

Craig Simailak, MLA Legislative Assembly of Nunavut E-mail: csimailak@assembly.nu.ca

BY E-MAIL ONLY

Dear Mr. Simailak:

Re: Disclosure of tax information – Agnico Eagle

Thank you for your letter of September 22, 2023, about the disclosure of certain tax information connected to the Nunavut mining projects of Agnico Eagle.

You asked me to comment on the finance minister's letter to you of September 7, 2023, especially regarding his reference to section 23(2)(a) of the *Access to Information and Protection of Privacy Act* (ATIPPA). The minister referred to section 23(2)(a) as the reason why he must refuse to disclose the tax information you requested.

Three points of caution

I will begin with three important points of caution.

First, I do not give advance rulings. My decisions apply to specific cases under the ATIPPA, after I have gathered all the facts and after all interested parties have had a chance to make a submission. Everything that follows, then, should be understood as my informal observations. This is not a decision or recommendation under the ATIPPA, nor is it a pre-judgment of what I might decide if the matter comes before me on a review under the ATIPPA.

Second, the access provisions of the ATIPPA apply only to formal applications under the ATIPPA. You have not made a formal ATIPP application, and the minister's letter of September 7 is not a formal ATIPP response. My observations, then, are about what might happen if someone were to make an ATIPP application for the same tax records. You, as an MLA, may well have rights to information under the Assembly rules that non-MLAs do not have. On that point I respectfully suggest that you consult the Clerk.

Third, the ATIPPA gives me the authority only to make recommendations. A minister is not bound by my recommendations. Even if my observations below are sound, the finance minister is under no obligation to agree, whether under the ATIPPA or otherwise.

Your request and the minister's response

In your letter to the finance minister of June 13, 2023, you noted that the annual reports of Agnico Eagle Mines Limited under the federal *Extractive Sector Transparency Measures Act* give the total taxes paid by Agnico Eagle to the Government of Nunavut for each year from 2018 to 2022. You then ask for

...a detailed breakdown of these amounts in respect to the types of territorial taxes paid (i.e. corporate income tax, payroll tax, petroleum tax and property tax) and by active project in the territory (i.e. Amaruq, Meadowbank, Meliadine, Vault and Hope Bay).

In his letter of September 7, the minister responds as follows:

Agnico Eagle pays different taxes to the GN either directly, or in the case of fuel tax, through a tax collector. Agnico Eagle also remits payroll tax which it collects from its employees.

Section 23(2)(a) of the Access to Information and Protection of Privacy Act (ATIPP) specifically prohibits the GN from disclosing information which was obtained on a tax return or for the purposes of collecting a tax. For this reason, I cannot provide you with a breakdown of taxes paid by project or tax type.

We now turn to an examination of the minister's response.

Section 23 of the ATIPPA

In denying your request, the minister refers to section 23(2)(a) of the ATIPPA. For several reasons, this is an error.

First, the reference to tax information is in section 23(2)(e), not section 23(2)(a). Sections 23(1) and 23(2)(e) reads as follows:

- 23. (1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party's personal privacy.
- (2) A disclosure of personal information is presumed to be an unreasonable invasion of a third party's personal privacy where
 - (e) the personal information was obtained on a tax return or gathered for the purpose of collecting a tax;

Second, section 23 applies only to "personal information". The word "person" is usually broad enough to include a corporation, but in the ATIPPA it does not include corporations. That is because "personal information" is defined in section 2 to mean "information about an identifiable individual". The phrase "identifiable individual" applies only to a human person. Therefore section 23 cannot apply to any information about Agnico Eagle. For the same reason, Part 2 of the ATIPPA (protection of privacy) does not apply to Agnico Eagle.

Third, the clauses of section 23(2) are not stand-alone exemptions anyway. They are factors to be weighed in a balancing of "all the relevant circumstances": section 23(3). This is a point I have made numerous times in my Review Reports: see, for example, *Department of Family Services (Re)*, 2023 NUIPC 13 (CanLII) at paragraph 18; *Department of Human Resources (Re)*, 2023 NUIPC 1 (CanLII) at

paragraph 30; Department of Family Services (Re), 2022 NUIPC 18 (CanLII) at paragraph 22.

In sum: section 23 of the ATIPPA does not apply to Agnico Eagle, so section 23 cannot be a reason for the minister to refuse to disclose information about Agnico Eagle.

But that is not necessarily the end of the matter. Could the minister be right for other reasons?

Section 24 of the ATIPPA

Perhaps the minister was thinking of section 24(2)(d) of the ATIPPA. The relevant parts of section 24 read as follows:

24. (1) Subject to subsection (2), the head of a public body shall refuse to disclose to an applicant

...

(d) information about a third party obtained on a tax return or gathered for the purpose of determining tax liability or collecting a tax;

....

- (2) A head of a public body may disclose information described in subsection (1)
 - (a) with the written consent of the third party to whom the information relates; or
 - (b) if an Act or regulation of Nunavut or Canada authorizes or requires the disclosure.

The phrase "third party" is broad to cover both humans and corporations, so section 24 does apply to Agnico Eagle.

Does section 24(1)(d) apply to the information you requested? I cannot say for sure. This is where it is important to repeat that I do not issue advance rulings. There is a reason why section 26 of the ATIPP provides for third-party notice in cases where business interests are affected under section 24. Agnico Eagle has a right to have their say, if they so choose. I must not pre-judge an issue that might come before me in the context of a formal ATIPP review in future.

Having said that, I observe that section 24(1)(d) does not appear to apply to the amount of tax that someone (including a corporation) has paid. According to the precedents from other Canadian jurisdictions, this provision applies to information <u>about</u> the third party, whether obtained from a return or gathered for the purpose of determining tax liability. It is not obvious that the liability itself (i.e. the amount of tax owing or paid) is covered.

If section 24(1)(d) does not apply, we might also consider section 24(1)(c) of the ATIPPA. That is an exemption for a corporation's financial information, provided some business-related prejudice could reasonably be expected to result from disclosure. That section is complicated, and analyzing it here would take us too far afield. I mention it as something that might come up in a formal review.

Finally, I draw section 24(2)(a) to your attention. I have quoted it above. If Agnico Eagle consents to disclosure of the details you have requested, the finance minister could provide that information to you.

Release of tax information – other laws

Everything I have written so far are my informal observations on how this request and this response <u>might</u> be handled under the ATIPPA, if the request and response had been written as part of a formal ATIPP exchange.

But of course you did not apply under the ATIPPA. The whole ATIPPA analysis is therefore potentially misleading. Part 1 of the ATIPPA is meant to give citizens a right of access to records, with only limited exemptions. It is not intended to be used by the GN as a shield against non-ATIPP requests for information, especially when coming from an elected representative such as yourself.

Outside the ATIPPA, the relevant taxation statutes contain a variety of provisions on release of information. Each statute says something a little different.

(a) Payroll tax

Payroll tax in Nunavut is paid under the Payroll Tax Act, 1993.

This Act is crystal-clear about the confidentiality of information. Sections 55(1) and (2) explicitly override the ATIPPA, and limit the information that can be released. None of the exceptions listed in section 55(2) would apply to your request.

As the minister points out in his letter, it is Agnico Eagle's employees who pay the payroll tax. Agnico Eagle collects the tax and remits it to the GN. In any event, section 55 of the *Payroll Tax Act* is broad enough to restrict both the release of information about Agnico Eagle (e.g. its total payroll or payroll by project) and about its individual employees.

(b) Corporate income tax

Territorial corporate income tax is paid under the *Income Tax Act*.

Section 53 of this Act creates an offence for "every person...while employed in the administration of this Act" who communicates information obtained for purposes of the Act. This offence is broad enough to cover the information you requested. On the other hand, the minister is not an employee so this provision may not apply.

Unlike section 55 of the *Payroll Tax Act, 1993,* section 53 of the *Income Tax Act* does not specifically override the ATIPPA. This raises the legal question of which law prevails in the case of a conflict. That is a technical question that would require a detailed analysis in a formal review.

I note that federal law more clearly prohibits the disclosure of any information about income tax, through the combined operation of section 24(1) of the federal *Access to Information Act* and section 241 of the federal *Income Tax Act*. We can only wish that Nunavut law were as clear.

(c) Petroleum tax

Fuel tax in Nunavut is paid under the Petroleum Products Tax Act.

This Act does not say anything about the confidentiality of information collected for purposes of the Act. Unlike section 53 of the *Income Tax Act*, the offence provision in section 21 does not mention the release of information.

However, as the minister points out in his letter, fuel tax is collected by a tax collector, not directly from a purchaser such as Agnico Eagle. It is not clear to me whether the GN would hold information about how much fuel tax has been paid by any one corporation such as Agnico Eagle.

(d) Property tax

Property tax in Nunavut is paid under the *Property Assessment and Taxation Act*.

Property tax is not as confidential as other taxes. In principle, property tax equals the assessed value multiplied by the tax rate: for the general taxation area, see section 78(2). Assessment rolls, listing the assessed value of properties, are public documents: section 26(4). The tax rate is also public.

The Act does not say anything about the confidentiality of information collected for purposes of the Act. The offence provision in section 115 does not mention the release of information.

Of all the taxes mentioned in your letter (payroll tax, corporate income tax, fuel tax, property tax), the argument for release of the amounts paid in property tax, by project, is probably strongest.

Extractive Sector Transparency Measures Act

Your letter also mentions the federal *Extractive Sector Transparency Measures Act* (ESTMA). The ESTMA requires the disclosure, in a public database, of certain categories of payments made by oil, gas or mining companies. The purpose is to fight corruption, which has been a problem in the extractive sector around the world.

Under the ESTMA, a reporting entity such as Agnico Eagle must report "taxes, other than consumption taxes and personal income taxes". There is no other definition of the word "taxes". There is no requirement that the "taxes" category be further broken down into the component taxes. Therefore section 24(2)(b) of the ATIPPA (which I have quoted above) can probably not be used to support disclosure.

In my own examination of the ESTMA database, I could not find any "taxes" figures for Amaruq or Vault. There are figures for taxes paid to the Government of Nunavut, and for taxes paid in respect of Meliadine, Meadowbank and Hope Bay, but there does not appear to be any way to derive the figures for payments to the Government of Nunavut in respect of those three individual projects.

I note that the federal Department of Natural Resources FAQ page on ESTMA states that "Payments must be reported at the project level, when possible". The same page notes that "some payments, such as corporate incomes taxes, may not be attributable to a specific project. Entities can report these payments at the payee level only."

In my view, ESTMA reports are not particularly relevant to the question of whether Nunavut's finance minister may lawfully give you the information you requested. The ESTMA does not require the kind of breakdown you have requested. The fact that Agnico Eagle is required by ESTMA to provide some basic taxation information might be a factor to consider under section 24(1)(c) of the ATIPPA, on the question of reasonable expectation of prejudice to Agnico Eagle's business, but that is the only way I can see it being relevant.

Conclusion

This letter is probably longer than you were expecting, but I think it demonstrates that the question you have raised does not have a simple answer. The minister was mistaken to cite section 23(2)(a) of the ATIPPA, but he may have been right for other reasons.

To summarize my suggestions for next steps:

- You may wish to consult with the Clerk about your rights to information under the rules and customs of the Legislative Assembly. The ATIPPA does not apply to such requests.
- You may wish to consider filing a formal ATIPP request for the information. For the reasons given in this letter, there is no guarantee you will receive the requested information, but the formal process would be engaged and my answers could be more definitive. Remember two things: Agnico Eagle would be given an opportunity to be heard; and the minister is not bound to accept my recommendations.
- If you have not already done so, you may wish to ask Agnico
 Eagle if they will release some or all of the information to you, or
 to give their consent to the minister to release some or all of the
 information to you.

Thank you for being in touch. I would be happy to answer any followup questions you may have. You are welcome to table this letter in the Legislative Assembly.

Yours sincerely,

Graham Steele

bГ/a / Commissioner / Kamisina / Commissaire

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Nunavut Maligaliurvia Assemblée législative du Nunavut

September 22, 2023

Mr. Graham Steele Information and Privacy Commissioner of Nunavut P.O. Box 1000, Station 270 607 Queen Elizabeth II Way Iqaluit, NU X0A 0H0

Dear Commissioner Steele:

I am writing to you in my capacity as the Member of the Legislative Assembly for Baker Lake to draw your attention to my recent exchange of correspondence with the Minister of Finance, a copy of which is attached for your ease of reference.

As you will note, the Minister's recent letter to me of September 7, 2023, indicates that section 23 of the *Access to Information and Protection of Privacy Act* precludes his being able to respond, in detail, to my request for information concerning territorial taxes paid by Agnico Eagle Mines Limited.

I note that the relevant provision of the legislation provides that:

"A disclosure of personal information is presumed to be an unreasonable invasion of a third party's personal privacy where ... the personal information was obtained on a tax return or gathered for the purpose of collecting a tax."

Although I fully appreciate the importance of such safeguards in respect to the personal privacy of individual residents of the territory, the extent to which this provision applies equally to corporate entities is unclear to me, especially in circumstances where other statutory provisions actually require the disclose of certain tax-related information, as in the case of the federal *Extractive Sector Transparency Measures Act*.

I would very much appreciate reviewing your observations and recommendations concerning this important issue.

I look forward to your reply, which I anticipate tabling in the House during the upcoming fall sitting.

Yours sincerely,

Craig Simailak, MLA

Baker Lake



Minister of Finance 「ぴ Þ ┗ > とってん * d * _ o * Minista Kiinauyaliqiyitkunun Ministre des Finances

Craig A. Simailak
MLA Baker Lake
PO Box 376
Baker Lake, NU X0C 0A0
CSimailak@Assebly.Nu.Ca

September 7, 2023

Dear Mr. Simailak,

I am writing in response to your letter dated June 13, 2023 regarding your questions about mining tax revenue in Nunavut. Mining is an important sector for our economy, communities and territory as a whole – the mining industry generated 41% of Nunavut real GDP in 2022.

In a previous letter addressed to you on February 11, 2021, Finance provided a detailed analysis of the type of taxes and levies we impose on businesses operating in Nunavut, including mining companies. As previously explained, mining companies do not often pay corporate income tax in Nunavut due to the high capital intensity of mining investments that provide mining companies the opportunity to report losses forward and deduct these losses from their taxes when production activities start. Therefore, tax revenues from mining operations are collected solely from payroll tax, property tax, fuel tax and personal income tax.

You asked that an update be provided to you on changes to tax rates and tax administration since February 11, 2021. The Government of Nunavut (GN) ensures that taxes do not add a disproportionate burden on businesses, particularly for small businesses, as there is already a high cost of operating in Nunavut. Other than property taxes, the GN has not changed any tax rates since 2021.

The rationale behind the decision to increase the property tax rate every year is to allow the tax rate applied in the General Taxation Area (GTA) to close the gap between the City of Iqaluit's rates and the rates imposed on the rest of the territory. Property tax rates have increased on mining activities by 10% in each of the 2022 and 2023 taxation years.

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Minister of Finance 「でしらなったったっと」 Minista Kiinauyaliqiyitkunun Ministre des Finances

Property tax rate for 2022 and 2023

Year	Class (Oil/gas)	3	Class (Mining)	4	Class (pipelines)	5	All other (houses, etc.)	Education
2022	12.29 mills		12.29 mills		24.40 mills		5.59 mills	0.00 mills
2023	12.52 mills		13.52 mills		26.84 mills		6.15 mills	0.00 mills

The *Property Assessment and Taxation Act (PATA)* was amended to clarify tax scenarios where mines were operating on Inuit Owned Lands and did not add any additional tax burden on taxpayers. These amendments received Royal Assent on September 16, 2021.

You asked that a detailed breakdown by tax type and project be provided for amounts paid by Agnico Eagle for the years 2018 to 2022 reported in the Extractive Sector Transparency Measure Act report. Agnico Eagle pays different taxes to the GN either directly, or in the case of fuel tax, through a tax collector. Agnico Eagle also remits payroll tax which it collects from its employees.

Section 23(2)(a) of the *Access to Information and Protection of Privacy Act* (ATIPP) specifically prohibits the GN from disclosing information which was obtained on a tax return or for the purposes of collecting a tax. For this reason, I cannot provide you with a breakdown of taxes paid by project or tax type.

I trust this response provides you the information you are seeking.

Sincerely,

Lorne Kusugak, Minister of Finance

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cc. Minister responsible for Mines, Hon. David Akeeagok



Nunavut Maligaliurvia Assemblée législative du Nunavut

June 13, 2023

The Honourable Lorne Kusugak, MLA Minister of Finance
Office of the Minister
Legislative Assembly Precinct Iqaluit, NU XOA 0H0

Dear Minister Kusugak:

I am writing to you in my capacity as the Member of the Legislative Assembly representing the constituency of Baker Lake.

As you will appreciate, the sustainability and viability of the mining sector in Nunavut is an issue of paramount concern to my constituents, given the positive impact that projects in the region have had on our communities. An important element of the sector's impact is the revenue generated for the territorial government by way of taxes and other sources, which are used to fund essential public services to Nunavummiut.

During the previous Legislative Assembly, I exchanged correspondence with one of your predecessors concerning this subject. As you will note from the reply that I received on February 11, 2021, a copy of which I am attaching for your ease of reference, my office was provided with a useful description of the territorial tax regime as it applies to the mining sector. I ask that your reply to my correspondence provide a detailed update on changes to tax rates and tax administration activities made since that time.

In reviewing the 2018, 2019, 2020, 2021 and 2022 annual reports submitted by Agnico Eagle Mines Limited under the federal *Extractive Sector Transparency Measures Act*, I note that they indicate that the company paid taxes to the Government of Nunavut in the following amounts:

TOTAL:	\$22,020,000
2018:	\$ 2,140,000
2019:	\$ 2,180,000
2020:	\$ 4,710,000
2021:	\$ 5,930,000
2022:	\$ 7,060,000

I ask that your reply to my correspondence provide a detailed breakdown of these amounts in respect to the types of territorial taxes paid (i.e. corporate income tax, payroll tax, petroleum tax and property tax) and by active project in the territory (i.e. Amaruq, Meadowbank, Meliadine, Vault and Hope Bay).

I look forward to your reply.

Yours sincerely,

Craig Simailak, MLA

Baker Lake

c.c. Minister responsible for Mines

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Nunavut Maligaliurvia Assemblée législative du Nunavut

₹ 13, 2023

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2022:	\$ 7,060,000
2021:	\$ 5,930,000
2020:	\$ 4,710,000
2019:	\$ 2,180,000
2018:	\$ 2,140,000
TOTAL:	\$ 22 020 000

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Extractive Sector Transparency Measures Act - Annual Report

Reporting Entity Name

Agnico Eagle Mines Limited

Reporting Year

2022-01-01 From

2022-12-31

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Original Submission

O Amended Report

2023-05-30 Date submitted

AGNICO EAGLE

Other Subsidiaries Included

Reporting Entity ESTMA Identification Number E946113

(optional field)

For Consolidated Reports - Subsidiary Reporting Entities Included in Report:

(E278590), TMAC RESOURCES INC (E956762), St Andrew Goldfields Ltd (E246746), Fosterville Gold Mine Pty Ltd (E425485), NT Mining Operations Pty Ltd (E573013), Kirkland Lake Gold Australia Pty Ltd (E850329) Kirkland Lake Gold Ltd (E936050), CANADIAN MALARTIC CORPORATION (E702970), CANADIAN MALARTIC GP

Not Substituted

Attestation by Reporting Entity

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(les) fisted above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full Name of Director or Officer of Reporting Entity

David Smith

Date

2023-05-30

Position Title

Executive Vice-President – Finance Advisor

			Extra	active Sector Ti	ransparency l	Extractive Sector Transparency Measures Act - Annual Report	al Report				
Reporting Year Reporting Entity Name Reporting Entity ESTMA Identification Number	From:	2022-01-01	To: Agnico Eagle Mines Limited E346113	2022-12-31		Currency of the Report CAD					
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Conside -Numeral	Kvaling had Association			21,570,000	11,240,000					The \$7.78 Apr 000,005,000 Apr Per Per Per Per Per Per Per Per Per Per	The reported Fees include \$7,890,000 of in-kind payments \$4,000 of in-kind powers Agrico Eagle Mres Limited under agreement with the Kinding Inuit Association.
Careda -Queboc	Long Point First Nation				000'009					off 844 800,000,000 mJ nol	The reported Fees Include \$40,000 of in-bind payments valued besed on the 600,000 cost incurred by Agrico Engle Mines Limited under agreement with the Long Point Fret Nation.
Canada -Orterio	Metachewan First Nation			1,380,000	000'085					art 2000,004,000,004,000 mJ	The reported Fees include \$41,000 of in-laid payments valued besed on the 1,540,000 ook formed by Alboic Eagle Mines Limited under agreement with the Metachewan Fret Neico.
Caredo -Ortario	Mets Nation of Ontario				170,000					The in-th-in	The reported frees include \$84,000 of in-bind perments valued besed on the 178,000 cost incurred by Agrico Eagle Mines Limited under agreement with the Melts Nation of Chitario
Carada -Ortario	Moose Cree First Nation				8,130,000					The of its 20,130,000 for Min Min the	The reported Fees include \$374,000 of n-kind payments wheel based on 6,130,000 the cost incurred by Anioo Eagle Mines Limbd under agreement with the Moose Cree First Netion.
Canada -Quebec	Municipality of Preissac		000'062							730,000	
Canada -Nunavut	Nunevit Tumgavit Inc.			16,100,000	820,000					17,020,000	
Canada -Ontario	Rainy River First Nation			240,000						240,000	

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200			Extra	active Sector II	ransparency I	Extractive Sector Transparency Measures Act - Annual Report	illudi nepoli	100 100			
From:		2022-01-01	To: Agrico Eagle Mines Limited E946113	2022-12-31		Currency of the Report (CAD				
and Lake Gold Ltd 56762), St Andrew	(E936050) Goldfields	I), CANADIAN MALARTIC (Is L1d (E246746), Fostewille	Kriviand Laia Godd Lei (E38956), CANUGIAN MALARTIC CORPORATION (E702970), CANUGIAN MALARTIC GP (E27859), TAMC RESOURCES INC (E985782), St Andrew Goldfields Lei (E249746), Fostewille Code (E965782), NT Meing Operations Py Lei (E573913), Kriviand Laia Gold Anartalia Py Lei (E855029)	AN MALARTIC GP (E278590), 1 ning Operations Pry Ltd (E5730)	TMAC RESOURCES INC 113), Kirkland Lake Gold						
					Payments by Payee	y Payee					
Payee Name		Departments, Agency, etc within Payee that Received Payments ²	tc ved Taxes	Royalties	Firs	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ²²
kwa Tagar	Taylwa Tagamou Nation				1,860,000					C 000,000,1	The reported Fees Include \$592,000 of in-lied payments valued based on 1,899,000 the cost incurred by Agrico Engle Mines Limited under agreement with the Teylown Tegemout Neticn.
Town of Cochrane	chane		000'001		1,060,000					1,160,000	
Town of Kirkland Lake	and Lake		4,440,000							4,440,000	
Town of Rouyn Noranda	n Noranda		340,000		110,000					450,000	
nfoquia (Antioquia Department				120,000					120,000	
эмеште	Government of Finland		46,760,000	8,140,000	1,780,000				210,000	26,900,000	
Kingle M	Kittle Municipality				120,000					120,000	
overmm.	Government of Mexico		25,500,000	5,400,000						000'006'09	
adout	Municipality of Ocempo		100,000		000'00#				100,000	600,000 F E 8 M II	The reported Fees and Infrastructure improvement perments are 600,000 comprised of in-lind payments valued based on the cost incurred by Agrico Eagle Mines Limited.
licipal	Municipality of Sahuaripa				100,000					e 8 2 3	The reported Fees payments are comprised of in-kind payments valued based on the cost incurred by Agnico Eagle Mines Limited.
ado	Municipality of Temosachi				200,000					68 3 di	The reported Fees payments are comprised of in-bind payments valued based on the cost incurred by Agnico Eagle Mines Limited.
State of C	State of Chihushus		100,000							100,000	
states of America	Government of the United States of America				480,000					480,000	
State of Alesia	Aleska				280,000					280,000	

			ci)	xtractive Sector	Transparency	Extractive Sector Transparency Measures Act - Annual Report	nnual Report				
Reporting Year Reporting Entity Name Reporting Entity ESTMA Identification Number Cohestings Constitute in		m: 2022-01-01 39050), CANADIAN MALARTIC:	Agrico Eagle Mines Limited E946113 CORPORATION (E702970), CAN	From: 2022-01-01 To: 2022-12-31 Agrico Eagle Mines Limited E946113 KWeen Lake Gold Le (E398000), CANUDIAN MALARTIC GP (E278890), TAMC RESOLRICES INC	90), TMAC RESOURCES INC	Currency of the Report CAD	OH5				
Substitute (in necessary)		Mafields Ltd (E246746), Fostervil	Be Gold Mine Pry Ltd (E425485), Australia Pry Ltd (E850329)	(E959762), St. Androw, Coldificido Lid (E246749), Footening Code Mine Py Lid (E550229), M. Mining Operations Pry Lid (E573073), Kirkland Lake Code Australia Pry Lid (E550229)	573013), Kridend Lake Gold Payments by Payee	by Payee					
Country	Payee Name	Departments, Agency, etc within Payee that Received Payments ¹	etc	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ³²
Additional Notes:	1) Amounts are reported in C revenge annual rise provided Mexican Penc- 0.03672 United States Dollar - 1.3013 Oderniale Pencs - 0.00030 Euro - 1.3856 2) Aprico Engle Mines Limite 3) Initially, Agrico Engle Mine CMC fercugitout fre period if	Canadian dollars. For Medico, Fi d by Investing.com. The exchant 3 of completed its marger with Krit set Limited prosessed a 20% ow rom January 1 to December 31.	I) Amounts are reported in Connotion obliens. For Merkon, Friend, Avestrale, and United States amange amounts and the provisiond by Investing com. The exchange rate used in the connection of the Mexican Proce - 0.06477. Inhald States Distance - 1,5013 Charmister Peace - 0.000300 I) Agrico Engle Mena Limited completed its manger with Kirkland Lake Codd Lid (K.GE0190) I) Agrico Engle Mena Limited completed its manger with Kirkland Lake Codd Lid (K.GE0190) I) Inkindin, Agrico Engle Mena Limited processood a SONs commenting interest in Centralien Metals Old Circuspince the period from Jenuary 1 to December 31, 2022. It is important to note that C) flavorable are reported in Connection obtains. For Mercio, Finland, Justiciale, and United States boal currancies have been convented using sensing among the spools of the propriety currancy was thereing among in the provision of local currancy in the reporting currancy was Mexican People - 1,004. The People - 1,004 of the Pe	verted using average arrual mency was: belderies as mentioned on the x, on March 51, 2023, Aprico, nership (EZ76590), a subsidia	1) Amounts are reported in Consistion obthers. For Merico, Friend, Australia, and United States local currency to the Australian entities was in USD, hence USD earshange rate was in USD, hence USD earshange rate was used. For Colembia, local currency has been converted using sense and manual rates provided by investing com. The exporting companies are the exporting companies and the exporting companies an	. The reporting currency for the reporting currency for the report encompasses all released the acquisition of the re-	he Australian entities was in la Australian entities was in la Mananta made by KL meering 50% shares previor included in this report.	USO, hence USO exchange rate 5 from January 1 to December 2 sily held by Yemens Gold Inc. 7	i was used. For Colembia, boal ou 31, 2022. The present report encompasses a	rency has been converted using reportable payments made by

Reporting Year Reporting Entity Name Reporting Entity ESTMA Identification Number	From:	2022-01-01	To: Agnico Eagle Mines Limited E946113	2022-12-31		Currency of the Report	CAD			
Subsidiary Reporting Entities (if Kirdand Lake God Ltd (ESSKGS)), CANADIAN MALARTIC CORPORATION (ETV2870), CANADIAN MALARTIC GP (EZ78590), TAMA RESOURCES INC (ESSKRZ), Standing Entities (if Standing Entited Entities (if Standing Entited Entits (if Standing Entited Entited Entited Entited Entited	Kinkland Lake Gold Ltd (E936050) St Andrew Goldfields Ltd (E2), CANADIAN MALARTIC COR 246745), Fostewile Gold Mine f	land Lake Gold Ltd (E290050), CANADIAN MALARTIC CORPORATION (E702970), CANADIAN WALARTIC GP (E278590), TAMO: RESOURCES INC. (E3667 St Andrew Goldfields Ltd (E246745), Fosterville Gold Mine Pty Ltd (E425485), NT Mining Operations Pty Ltd (E373013), Kindand Lake Gold Australia Pty Ltd (E850229)	MALARTIC GP (E278590), ons Ply Ltd (E573013), Kirl	TMAC RESOURCES INC (E856762), kland Lake Gold Australia Pty Llid					
				Pay	Payments by Project					
	Project Name '	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ²³
Australia	Fosterville	000,001	00 28,620,000	290,000					29,010,000	
Australia	Kirkland Lake Australia	192,340,000							192,340,000	
Australia	Northern Territory Government			430,000					430,000	
Canada -Quebec	Akasaba West			10,000					10,000	
Canada -Ontario	Amalgamated Kirkland	20,000		000'05					70,000	
Canada -Nunavut	Amanuq		14,150,000	300,000					14,450,000	
Canada -Quebec	Bousquet			10,000					10,000	
Canada -Quebec	Canadian Malartic	116,600,000	2,310,000	3,560,000					122,470,000	The reported fees include \$160,000 of in-kind payments valued based on cost under agreement with various First Nations.
Canada -Ontario	Cobalt	20,000							20,000	
Canada -Quebec	CSD	10,000		270,000					280,000	
Ceneda -Ontario	Detor Late Mine	100,000	2,990,000	11,500,000					17,680,000	The reported Fees include St. (Act Ook of In-lefted Appendix valued besed on the cost incurred by Agrico Eagle Mines Limited under agreement with various First Nations.
Canada -Quebec	Dousy			10,000					10,000	
Canada -Quebec	BCccc			900'09					80,000	
Canada -Quebec	Goldex	28,590,000		460,000					29,050,000	
Canada -Ontario	Hammond Reef		780,000						760,000	
County Ontario	Link Man Complex	uuvuo	unun n	400 000					200,000	

				Notes ²³	The reported Fees include \$205,000 of naked payments valued based on the cost named by Appino Eagle Mines Limited under agreement with the Kilikmoot hull Association.		The reported Fees include \$48,000 of in-kind payments valued based on the cost incurred by Agrico Eagle Annee Limbed under agreement with various First Nations.	The reported Fees include \$4.290,000 of in-band payments valued based on the oast include by Agaioo Eagh Mines Limbel under agreement with the Kinellig hull Association.	The reported Fees include \$3,670,000 of in-land payments valued based on the one state of the contract by Agino Engle Mines Limited under agreement with the Kwaliq Inuit Association.			
				Total Amount paid by Project	2,980,000	77,830,000	49,050,000	27,890,000	17,790,000	7,270,000	30,000	40,000
				Infrastructure Improvement Payments						7,180,000		
				Dividends								
Extractive Sector Transparency Measures Act - Annual Report	Currency of the Report CAD			Bonuses								
ırency Measures A		TMAC RESOURCES INC (ES6782), kland Lake Gold Australia Pty Ltd	Payments by Project	Production Entitlements								
ctor Transpa	2022-12-31	MALARTIC GP (E278590) ons Pty Ltd (E573013), Kir	Pay	Fees	2240,000	610,000	1,580,000	6,700,000	6,140,000		30,000	40,000
Extractive Se	To: Agnico Eagle Mines Limited E946113	RATION (E702970), CANADIAN A Lid (E425495), NT Mining Operati (E850329)		Royalties	000'015		000'061'1	12,800,000	000'089'11			
	2022-01-01), CANADIAN MALARTIC CORPO 246745), Fostervile Gold Mine Pry		Taxes	230,000	77,220,000	46,320,000	000'060'6	20,000	000'06		
	From:	Kirkland Lake Gold Lid (E93605) St Andrew Goldfields Lid (E		Project Name	Hope Bay	LaRonde	Macassa Mine	Meadowbank	Métados	Shared Services	Telbel & Eagle	Upper Beaver
	Reporting Year Reporting Entity Name Reporting Entity ESTMA Identification Number	Subsidiary Reporting Entities (if Kinksnd Lake Gold Ltd (E385)50), CANADIAN MALARTIC CORPORATION (E702870), CANADIAN MALARTIC GP (E278590), TAMA RESOURCES INC (E365762), St Andrew Goldfields Ltd (E245746), Fosterville Gold Mine Pty Ltd (E452465), N'I Miring Operations Pty Ltd (E573013), K'ridend Lake Gold Australia Pty Ltd (E650239) (E650239)		Country	Canada -Nunavut	Canada -Quebec	Carada -Ontario	Canada -Nunavut	Canada -Nunavut	Canada -Ontario	Canada -Quebec	Canada -Ontario

			Extractive Se	ector Transpa	rency Measures	Extractive Sector Transparency Measures Act - Annual Report				
Reporting Year Reporting Entity Name Reporting Entity ESTMA Identification Number	From:	2022-01-01	To: Agnico Eagle Mines Limited E946113	2022-12-31		Currency of the Report CAD				
Subsidiary Reporting Entities (if Kintend Lake Gold Lid (E296056), CANADIAN MALARTIC CORPORATION (E702870), CANADIAN MALARTIC GP (E2785013), Kindend Lake Gold Kintend (E866762), Standard Lake Gold Kintend (E867762) (E8673013), Kindend Lake Gold Australia Phy Lid (E850202))	Kirkland Lake Gold Ltd (E936050 St Andrew Goldfields Ltd (E2), CANADIAN MALARTIC COI 246746), Fosterville Gold Mine	Inno Lake Godd Lud (E296050), CANADIAN MALARTIC CORPORPATION (E702970), CANADIAN MALARTIC GP (E278590), TMAC RESOURCES INC (E5967) St Andrew Goldfields Lud (E246746), Fosterville Gold Mine Pty Lud (E455485), NT Mining Operations Pty Lud (E573013), Kirkland Lake Gold Australia Pty Lud (E850229)	MALARTIC GP (E278590) ions Ply Lld (E573013), Ki	, TMAC RESOURCES INC (E95676 Idand Laka Gold Australia Pty Lld	2).				
				Pay	Payments by Project					
Country	Project Name ¹		Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ²³
Canada -Nunavut	Vault (Meadowbank Complex)		1,620,000						1,620,000	
Colombia	Anza Project			120,000					120,000	
Finland	Kritila	46,760,000	0 8,140,000	1,920,000				210,000	57,030,000	
Mexico	Laindia	18,100,000		100,000					18,200,000	The reported Fees peyments are comprised of in-land payments valved based on the cost incurred by Agrico Eagle Mines Limited.
Mexico	Pinos Allos & Creston Mescota	000'00E'0E	000'000'9	000'008				000'001	38,400,000	The reported Fees and Infrastructure Improvement perments are comprised of in-kind perments valued based on the rost incurred by Agrico Eagle Mines Limited.
Mexico	Regional	7,300,000	0						7,300,000	
United States of America	Delta			270,000					270,000	
United States of America	Gilt Edge			70,000					70,000	
United States of America	Golden Gryphon			280,000					280,000	
United States of America	Helm Bay			150,000					150,000	
Additional Notes ² :	1) Amounts are reported in Canad currency has been converted usin Mexican Peac - 0.05472 United States Doller - 1.3013 Coformish Peacs - 0.0030 Euro - 1.3996 Euro -	fan dollars. For Mexico, Fritarig average annual rate provide g average annual rate provide mpleded its merger with Kritlar mpleded its merger with Kritlar miled possessed a 50% owner IC throughout the period from	1) Amounts are reported in Canadian dollars, For Mexico, Finland, Australia, and United States, local currencies have been convented using average annual rates provided by Investingsom. The exchange rate used in the conversion of local currency to the reporting currency was Maxican Peac- 0.05472. United States Dollar- 1.3013 Colombian Peacs - 0.00030 Earno - 1.3896 Earno - 1.3896 Earno - 1.3996 Applicable payments made by CMC throughout the period from Lanuary 1 to December 31, 1022 Like important to note that Canadian Malaric General Partnership (EST8580) Initially, Agnico Eagle Mines Limited possessed a 50% connectivip interest in Cenadian Malaric Corporation (CMC). However, on March 31, 2022, Agnico Eagle Mines Limited possessed a 50% connectivity interest in Cenadian Malaric Corporation (CMC). However, on March 31, 2022, Agnico Eagle Mines Limited possessed a 50% connectivity interest in Cenadian Malaric General Partnership (EST8580)	currencies have been con- le used in the conversion of the conversion of duding its associated subc portation (CMC). However, important to note that Can	ented using average armual rates pullosed currency to the reporting cum ideas as mentioned on the cover on March 31, 2023, Agrico Eagle Modarfo General Parthership	1) Amounts are reported in Canadian dollars. For Maxico, Fielland, Australia, and United States, local cumencies have been converted using average annual rates provided by the Bank of Canada. The reporting cumency for the Australian entities was in USD, hence USD exchange rate used in the conversion of local cumency to the reporting cumency was: Maxican Reso 105472 United States Dollar - 1.3013 Colonization Please - 0.00030 Each of the Canada Market Colonization and the conversion of local cumency on the reporting cumency was: Z) Agnice Eagle Mines Limited completed its merger with Kridand Lake Gold Lix, (KILG - E380050), including its associated subsidiaries as mentioned on the conversage, on February 8, 2022. This report encompasses all relevant payments made by KILG from January 1 to December 31, 2022. Z) Agnice Eagle Mines Limited completed its merger with Kridand Lake Gold Lix, (KILG - E380050), including its associated subsidiaries as mentioned on the conversage, on February 8, 2022. This report encompasses all relevant payments made by KILG from January 1 to December 31, 2022. It is important to note that Canadam Malaric Centerial Partnership (E278590), a subsidiary of CMIC, also had its reportable from January 1 to December 31, 2022. It is important to note that Canadam Malaric General Partnership (E278590), a subsidiary of CMIC, also had its reportable from January 1 to December 31, 2022. It is important to note that Canadam Malaric General Partnership (E278590), a subsidiary of CMIC, also had its reportable from January 1 to December 31, 2022. It is important to note that Canadam Malaric Canadam Mala	g currency for the Aur mpasses all relevant i uisition of the emaini r reportable payments	station entities was in USD, hence the control of t	t USO exchange rate was us usy 1 to December 31, 2022 Yanara Gold Inc. The pres in this report.	ed. For Colombia, local ed. For Colombia, local ent report encompasses all

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February 11, 2021

Craig A. Simailak
Legislative Assembly of Nunavut
P.O. Box 1200
Iqaluit, NU
XOA 0H0
CSimailak@Assembly.Nu.Ca

Re: Tax Revenue

Dear Mr Simailak,

Thank you for your email of January 30, 2021, in which you asked Minister Akeeagok for information about which taxes the Government of Nunavut collects from the mining sector, and the rates of these taxes.

We describe below the territorial tax streams that most relate to mining.

Corporate Income Tax

Nunavut imposes a territorial tax on corporate income through its *Income Tax Act*. Although the tax applies generally across all sectors (including mining), different rules and calculations apply depending on the type of business, the sector in which they operate, and other factors.

Like most other provinces and territories, Nunavut participates in Canada's harmonized income tax system. The Canada Revenue Agency (CRA) administers and enforces the corporate income tax in Nunavut on behalf of the GN.

Each year, firms are required to file corporate income tax returns with the CRA. The CRA processes these returns, calculates how much the firm owes in federal and territorial income tax, collects these amounts from the firm, and enforces rules as required. The CRA passes along Nunavut's portion of the corporate income tax to the GN.

Corporate income taxes are complex in practice but generally follow the same overall approach as personal income tax. A business reports its financial information, including revenues, as part of its corporate tax return. The firm adjusts this revenue by claiming various expenses, deductions and credits to determine its taxable income. Firms that do business in different provinces and territories allocate their taxable income to each jurisdiction in which they operate. The CRA then applies that jurisdictions' tax rate to determine the amount payable.

In Nunavut, the general tax rate on businesses is 12%. Small businesses (those with less than \$500,000 in taxable income) pay a reduced rate of 3%.



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As a special note, mining projects are capital intensive (they need significant up-front investments before they generate revenue through commercial production), relatively risky (firms and shareholders invest significant funds up front without being sure of a return) and cyclical (mining firms can experience significant swings in their revenues and profits from year-to-year as global commodity prices can fluctuate significantly).

To recognize these factors, Canadian income tax systems (including Nunavut's) allow mining firms to recover most of the initial capital investment before they need to pay significant taxes. Firms can also shift in-year financial losses to different years to soften the negative impacts of fluctuating prices reducing taxes payable.

So, although Nunavut's mining firms are subject to federal and territorial corporate income tax they may not actually be required to pay taxes until several years into a project.

Petroleum Tax

Pursuant to the *Petroleum Products Tax Act* the GN charges a direct duty on petroleum products imported, consumed, or sold in Nunavut.

The government taxes these products depending on fuel type (e.g. gas, diesel, aviation) and how it is used (e.g. heating, in vehicles, etc.). The table at right shows the territory's current fuel tax rates.

Many mining firms choose to import their own fuel directly from the south, though they may also purchase fuel from suppliers already in Nunavut. Mining firms are responsible for paying taxes based on when and how they use the fuel and must report accordingly.

The Department of Finance administers this tax internally.

Fuel Type	¢/L
Gasoline	6.4
Aviation fuel	1.0
Motive diesel	9.1
Non-motive diesel	3.1
Other petroleum	3.1
Heating	0.0

Property Tax

Under the *Property Assessment and Taxation Act* (PATA), the GN imposes property taxes based on the assessed value of the property. The City of Iqaluit administers its own property taxes. The GN administers them everywhere else, including the 'hinterland' (outside municipal boundaries).

The GN, through the Department of Community and Government Services, assigns a value to each property in Nunavut. This assessed value is based on the land and any improvements to it (buildings, airstrip, warehouse, etc.). CGS then sends a Notice of Assessment to the assessed owner of that property. The GN, through the Department of Finance, calculates a tax based on the assessed value.



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Specifically, the Department calculates the property tax by multiplying the assessed value by the established tax rate for that class of property. The Class 4 (mining) mill rate is currently 11.17 mills. For every \$100,000 a mining property is assessed, the property tax for the year is \$1,117.

The full list of current mill rates by property class is at right. The Minister has an opportunity to update these rates each year through an Order (regulation).

In Nunavut, many properties used by mining firms are

Property Class	Mill Rate
Class 3 (oil/gas)	11.17 mills
Class 4 (mining property)	11.17 mills
Class 5 (pipelines)	22.18 mills
All other (houses, etc.)	4.62 mills
Education (schools)	0.00 mills

located on Inuit Owned Lands (IOL). Article 22 of the Nunavut Agreement establishes that Inuit do not pay property tax on their lands outside municipalities unless there are commercial improvements present. So, mining properties on IOL only become taxable under the Nunavut Agreement once commercial buildings or other improvements are constructed.

Although the Nunavut Agreement confirms properties with commercial improvements are taxable, the Agreement itself does not clarify who is to be the "assessed owner." Without additional clarity the Designated Inuit Organization receives the Notice of Assessment and can pass it on to the mining firm to pay through the commercial land lease. Agreeing to pay property taxes would be part of the lease agreement between mining firms (as commercial tenant) and the DIO (as landowner).

The Minister of CGS has introduced Bill 55 to help clarify the situation further. Specifically, the Bill proposes to amend PATA to establish that in cases where Inuit only own the surface rights (and do not own the resources underneath) the GN would send the Notice of Assessment directly to the mining firm as owners of the improvements. Where Inuit own rights to both the surface and the resources, the current practice of sending the Notice of Assessment to the DIO (and then having the DIO pass it on to the mining firm through their commercial lease) would remain in place. Bill 55 also adds an option where the assessed owner (like the DIO) can ask the GN to send the Notice of Assessment directly to the mine to streamline payment.

The Department of Finance administers this tax based on the assessments and other land management activities that CGS leads.

Payroll Tax

Mining firms do not directly bear the cost of the territory's payroll tax. However, we often associate this tax with mining (and mining firms often claim it as part of what they pay) because it is based on the earnings that mining firms pay their employees and because employers help collect the tax.

Specifically, pursuant to the Payroll Tax Act, every employer in Nunavut collects a payroll tax from their employees at a rate of 2% of all gross remuneration (wages, salaries, and other earnings). Employers, including mining firms, usually collect this tax by deducting it from an employee's pay. Employers themselves remit the tax directly to the GN Department of Finance.



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The GN charges a payroll tax in the first place to recognize that many individuals who earn income in Nunavut are not residents of the territory, and so do not pay personal income tax to the territory. The payroll tax is the GN's way of ensuring "fly in fly out" workers contribute at least some tax on earnings for the benefit of Nunavummiut.

The Department of Finance administers this tax internally.

Personal Income Tax

Finally, the CRA also collects and administers a personal income tax pursuant to Nunavut's Income Tax

Act. Like the territory's payroll tax, employees pay the cost of this tax.

As Canadians pay income tax to their province or territory of residence, the GN only receives the personal income taxes that residents of Nunavut pay. Nunavut's territorial income tax system is progressive, meaning that individuals with higher incomes pay higher tax rates.

Like payroll taxes, personal income taxes are related to mining operations (or any other sort of economic development or employment) to the extent that jobs increase individuals'

Personal Income Tax Rates		
Rate	Income	
	From	To
4.0%	\$0	\$46,740
7.0%	\$46,740	\$93,480
9.0%	\$93, 480	\$151,978
11.5%	\$151,978	And upwards

taxable incomes. However, mining firms do not directly bear the cost or pay for this tax.

Conclusion

I trust these descriptions help clarify the main taxes applicable to mining activity in Nunavut. Thank you for your interest in this issue.

Sincerely,

George Hickes Minister of Finance

cc. D. Akeeagok, Minister of Economic Development and Transportation

cc Regular Members