



# 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 operations 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 861 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 Newfoundland and Labrador - to the Department of Mines and Energy at (709) 729-6437.
- In Nova Scotia - to the Nova Scotia Department of Natural Resources at (902) 424-4161.
- In Quebec - to Ministère des Ressources naturelles, in Canada, call toll free 1 800 463-3357 - in USA, call (418) 627-6295.
- In Manitoba - to the Manitoba Industry, Trade and Mines at (204) 945-6585.
- In all other provinces and territories - to Statistics Canada at 1 800 345-2294 or (613) 951-9815.

#### 7. FILING OF RETURN

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

- Operations in Newfoundland and Labrador - to the Department of Mines and Energy, P.O. Box 8700, St-John's, NFL A1B 4J6.
- Operations in Nova Scotia - to the Nova Scotia Department of Natural Resources, P.O. Box 698, Halifax, N.S. B3J 2T9.
- Operations in Quebec - to Ministère des Ressources naturelles, 5700 - 4<sup>th</sup> Ave West, Charlesbourg, QC, G1H 6R1.
- Operations in Manitoba - to Manitoba Industry, Trade and Mines, Winnipeg, MB R3G 3P2.
- Operations in all other provinces and territories - to Statistics Canada, Ottawa. ON K1A 0T6, or by fax at: (613) 951-0196 or 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 - CHANGES IN CAPITAL EXPENDITURE PLANS

Complete the section only if this report shows significant changes from the expenditures reported previously on the "Preliminary Estimate 2003". The intent of this section is to clarify the reason(s) for major changes in the expenditures reported and thereby reduce possible further inquiries.

#### 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

## DEFINITIONS

### 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, 2003.**

- 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. (**EXCLUDE** above.)

### 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.

#### 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, Rehabilitation

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*).

### 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 Accountants' 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*)

## PAGE 3 - Concluded

### SECTION 3: Detail of Expenditures for Fixed Assets

#### 3.3 - Work in progress

Work in progress represents accumulated or accrued costs on capital projects not completed and 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.

## PAGE 4

### 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.
- c) **Computer assisted assets** are assets that possess the ability to be programmed for a wide variety of functions and, to a degree, adjust their behavior in response to changes in their physical environment. Includes numerically controlled machine tool equipment and individual computerized machines.

**Example:** Your company has had a core storage built during the reporting period, and the construction cost was \$8,000,000.00. The reporting of the information in Section 2 would be as follows:

		\$	\$	\$	\$
194	(1)	195 8,000,000	196	197	198 8,000,000
	1   0   0   6				

### CONSTRUCTION

### MACHINERY AND EQUIPMENT

CODE	INDUSTRIAL AND COMMERCIAL	6003	Automobiles		switches ( <i>exclude switching software, see category 8024</i> )
1005	Pollution abatement and control	6004	Trailers and semi-trailers for the transport of goods	8117	Terminal equipment - PBX's telephone handsets, cellular phones, key systems, modems, palm pilots, fax machines, pagers, satellite terminals/dishes, decoders, set-top boxes
1006	Warehouses, refrigerated storage, freight terminals	6006	Locomotives, rolling-stock, street and subway cars, and other rapid transit equipment	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
1008	Maintenance garages, workshops, storage facilities	6007	Aircraft ( <i>excluding satellites, see category 6099</i> )	8199	Other telecommunication cable and broadcasting equipment; e.g., satellite dishes, radar
1013	Office buildings	6010	Other motor vehicles and vehicles not mechanically propelled; e.g., off-highway trucks, all-terrain vehicles		
1022	Bunkhouses, dormitories, camp cookeries, camps	6099	Other transportation equipment; e.g., buses, ships, engines, tires for motor vehicles		
1097	Other industrial construction				
	<b>MARINE CONSTRUCTION</b>				<b>OTHER MACHINERY AND EQUIPMENT</b>
2001	Docks, wharves, piers, terminals ( <i>coal, oil, natural gas, container, general cargo</i> )	7106	Machine-tools and accessories	9001	Gas generators, turbines, internal combustion engines and other motors for other than transportation equipment
2099	Other marine construction	7109	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading mineral substances in solid form	9002	Pumps, air compressors and fans
	<b>TRANSPORTATION</b>	7199	Other processing equipment	9003	Air conditioning ( <i>excluding portable air conditioners, see category 9099</i> ), refrigerating or freezing equipment
2202	Highways, roads, streets, including logging roads ( <i>also include signs, guardrails, lighting, landscaping, sidewalks, fences</i> )			9004	Industrial or laboratory furnaces and ovens and furnace burners and related equipment
2204	Rail track and roadbeds including signals and interlockers	7206	Machine-tools and accessories	9005	Well drilling and servicing rigs ( <i>other than floating</i> )
2299	Other transportation	7209	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading mineral substances in solid form	9106	Pulling, lifting, handling, loading or unloading machinery - computer assisted
	<b>WATERWORKS</b>	7299	Other processing equipment	9206	Pulling, lifting, handling, loading or unloading machinery - conventional ( <i>non-computer assisted</i> )
2402	Trunk and distribution mains			9007	Fork-lift trucks and warehouse trucks
2412	Water pumping stations and filtration plants			9008	Moving, grading, excavating, compacting, extracting or boring machinery for earth, minerals, ores or snow ( <i>excluding trac-laying tractors and other tractors, see category 9099</i> )
2413	Water storage tanks			9009	Electric motors and generators
2499	Other waterworks construction			9010	Electric transformers, static converters, inductors, switch gear and similar electric equipment
	<b>SEWAGE SYSTEMS</b>			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
2601	Sewage treatment and disposal plants including pumping stations	8001	Computers and related machinery and equipment ( <i>excluding software purchased separately</i> )	9012	Instruments and appliances for medical, surgical, dental, veterinary use or for related purposes
2602	Sanitary and storm sewers, trunk and collection lines, open storm ditches and laterals	8021	Computer software - off the shelf pre-packaged ( <i>excluding telecommunication network applications</i> )	9013	Measuring, checking or automatically controlling instruments and apparatus ( <i>excluding gas, water and electricity meters, see category 9099</i> ) and navigational instruments
2699	Other sewage system construction	8022	Computer software - custom designed / contracted out ( <i>excluding telecommunication network applications</i> )	9014	Hand tools
	<b>ELECTRIC POWER</b>	8023	Computer software - developed in-house / own account ( <i>excluding telecommunication network applications</i> )	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
2801	Electric power construction	8024	Computer software - for telecommunication network switching equipment		
	<b>MINING</b>	8003	Office machinery and equipment ( <i>excluding telephone equipment</i> )		
3401	Mine buildings including headframes, ore bins, ventilation structures, backfill plants and other surface buildings	8004	Office furniture		
3402	Mine buildings for beneficiation treatment of minerals ( <i>excluding smelters and refineries</i> )	8005	Other furniture, lamps and lighting fittings; e.g., hotel, motel, restaurant and store furniture		
3403	Mine shafts, drifts, crosscuts, raises, declines, stoping, etc. ( <i>Report for structures only; for rock work components, see form MIN-EX3R, NRCan, lines 14.10 to 14.13.</i> )	8013	Radios, TVs, stereos, VCRs, DVDs and recorded tapes and discs		
3404	Tailing disposal systems, settling ponds				
	<b>OTHER CONSTRUCTION</b>				
5999	Other construction ( <i>not specified elsewhere</i> )	8107	Broadcasting and radio communication equipment ( <i>exclude transmission equipment, see category 8127</i> )		
	<b>TRANSPORTATION EQUIPMENT</b>	8109	Radar and navigational instruments (example; radar and sonar equipment, radio navigational aid apparatus, GPS receivers)		
6001	Trucks and other motor vehicles ( <i>excluding off-highway trucks, see category 6010</i> ) designed for the transport of goods	8116	Network switching equipment - hardware including IP switches ( <i>routers</i> ) and PBX's used as public		