical, surgical, dental, veterinary use or for related purposes
3403	Mine shafts, drifts, crosscuts, raises, declines, stoping, etc. (<i>Report for structures only; for rock work components, see form MIN-EX3R, NRCAN, line 14.23.</i>)		9013 Measuring, checking or automatically controlling instruments and apparatus (<i>excluding gas, water and electricity meters, see category 9099</i>) and navigational instruments
3404	Tailing disposal systems, settling ponds		9014 Hand tools
	OTHER CONSTRUCTION		9099 Other machinery and equipment; e.g., storage tanks, tractors for agricultural or forestry work, portable air conditioners, electric traffic control equipment, gas meters, water meters, electricity meters, weigh scales, central heating boilers, bedding
5999	Other construction (<i>not specified elsewhere</i>)	8107	
		8109	Broadcasting and radio communication equipment (exclude transmission equipment, see category 8127)
		8116	Radar and navigational instruments (example; radar and sonar equipment, radio navigational aid apparatus, GPS receivers)
			Network switching equipment - hardware including IP switches (routers) and PBX's used as public switches (<i>exclude switching software, see category 8024</i>)