

**MINING ROYALTY RETURNS
Mining Regulations**



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This return, and attached schedules with reconciliation to company's financial statements, and with all information required by the *Mining Regulations* shall be delivered to the Chief, Financial Analysis and Royalty Administration, Department of Industry, Tourism and Investment, on or before the last day of the fourth month after the end of each fiscal year of the mine.

Name of the Mine

Fiscal Year of the Mine

Name and Address of the Operator

Certification

Name and Position of Authorized Officer

Name of Company

I, the undersigned, do hereby certify that the statements contained in this Mining Royalty Return are true and accurate, are in accordance with the accounts and records of the aforementioned Company and to my best knowledge comply with the requirements of the *Mining Regulations*.

Dated at _____ this _____ (day) of _____ (month), _____ (year)

Signature

Output Statistics

Per subsection 69 (4)

Weight and value of the minerals or processed minerals produced from the mine that were:

	Weight (cts)	Value (\$)
A) - Sold or transferred to persons not related to the operator		
- Sold or transferred to persons related to the operator		
- Precious stones that have been cut or polished by the operator		
B) In inventory at the end of the fiscal year of the mine		
C) In inventory at the beginning of the fiscal year of the mine		

Total output for the year (A) + (B) - (C) >

Letters refer to ss.69(4)

(\$)

(\$)

Proceeds from the sales, during the fiscal year, of minerals or processed minerals produced from the mine to persons not related to the operator

Market value of any minerals or processed minerals produced from the mine that were sold or transferred to a person related to the operator or that have been cut or polished before their sale or transfer

Market value of any precious stones that have been cut or polished before their sale or transfer

(A)

Market value of any inventories of minerals and processed minerals produced from the mine, as at the end of the fiscal year

(B)

Market value of any inventories of minerals and processed minerals from the mine, as at the beginning of the fiscal year

(C)

The lesser of:

(a) Payments received during the fiscal year related to a cost that has been claimed as a deduction or allowance

(b) The cost related to payment above

(D)

Any excess amount referred to in paragraph 70(5)(b)

(E)

Amounts withdrawn during the fiscal year from a mining reclamation trust established in respect of lands referred to in Section 3, up to a maximum of the total of the amounts contributed to the trust

(F)

Any proceeds received during the fiscal year from insurance on minerals or processed minerals produced from the mine

(G)

Amounts of any grants or loans in respect of the mine that were made to the operator in respect of the mine that are forgiven by the federal government in the fiscal year

(H)

Total of deductions and allowances claimed under subsection 70(1) (per page 4)

(I)

The amount by which the sum of the amounts referred to in paragraph 70(8)(d) and 70(9)(e) exceeds the undeducted balance of the depreciable assets eligible for a depreciation allowance at the end of the fiscal year

The amount by which the sum of the amounts referred to in paragraph 70(9)(c) and (d) exceeds the undeducted balance of the development allowance at the end of the fiscal year

(J)

Value of Output of Mine

$$(A) + (B) + (C) + (D) + (E) + (F) + (G) + (H) - (I) + (J)$$



(\$)

- (a) The costs, incurred during the fiscal year, for sorting, valuing, marketing and selling the minerals or processed minerals produced from the mine
- (b) The costs, incurred during the fiscal year, of insurance, storage, handling and transportation to the processing plant or market in respect of minerals or processed minerals produced from the mine
- (c) The costs, incurred during the fiscal year, of mining and processing minerals or processed minerals from the mine
- (d) The costs, incurred during the fiscal year, of repair, maintenance or reclamation at the mine
- (d.1) The consideration paid by a member of a joint venture for minerals or processed minerals diverted from another member of the joint venture, when each member is delivering a separate mining royalty return in accordance with section 74
- (e) General and indirect costs incurred during the fiscal year for property, employees or operations at the mine that are not otherwise allocated to operating costs
- (f) Exploration costs per page 4 below
- (g) Depreciation allowance per page 5
- (h) Development allowance per page 5
- (i) Mining reclamation trust contribution allowance per page 6
- (j) Processing allowance per page 6
- (k) Costs with respect to minerals or processed minerals from the mine processed at another mine or at any facilities located outside the Northwest Territories as per 70(1)(l)

Total Deductions and Allowances: (l)

Calculation of Exploration Costs Deduction

(\$)

Value of output of the mine, calculated after deduction of the amounts referred to in paragraphs 70(1)(a) and 70(1)(f) and before deduction of any depreciation allowance, mining reclamation contribution allowance, development allowance or processing allowance. (A)

10 % of (A) (B)

	(i)*	(ii) Percentage ownership of the mine (%)	(iii) Column (ii) x B (\$)	(iv) Actual exploration costs incurred during the year as per paragraph 70(1)(g) (\$)	(v) Lesser of column (iii) and column (iv) (\$)
Name of owner					

Costs eligible for exploration deduction (sum of column (v)): (C)

LESSER OF (B) OR (C) ARE COSTS ELIGIBLE FOR DEDUCTION

* For each owner please attach a list of claim and lease numbers and specify the exploration costs incurred on each.

	(\$)	
Undeducted balance of depreciable assets at the beginning of the fiscal year**		(1)
** Where this is the first return this amount should be the balance as at the date of commercial production		
Cost of additions during the fiscal year to depreciable assets		(2)
	(\$)	
The lesser of:		
(a) Proceeds from the disposition during the fiscal year of depreciable assets or insurance proceeds as the case may be or		
(b) the original cost of the assets		(3)
Undeducted balance of depreciable assets at the end of the fiscal year prior to deduction of a depreciation allowance	(1) + (2) - (3)	(4)
Amount of depreciation claimed for the current fiscal year (Cannot exceed amount in 4) (Claim this amount on page 4)		(5)
Undeducted balance of depreciable assets allowance at the end of the fiscal year after deduction of a depreciation allowance for the current fiscal year	(4) - (5)	

Note: if depreciable assets are used for processing minerals or processed minerals produced at another mine see sections 70(8)(c) and 70(10).

Development Allowance

	(\$)	
Undeducted balance of the costs eligible for a development allowance ***		(1)
Exploration costs incurred on the mining property, after the date of commencement of production, during the fiscal year		(2)
Costs incurred after the date of commencement of production, during the fiscal year, at the mine for workings designed for continuing use, including the clearing, removing or stripping of overburden from a new deposit at the mine, the sinking, excavation or extension of a mine shaft, haulage way or similar underground work, the construction of an adit or other underground entry and the construction of a road or tailings disposal structures		(3)
	(\$)	
The lesser of:		
(a) Costs referred to in subparagraph 70(1)(i) i and ii that were incurred by a previous owner on a recorded claim or lease that has been incorporated into the existing property		
(b) The purchase price of the claim or lease		(4)
Undeducted balance of the costs eligible for the development allowance at the end of the fiscal year prior to deduction of the development allowance	(1) + (2) + (3) + (4)	(5)
Amount of development allowance claimed for the fiscal year (Amount claimed cannot exceed (5) above) (Claim this amount on page 4)		(6)
Undeducted balance of costs eligible for the development allowance at the end of the fiscal year after deduction of a development allowance for the current year	(5) - (6)	

*****If this is the first mining royalty return for the mine, attach a schedule indicating the balances of costs incurred up to the date of commercial production as identified in subsections 70(1) (i) i and ii which make up this amount.**

Note: Exploration and development costs incurred above must be supported by a list of claim and lease numbers upon which these costs were incurred.

	(\$)	
Undeducted balance of contributions to the mining reclamation trust at the beginning of the fiscal year		(1)
The amounts contributed to the mining reclamation trust during the fiscal year		(2)
Undeducted balance of contributions to the mining reclamation trust at the end of the fiscal year prior to any deduction of a mining reclamation trust contribution allowance for the current fiscal year		(3)
Amount of mining reclamation trust contribution allowance claimed for the fiscal year (Claim this amount on page 4)		(4)
Undeducted balance of contributions to the mining reclamation trust at the end of the fiscal year after deduction of a mining reclamation trust contribution allowance	(1) + (2) + (3) - (4)	(5)

Processing Allowance

	(\$)	
Original cost of the processing assets at the beginning of the fiscal year		(1)
Original cost of processing assets added during the fiscal year		(2)
Original cost of assets sold, discarded or disposed of during the fiscal year		(3)
Original cost of the processing assets at the end of the fiscal year	(1) + (2) - (3)	(4)
Original cost of processing assets included in item (4) above but not used during the fiscal year		(5)
Processing assets eligible for a processing allowance at the end of the fiscal year	(4) - (5)	(6)
8% of value of (6) above		(7)
Value of output per page 3 (A to H)		(8)
Allowable deductions and allowances per page 4 items (a) to (i) + (k)		(9)
	(8) - (9)	(10)
	65% of item above	(11)

Processing allowance: the lesser of (7) or (11) above (Claim this amount on page 4)

Note: Where a mine is in production for less than 12 months in a fiscal year or a fiscal year of a mine is less than 12 months, the item (7) above shall be prorated based on the number of months in a fiscal year that the mine is in production. See 70(2).

Note: Where, in a fiscal year, the operator of a mine uses processing assets at a mine to process minerals or processed minerals produced at another mine, the asset base used for the calculation of the processing allowance shall be reduced by a percentage equal to the proportion of the mill operating costs attributable to the processing of the minerals or processed minerals from the other mine. See 70(8).