

# Reporting Guide of Mineral Exploration

## Survey of Mineral Exploration, Deposit Appraisal and Mine Complex Development Expenditures

Please report on all properties, deposits, mines or mill for which you are the *operator* in the province or territory covered by this report. **Preliminary Estimates or Annual:** All categories of expenditures should be reported by the mineral resource development work phase as defined in 12.0 and by the location of activity (*whether a mine site or not, also referred to as on- or off-mine-site*) as defined in 13.0.

### Intentions or Revised Intentions:

Please remember to complete this section, located at the bottom of page 1, by providing your total intentions or revised intentions by mineral resource development work phase (exploration, deposit appraisal, and mine complex development).

### Important:

Complete one column per property, mine or mill (line 11.1). If more than one work phase of activity (line 12.0) is undertaken during the year for the project, the phases must be reported separately. For more information on specific parameters and study cases, consult the Guidelines.

### Aboriginal Employment:

Aboriginal means any Indian, Inuit or Métis person who is indigenous to Canada. The number of Aboriginal people employed includes all types of employment (full-time, part-time, seasonal, temporary, etc.).

## Work Phase Description

### 12.0 Mineral Resource Development Work Phases

#### 1. Exploration Work Phase:

The search for, discovery and first delimitation of a previously unknown mineral deposit or the re-evaluation of a sub-marginal or neglected mineral deposit in order to enhance its potential economic interest based on delimited tonnage, grade, and other characteristics. This phase is completed when a deposit has sufficient indicated mineral resources accompanied by a positive scoping study (preliminary economic assessment) that justifies additional, more detailed, and costly deposit appraisal work. The expenditures include all field activities and support, including capital, repair and maintenance expenditures,<sup>1</sup> carried out on- or off-mine-site (see 13.0 and footnotes<sup>2</sup> and<sup>3</sup>).

#### 2. Deposit Appraisal Work Phase:

The steps undertaken to bring a delimited deposit by definition drilling, comprehensive tests, and planning to the stage of detailed knowledge required for an exhaustive and complete feasibility study that will fully justify and support a production decision and the investment required. The expenditures include all field activities and support, including capital, repair and maintenance expenditures,<sup>1</sup> carried out on- or off-mine-site.<sup>2,3</sup>

#### 3. Mine Complex Development Work Phase:

All work and support activities carried out on a mine site<sup>2</sup> to define and gain access to the ore and prepare it for production, as well as to extend the current ore reserves by exploring and appraising the immediate vicinity of the deposits inside the limits described in guideline 12.0 [3].

The expenditures include all field activities and support, including capital, repair and maintenance expenditures, carried out on a mine site<sup>2</sup> that is in production<sup>4</sup> or committed to production<sup>3</sup> and for related infrastructure and plants, such as pelletizing plants, that are not located at the mine site, but exclude metal smelting and/or refining plants.

### 13.0 Site of a Producing Mine (or Mine Committed to Production)

Covers all activities related to mine complex development, including those related to installations and infrastructure located outside the mine site and for exploration or deposit appraisal (guideline 12.0 [3]) directed at an additional mineral deposit **separate** from the current mine reserves and located **strictly** on an existing mine site<sup>2</sup> that is in production or committed to production.<sup>3</sup> This excludes the sites of temporarily or permanently closed mines, and advanced projects not yet committed to production.<sup>3</sup>

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<sup>1</sup> Repair and maintenance expenditures apply only to capital assets (construction, machinery and equipment), not to field expenditures.

<sup>2</sup> **A Mine Site** is the area that can be accessed and exploited from the current or committed installations. The size of this area is determined by the environmental permits obtained and varies depending on the commodity under consideration, on the attitude (horizontal, inclined, vertical), on the type, extent and number of the deposit(s), and on the mining method(s) in use. (See Guideline 13.0, Criteria to Define the Limits of a Mine Site.)

<sup>3</sup> For a mine site to be **committed to production**, all of the following criteria must be met:

1. the feasibility of developing the deposit(s) at a profit has been established by an exhaustive and complete feasibility study;
2. a formal production decision has been made by the organization;
3. the necessary financing is on hand or has been arranged;
4. all required authorizations and permits have been obtained; and
5. major pieces of production equipment have been purchased or ordered.

<sup>4</sup> Exclude mining cost to avoid duplication of operating costs with the *Annual Census of Mines, Quarries and Sand Pits - Establishment Schedule*.

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## Description of Categories of Expenditures

### 14.0 Surface and Underground Field Surveys and Work (Includes Field Overhead)

Includes expenditures associated with geoscientific surveys, drilling, rock work, other costs, engineering, economic and feasibility studies, mineral leases, and head office costs related to the project. It includes wages, salaries, fringe benefits, food, accommodation and other services, equipment rentals, all vehicle expenses, transportation costs (for people and equipment), and all related technical activities/services such as planning, data collection, interpretation, evaluation, map making, and reports. The costs reported for each activity should include all work carried out by the project operator and contractors, and all required field supervision and project management. Other costs should be attributed to the field survey and work category they relate to, if feasible. All surveys and work done for environmental purposes should be entered in 15.5. Include all costs related to Canadian projects, whether incurred in Canada or abroad.

#### 14.18 Mineral Leases, Claims, Staking, Line Cutting:

Staking costs and fees (including recording fees), licence and lease applications, renewal fees, legal fees pertaining to mineral leases and claims, and fees paid for assessment work. Fees paid in exchange for unperformed assessment work should be credited to this account upon reimbursement following performance of the work (when applicable). All environment-related costs are excluded.

#### 14.21 Geology and Geochemistry:

- **Geology:**

Prospecting, mapping, rock sampling, assaying associated with geological surveys, supervision of drilling programs or rock work, core logging, and all other related work such as geotechnical and mineralogical studies.

- **Geochemistry:**

Sample collection and supervision in relation to various types of geochemical sampling activities in stream, lake or glacial sediments, soils and rocks, as well as assaying, indicator mineral analysis, and other related activities.

#### 14.22 Ground and Airborne Geophysics:

Airborne, surface, downhole or underground geophysical surveys using magnetic, electromagnetic, induced polarization, radar, gravimetric and other methods, and other related activities. Remote sensing and satellite-imaging activities are also included in this category.

#### 14.5 to 14.8 Drilling

Is reported as “surface” or “underground” and as “diamond drilling” or “other types” (rotary, percussion, reverse circulation, overburden and sonic drilling, etc.). This activity includes all expenditures related to personnel and drill mobilization, site preparation, drilling, moves between drill holes, required mobile and support equipment, and other costs, as well as related sampling and assaying costs, including microdiamond testing and diamond recovery. Large-diameter drilling or reverse-circulation drilling undertaken to obtain large bulk samples, including handling and transportation costs, should be reported here.

#### **14.9 Stripping/Trenching (for Mine Complex Development, Report only Initial Overburden Stripping):**

Blasting for large surface open cuts, related control sampling and assaying (including microdiamond testing and diamond recovery), and all costs related to large and very large bulk sampling programs collected by these methods (including handling and transportation).

#### **14.23 Other Rock Work:**

Shaft sinking, drift/crosscut, raise/decline (structure component, see 18.1.1), rock slashing, stoping, shallow glory holes, related control sampling and assaying (including microdiamond testing and diamond recovery and excluding pilot work, see 14.14), dewatering (excluding pumping tests, see 14.14), and all costs related to large and very large bulk sampling programs collected by these methods (including handling and transportation).

#### **14.14 Engineering Studies:**

All expenditures related to the additional studies, tests, pilot work, and production tests (for mining, sampling plant, mineral processing and/or metallurgy of bulk samples, dewatering/pumping tests, etc.), and all plans, designs and appraisals required to establish the technical feasibility of a mining project.

#### **14.24 Scoping, Pre-Feasibility, Final Feasibility Studies (Including Economic Studies):**

- **Economic Studies:**

All expenditures for economic studies (markets, prices, financing, etc.) required to appraise a mining project and establish its economic feasibility.

- **Scoping, Pre-Feasibility, Final Feasibility Studies:**

All expenditures related to scoping, pre-feasibility project reviews, and production feasibility studies required to develop and mine a deposit, and to obtain the required leases, permits and authorizations, excluding environmental permits (15.5) and land access expenditures (16.1).

#### **15.5 Environment**

See Section 18 for the environment-related capital and repair and maintenance expenditures (protection and mine-site restoration).

- **Environmental Characterization:**

All costs of environmental characterization including baseline studies and assessment (preliminary environmental impact studies).

- **Environmental Assessment and Permits:**

All costs related to the process of meeting the legal and regulatory requirements or guidelines for environmental assessment and for obtaining permits required for the work program under consideration, including preproduction permits.

- **Environmental Protection:**

Costs for monitoring (additional to normal practices) and complying with laws, regulations and guidelines related to air emissions, liquid effluents, ground pollution, and wildlife and habitat protection. Environmental fines are included in this category.

- **Environmental Restoration:**

All costs of decommissioning **temporary** installations, reclamation and restoration, as well as monitoring, if required, after specific work has ceased. Include in Section 18 capital, repair and maintenance expenditures related to restoration of permanent installations at the mine complex development phase (including care and maintenance at temporarily closed mines). Exclude mine-site reclamation of mines permanently shut down.

#### **16.1 Socio-Economic, Impact and/or Benefits Agreements:**

Land access agreements, permits, and damages, as well as all costs related to establishing impact and benefits agreements, socio-economic agreements, and other requirements for mine complex development and mine production, and the costs of rights of way, damages and permits for exploration and deposit appraisal work, including all associated legal fees, but excluding all environment-related costs.

#### **14.17 Other Field Work Costs:**

expenditures related to surveying and general or overhead costs that could **not** be attributed or prorated to a specific work activity. These expenditures may include such items as office rental, warehouse and storage, radio and telecommunications, and energy costs unrelated to mine production. At the exploration and deposit appraisal phases, these costs may include the temporary construction of camps, access roads and airstrips, other transportation-related facilities, and the care and maintenance of projects on hold and awaiting permits or financing.

#### **14.19 Head Office (Including Other Corporated Offices) Costs Directly Related to Projects:**

The portion of costs incurred at a head office that is applicable to work on specific mineral development projects. These expenditures may include costs related to exploration, deposit appraisal, and mine complex development, such as administration, management, head office overhead, and legal and any other project-related head office activities that are not already reported in other expenditure categories. No costs related to salaries, fringe benefits, and expenditures related to activities carried out in the field should be charged here (see 14.0).

#### **18.1 Capital Assets**

Capital assets for construction, machinery and equipment include expenditures by the company for work performed by contractors or by the company from its own account, such as salaries and wages, materials and supplies, and other charges such as engineering, consulting, and project management fees. Capital expenditures, referring to new assets, new and used assets imported, and the costs for renovation, retrofit, refurbishing, overhauling and rehabilitation, are reported on lines 18.1.1 (non-residential construction excluding lands) and 18.1.2 (machinery and equipment), and the purchase of used assets in Canada is reported on lines 18.1.1.1 (non-residential construction) and 18.1.2.1 (machinery and equipment). New residential construction is reported on line 18.1.3. All capital expenditures related to environmental protection and restoration are included under this category.

##### **18.1.1 Non-Residential Construction (Excluding Land):**

Total capital expenditures incurred during the year for industrial and commercial construction, marine construction, permanent roads and other transportation-related construction, waterworks, sewage systems, electric power, mining construction (such as shaft structures), other construction or structures (not specified elsewhere), and environment-related construction. All mine development construction investments (structures only) related to "rock work" (14.23) are reported here.

##### **18.1.2 Machinery and Equipment:**

Total capital expenditures incurred during the year on all new machinery and tooling, whether for own use or for lease or rent to others. The following subheadings are provided: general machinery and equipment, transportation equipment, computer-assisted process machinery and equipment, conventional process machinery and equipment (non-computer-assisted), other machinery and equipment, and environment-related machinery and equipment costs. Also includes mine development construction investments related to "rock work" (14.23).

##### **18.1.3 New Residential Construction (Excludes Land):**

Declare the value of residential buildings, including expenditures for the residential portions of town plots and multi-use complexes. Please take into account the following exceptions:

1. Residences without bathrooms or kitchens;
2. The non-residential portions of town plots and multi-use complexes; and
3. Service expenditures.

Expenditures related to these exceptions must be included with the appropriate capital assets (i.e., for non-residential construction).

##### **18.1.4 Purchase of Lands and Option Payments:**

Capital expenditures for land should include all costs associated with the purchase of land parcels or mineral rights that are not amortized or depreciated, and property option payments.

#### **18.2 Repair and Maintenance**

Non-capitalized **Repair and Maintenance** Expenditures consist of the gross non-capitalized repair expenditures on non-residential buildings, other structures and machinery, the costs of maintaining the restored mine site (care and maintenance), and the routine care of assets, including environmental monitoring of the restored mine site. Exclude costs incurred at permanently closed mines.

##### **18.3.1 Share of (Line 18.3) Environmental Protection and Restoration**

Capital and repair and maintenance costs (construction, machinery and equipment) related to environment protection and restoration should be reported as a share of the total capital and repair and maintenance costs. This applies to all work phases of the mineral resource development cycle.