

Income Tax

IMP. 395

Guidelines regarding exploration expenses eligible for tax assistance relating to mining exploration

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Reference(s): *Taxation Act* (CQLR, c. I-3), sections 21.20 to 21.25, 395 (paragraph (c)), 408 (paragraphs (b.0.2) and (b.1)), 1029.6.0.1.2 and 1029.8.36.167 to 1029.8.36.178
Mining Tax Act (CQLR, c. I-0.4), sections 4.1, 16.7 to 16.9, 16.11, 16.13 to 16.18 and 32
Regulation respecting the Taxation Act (CQLR, c. I-3, r. 1), sections 130R3, 360R2 and 360R8

This bulletin sets out the rules applicable to mine operators for determining which exploration expenses are eligible for the refundable tax credit relating to resources provided under the *Taxation Act* (TA) and for the exploration allowance and the refundable duties credit for losses provided under the *Mining Tax Act* (MTA).

INTRODUCTION

1. On September 1, 2015, Revenu Québec took over the responsibility for administering the MTA, a responsibility previously held by the Ministère de l'Énergie et des Ressources naturelles. This transfer reduced the administrative burden of mine operators by offering them a single point of access for communicating with the government about all tax-related matters, since the responsibilities related to the application of the MTA and those related to the application of the other fiscal laws administered by Revenu Québec are similar.
2. The taxation systems under the TA and the MTA include various measures to encourage mining exploration in Québec, such as the refundable tax credit relating to resources (RTCR) provided for in the TA and the exploration allowance and the refundable duties credit for losses (RDCL) provided for in the MTA. Under these measures, operators can obtain financial assistance in respect of the exploration expenses they incur relating to a mining resource in Québec.
3. This bulletin is pursuant to *The Québec Economic Plan* of March 28, 2017,¹ which provides for the establishment of various measures intended to simplify the administration of tax assistance relating to mining exploration and for the publication of guidelines to help operators determine

¹ Québec, Ministère des Finances, Budget 2017-2018, *The Québec Economic Plan – March 2017* at B.286.

whether or not their exploration expenses are eligible for the RTCR and the measures under the MTA.

GENERAL REMARKS

4. The exploration expenses relating to mineral resources that are eligible for the RTCR provided under the TA and those eligible for the exploration allowance and the RDCL provided under the MTA are nearly identical, subject to a few exceptions.

5. Since the overhaul of the mining taxation system that was announced in the budget of March 30, 2010,² the definition of exploration expenses eligible for the exploration allowance and the RDCL provided under the MTA is modelled on the definition of the term "Canadian exploration expense" in paragraph (c) of section 395 of the TA. The main difference is that, under the MTA, the expenses must be incurred in respect of a mineral substance in Québec whereas, under the TA, the expenses must be incurred in respect of a mineral resource in Canada.³ The eligibility of exploration expenses for the RTCR is also limited to expenses incurred in respect of a mineral resource in Québec and is based on the definition of the term "Canadian exploration expense" in section 395 of the TA. That definition is harmonized with the definition of the same term in the *Income Tax Act* (R.S.C. 1985, c. 1 (5th Supp.)) (ITA).

6. Whether an exploration expense is eligible for tax assistance such as the RTCR, an exploration allowance or the RDCL is a question of fact dependent on the specific circumstances of each situation. Since the definitions of the term "Canadian exploration expense" in the TA and the ITA are harmonized, the various positions taken and technical interpretations made in that regard by the Canada Revenue Agency (CRA) are generally considered by Revenu Québec in determining whether an exploration expense is eligible for such tax assistance. However, Revenu Québec maintains its independence and remains solely responsible for deciding whether an expense is an eligible exploration expense in administering the tax assistance under its responsibility.

RTCR PROVIDED UNDER THE TA

General principles

7. A corporation that incurs exploration expenses in Québec in a taxation year, or that is a member of partnership that incurs such expenses in its fiscal period, can claim the RTCR if, in particular:

- the corporation is not exempt from income tax;
- it is not a Crown corporation or a subsidiary controlled corporation of a Crown corporation;
- it carries on a business in Québec and has an establishment in Québec; and
- the expenses it incurs are eligible expenses.

² Québec, Ministère des Finances, 2010-2011 Budget, *Additional Information on the Budgetary Measures* at A.29.

³ The meaning of « mineral resource » for the purposes of the TA is explained in Revenu Québec's interpretation bulletin IMP-1-5/R2 (March 31, 2005).

8. A corporation that is a member of a partnership that carries on a business in Québec, has an establishment in Québec and incurs eligible expenses can claim the RTCR as a member of the qualified partnership.

9. In order for the eligible exploration expenses to be considered in computing the RTCR in respect of a taxation year, they must have been incurred in that year by the qualified corporation, or in a fiscal period of the qualified partnership that ends in the qualified corporation's taxation year, and they must be paid by the time the RTCR is claimed.

10. The amount of expenses eligible for the RTCR in respect of a taxation year shall be reduced by the amount of any government assistance or non-government assistance attributable to the expenses that the qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before the filing-due date for the corporation's return for that year.

11. The corporation's share of a qualified partnership's eligible expenses for a fiscal period of the partnership ending in a taxation year of the corporation shall, as applicable, be reduced by:

- the corporation's share, for the fiscal period, of any amount of government assistance or non-government assistance attributable to the expenses that the partnership has received, is entitled to receive or may reasonably expect to receive, on or before the day that is six months after the end of the fiscal period;
- the amount of any government assistance or non-government assistance attributable to the expenses that the qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before the day that is six months after the end of the fiscal period.

12. Any corporation that wishes to claim the RTCR in respect of a taxation year must file with Revenu Québec the form CO-1029.8.36.EM, *Crédit d'impôt relatif aux ressources*, on or before the day that is 12 months after the filing-due date for the corporation's return for the taxation year, in accordance with section 1029.6.0.1.2 of the TA. If a corporation fails to claim the tax credit within that 12-month period, it loses the right to claim the RTCR in respect of the eligible exploration expenses incurred in that year.

13. The RTCR is considered an amount of income tax paid by the corporation for the taxation year. If the amount of the tax credit is greater than the amount of income tax the corporation is actually required to pay for the year, the difference is refunded to the corporation.

Eligible exploration expenses

14. Certain expenses related to mining, petroleum or gas resources; renewable and conservation expenses; and expenses related to other natural resources in Québec (granite, sandstone, limestone, marble and slate used for specific purposes) are eligible for the RTCR. This bulletin deals only with the eligibility of exploration expenses related to mining resources since the focus of the bulletin is on tax assistance for the mining industry. Therefore, in this bulletin, the term "exploration expenses" means exploration expenses related to mining resources.

15. Under section 1029.8.36.167 of the TA, an exploration expense, of a corporation, that is eligible for the RTCR is any expense incurred for the purpose of determining the existence, location, extent or quality of a mineral resource in Québec including:

- any expense incurred in the course of prospecting, carrying out geological, geophysical or geochemical surveys, drilling and trenching or digging test pits or preliminary sampling; and
- any expense for environmental studies or community consultations (including studies or consultations that are undertaken to obtain a right, licence or privilege for the purpose of determining the existence, location, extent or quality of such a mineral resource in Québec).

16. That list, which describes some of the exploration expenses that may be eligible for the RTCR, is not exhaustive. Whether or not an expense is an exploration expense eligible for the RTCR is determined by examining the purpose of the expense (commonly known as the "purpose test"). The expense must have been incurred for the purpose of acquiring knowledge about the mineral resource.

17. An exploration expense not specifically described in the list may be an expense eligible for the RTCR provided the purpose test is met. Furthermore, an expense specifically described in the list may not be an expense eligible for the RTCR if the purpose test is not met. It is a question of fact that must be determined based on the specific circumstances of each particular situation.

18. The development phase of the mineral resource may be considered in determining whether an expense is eligible for the RTCR. It may be an indicator that helps determine the purpose of the expense or, where the expense is related to a mine that has come into production in reasonable commercial quantities, it may even establish that the expense is not an eligible expense. (See point 22 regarding expenses that are not eligible expenses.) Generally speaking, the nature of the expenses corresponds to the development phase of the resource.

19. The case law has already ruled that the purpose test may be met by an expenditure that is made for more than one purpose. However, one of the purposes of the expense must be to determine the existence, location, extent or quality of a mineral resource.

20. Expenses that may meet the purpose test and be considered exploration expenses eligible for the RTCR include:

- rental and transportation costs for the equipment required for drilling or trenching;
- professional fees for a geologist, a mining engineer and contractors hired to carry out mining exploration work;
- the salary or wages of the business's employees who carry out the mining exploration work (unless the salary or wages constitute "Canadian exploration and development overhead expense"; see paragraph (d) of point 22).
- the cost of transportation, food and lodging for the employees who work at the exploration site;
- the cost of supervising staff and monitoring the worksite;

- expenses incurred by the corporation for airborne geophysical studies over various regions in Québec;
- expenses required to conduct exploration work, such as the costs incurred to ensure the safety and protection of the staff and of the equipment used for activities directly related to mining exploration;
- expenses for the following types of work that must be carried out to preserve a claim holder's title, in accordance with the obligations provided for in the *Mining Act* (CQLR, c. M-13.1), if such expenses meet the purpose test:
 - technical evaluation studies;
 - exploration and examination of outcrops of rock and boulders;
 - geological, geophysical or geochemical survey work;
 - rock stripping and excavating in overburden and in rock;
 - sampling, including the accompanying analyses;⁴
 - drill-holes bored in order to obtain cores, sludge or rock fragments, the analyses of the cores, sludge or fragments, and the measuring and recording of data along the drilled holes.

21. Expenses related to the construction of a temporary access road, within the meaning of section 130R3 of the *Regulation respecting the Taxation Act* (RTA), to an exploration site may also be eligible for the RTCR if they meet the purpose test. The eligibility of such expenses constitutes an exception to the rule that a road is generally depreciable property.

Expenses that are not eligible expenses

22. The following expenses, in particular, are not exploration expenses eligible for the RTCR:

(a) any Canadian development expense, within the meaning of paragraphs (b.0.2) and (b.1) of section 408 of the TA.

The term "Canadian development expense" means any expense, that is not a Canadian exploration expense, incurred after March 20, 2013, for the purpose of bringing a new mine in a mineral resource in Canada into production in reasonable commercial quantities, including an expense for clearing, removing overburden and stripping, sinking a mine shaft and constructing an adit or other underground entry, to the extent that the expense was incurred prior to the commencement of production from the new mine in reasonable commercial quantities.

This definition refers in general to any expense incurred for the purpose of preparing the surface or constructing the permanent underground infrastructure of a mine. Such an expense is usually

⁴ However, courts have established that, in the case of bulk sampling, the purpose test was no longer met and the expenses did not qualify as exploration expenses once the point has been reached where knowledge of the mineral resource could no longer be acquired through the work.

incurred after the preliminary exploration work has been completed and the decision has been made to proceed with the development of the mine (in other words, to build the mine). The decision to proceed with the development of the mine may take the form of, for example, a resolution of the board of directors of a mining corporation.

The term "Canadian development expense" can also mean any expense, other than an amount included in the capital cost of depreciable property, incurred:

- in sinking or excavating a mine shaft, main haulage way or similar underground work designed for continuing use, for a mine in a mineral resource in Canada, built or excavated after the mine came into production, or
- in extending any such shaft, haulage way or work.

(b) any expense that may reasonably be related to a mine in the mineral resource that has come into production in reasonable commercial quantities or to an actual or potential extension of such a mine.

A mine is usually considered to have come into production in reasonable commercial quantities on the first day of the consecutive three-month period where the mill first operates at 60% of its rated capacity. However, this rule may vary depending on the specific facts in any particular case, for example, where a mill processes ore from a number of mines.

Thus, any expense attributable to a mine that has already come into production in reasonable commercial quantities does not qualify as an exploration expense eligible for the RTCR. In order to be eligible for the RTCR, an expense must be incurred in respect of a mine that has never come into production at that level or that is separate from a mine that has come into production in reasonable commercial quantities.

A mine that is closed but that retains facilities and material assets that may be used upon its possible reopening or subsequent operation is usually considered a mine that has come into production in reasonable commercial quantities despite the fact that it is closed.

If a mine that previously came into production in reasonable quantities has been completely abandoned and the facilities on the mining site (buildings, machinery) have been dismantled, it may be considered never to have come into production in reasonable quantities and thus a "new mine". The Supreme Court has ruled that a mining property loses the character of a mine when it is abandoned and dismantled.

(c) any amount that represents the cost or partial cost of depreciable property of a prescribed class. (See point 21.)

(d) any amount included in the "Canadian exploration and development overhead expense" (hereinafter "overhead expense"), within the meaning of section 360R2 of the RTA.

A mining exploration expense that qualifies as an "overhead expense" is an expense that initially meets the purpose test provided for in paragraph (c) of the definition of "Canadian exploration expense" in section 395 of the TA.

Moreover, the term "overhead expense" means, in particular:

- any expense that the taxpayer incurred for the administration, management or financing of the taxpayer;
- any expense incurred in respect of the remuneration paid to persons employed by the taxpayer whose duties were not all or substantially all related to exploration activities (the phrase "all or substantially all" is usually interpreted to mean "90% or more");
- any expense incurred for taxes, insurance or rents in respect of, or for the maintenance of, property, all or substantially all of the use of which by the taxpayer was not for purposes of exploration activities; and
- any expense incurred for:
 - the use of or the right to use any property in which any person connected with the taxpayer had an interest;
 - compensation for a service that any person connected with the taxpayer supplied to the taxpayer; or
 - the acquisition of any materials, parts or supplies from any person who was connected with the taxpayer.

In such a situation, where a person connected to the taxpayer is involved, only the expenses that exceed the expenses incurred by the person connected with the taxpayer are considered "overhead expenses".

According to section 360R8 of the RTA, which defines the concept of "connected persons", a person and a corporation are connected if, for example, they are not dealing at arm's length with each other or if the person has an equity percentage of at least 10% in the corporation.

(e) any amount relating to Canadian exploration expense renounced by a corporation in respect of a share under the flow-through share system pursuant to the TA.

(f) any amount relating to financing, including expenses incurred before the beginning of the carrying on of a business.⁵

23. Expenses that are not eligible for the RTCR as exploration expenses include:

- those related to the preparation of either the annual shareholders' reports or the prospectus;
- legal fees or carrying charges related to the financing of the business;
- the rental cost of the mining business's head office;
- the purchase cost of depreciable property used for exploration work;

⁵ For more information regarding the criteria used to determine the beginning of the carrying on of a business, see Revenu Québec, Interpretation Bulletin IMP. 7-2/R1, "Beginning of a corporation's fiscal period" (September 30, 2009).

- the acquisition cost of a right, licence or privilege to prospect, drill or mine for minerals in a mineral resource;
- expenses related to the processing or sale of ore; and
- metallurgy expenses.

Eligibility of environmental study expenses, community consultation expenses and feasibility study expenses incurred at the exploration stage

24. Revenu Québec shares the CRA's view expressed in Internal Technical Interpretation 2016-067590117, "Canadian exploration expense" (January 24, 2017), and considers that eligible expenses may include, for example, expenses for:

- environmental studies or community consultations undertaken to meet a legal or informal requirement to obtain a mining exploration right, licence or privilege;
- targeted environmental studies (for example, vegetation, fisheries and water assessments) conducted in conjunction with a specific exploration activity;
- community consultations with respect to exploration operations; and
- feasibility studies regarding the planning and conduct of an exploration activity.

25. On the other hand, the following expenses are not eligible expenses because they do not meet the purpose test and therefore do not qualify as "Canadian exploration expense" within the meaning of either the ITA or the TA:

- any expense related to general baseline environmental studies undertaken prior to carrying out a specific exploration activity;
- any expense related to consultations with communities to evaluate their perceptions where the consultations are undertaken prior to a decision to proceed with exploration work;
- any expense related to feasibility studies regarding the preliminary planning of possible exploration activity where the studies are undertaken prior to a decision to proceed with exploration work; and
- any expense related to feasibility studies undertaken to assess various mine development options.

Exploration expenses incurred outside the northern exploration zone

26. The RTCR rate for exploration expenses incurred in the northern exploration zone of Québec is higher than the rate for exploration expenses incurred outside the northern exploration zone. For exploration expenses incurred after March 28, 2017, the northern exploration zone means a territory situated in Québec that comprises:

- the territory situated north of the 49th degree of north latitude and north of the St. Lawrence River and the Gulf of St. Lawrence, and south of the 55th degree of north latitude; and
- the territory situated north of the 55th degree of north latitude.

EXPLORATION ALLOWANCE PROVIDED UNDER THE MTA

General principles

27. The primary objective of the mining taxation system is to enable the government to collect fair compensation for the use of a non-renewable resource that belongs to the public domain.

28. Only an "operator", within the meaning of the MTA, is required to pay, for a fiscal year, duties equal to the operator's minimum mining tax for the fiscal year or the operator's mining tax on its annual profit for the fiscal year, whichever is greater.

29. Generally, an operator is an individual, a corporation or a partnership (other than a joint venture) that performs mining operation work, either alone or with others, on land situated in Québec or in a mine the individual, corporation or partnership owns, leases or occupies.

In this bulletin, the term "corporation" corresponds to the term "legal person" used in the MTA.

A mining operation includes all work related to the various phases of mineral development, as well as exploration, pre-production development and post-production development.

30. To file a mining tax return for a fiscal year, an operator that has only one mine must use form IM-30-V; an operator that has more than one mine must use both form IM-30.MX-V and form IM-30.DL-V.

31. An eligible operator for a fiscal year means an operator that, during the fiscal year:

- is not developing any mineral substance in reasonable commercial quantities; and
- is not associated with an entity that develops a mineral substance in reasonable commercial quantities in the fiscal year.

Two corporations are associated with each other if they meet the conditions provided for in sections 21.20 to 21.25 of the TA. When one or both operators are not corporations, the specific provisions of section 4.1 of the MTA apply as the rules governing association.

32. An operator that qualifies as an "eligible operator" for a fiscal year is deemed to operate only one mine for that year. The benefits and expenses of all the operator's mines are considered on the mining tax return as though the operator had only one mine.

33. The eligible exploration expenses incurred by an operator in a fiscal year are added to the operator's cumulative exploration expense account, in accordance with section 16.9 of the MTA. The exploration allowance that an operator can deduct in computing the annual profit for a fiscal year is based on that cumulative account.

The amount that an eligible operator can deduct as an exploration allowance for a fiscal year must not be greater than the balance of the operator's cumulative exploration expense account at the end of that year.

34. The amount that an operator, other than an eligible operator, can deduct as an exploration allowance for a fiscal year is also based on the operator's cumulative exploration expense account

at the end of that year. However, the operator's deduction must not exceed the lesser of the balance of the cumulative account or 10% of the operator's annual profit for the fiscal year.

The annual profit, for purposes of the 10% limit, is determined without taking into account:

- the amount deducted as an exploration allowance for the fiscal year;
- the general and administrative expenses incurred in the fiscal year that are related to the exploration work;
- the amount deducted as a pre-production development allowance for the fiscal year;
- the amount deducted as an additional exploration allowance for the fiscal year;
- the amount deducted as an allowance for community consultations for the fiscal year; and
- the amount deducted as an allowance for environmental studies for the fiscal year.

35. An operator's cumulative exploration expense account must be reduced by any amounts of government assistance, related to the exploration expenses, that the operator received or was entitled to receive. The RTCR and the investment tax credit for pre production mining expenditures under the ITA constitute government assistance that must reduce the cumulative exploration expense account.

Exploration expenses eligible for an exploration allowance

36. The exploration expenses that comprise the cumulative expense account in respect of which an exploration allowance can be claimed are of the same type as those described in point 15. The principles stated in points 16 through 19 and the examples described in points 20 and 21 apply with regard to the expenses eligible for an exploration allowance. Note that the salaries or wages of employees who carry out mining exploration work may be eligible for an exploration allowance even if the employees' duties are not totally or substantially (90% or more) related to exploration activities because the MTA, unlike the TA, does not include that limitation. The salary or wages are eligible in the proportion of the employees' tasks related to exploration.

37. The cumulative exploration expense account also includes a 25% increase that applies to exploration expenses that meet the definition in point 15 and that are incurred in the Near North or the Far North. That territory corresponds to the territory covered by the term "northern exploration zone" defined in point 26, as of the same date. However, the increase does not apply to any exploration expenses in respect of which the RTCR is claimed.

38. According to section 16.14 of the MTA, the exploration expenses incurred by an operator in a fiscal year must be reported to Revenu Québec on or before the date on or before which the operator is required to file a mining tax return for the following fiscal year. An operator that does not report such expenses within the time allowed will no longer be able to include them in the operator's cumulative exploration expense account.

For example, an operator that incurs exploration expenses in the fiscal year from January 1 to December 31, 2016, must report the expenses to Revenu Québec on or before June 30, 2018, or

they cannot be included in the operator's cumulative exploration expense account for purposes of an exploration allowance.

Expenses not eligible for an exploration allowance

39. Certain expenses are not eligible for an exploration allowance:

(a) any pre-production development expense or post-production development expense, within the meaning of sections 16.11 and 16.13 of the MTA.

These expenses are of the same type as those described in paragraph (a) of point 22, except that they must be incurred by an operator after March 30, 2010, in respect of a mine in Québec.

(b) any expense that can reasonably be considered attributable to a mine which has come into production in reasonable commercial quantities or to an actual or potential extension of such a mine.

The principles set out in paragraph (b) of point 22 apply here.

(c) the capital cost of property taken into account in determining the undepreciated capital cost of the property of a class of the operator.

(d) a general or administrative expense that is otherwise deductible in computing the operator's annual profit or annual benefit.

Contrary to the rules applicable for the RTCR (see paragraph (d) of point 22 for more details), the MTA does not provide a definition of the term "general or administrative expense". Therefore, reference must be made to the usual meaning of the term.

However, in principle, the general and administrative expenses that are not eligible for an exploration allowance under the MTA and those not eligible for the RTCR under the TA should be similar. The main difference between them relates to the salary or wages of employees who carry out mining exploration work, as explained in point 36. For purposes of the exploration allowance under the MTA, the salary or wages of these employees are eligible as exploration expenses in the proportion of the employees' duties related to exploration.

(e) the cost of acquiring a mining property or an interest therein, payment of an option to purchase, staking costs and survey fees related to the delimitation of the property, and fees, duties and rents in respect of a claim, a mining lease or a mining concession.

(f) exploration expenses that have been renounced under the TA or the ITA in favour of an investor.

Exploration expenses incurred by an operator that is a corporation are not eligible for an exploration allowance if the operator renounced the expenses in favour of investors. In that case, the expenses are deemed not to be exploration expenses incurred by the operator. Note that exploration expenses are not eligible expenses if they have been renounced under the TA or the ITA (whereas only expenses that have been renounced under the TA are not eligible for the RTCR; see paragraph (e) of point 22).

The exploration expenses may be eligible expenses if the investor is a corporation or a partnership of which a corporation is a member, if the corporation gives an undertaking in writing to the Minister

of Revenue not to in turn renounce, under the TA or the ITA, the expenses previously renounced in its favour by the operator, and if the corporation complies with that undertaking.

Where the operator is a partnership that incurs exploration expenses, the exploration expenses that are attributed to each member are not eligible for the operator's exploration allowance because they are deemed not to be exploration expenses incurred by the operator. However, if the member of the partnership is a corporation that gives an undertaking in writing to the Minister of Revenue not to renounce the exploration expenses attributed to it by the partnership and it complies with the undertaking, the partnership can benefit from an exploration allowance in respect of the exploration expenses.

RDCL PROVIDED UNDER THE MTA

Points 40 through 45 deal with the eligibility of exploration expenses for the RDCL. Other components that enter into the computation of the RDCL are not dealt with here.

40. An operator's exploration expenses can be included in computing the RDCL only if the operator is an "eligible operator" for a fiscal year, as defined in point 31.

41. The exploration expenses incurred in a fiscal year that are eligible for the RDCL are the same as those eligible for an exploration allowance. (See point 36 regarding eligible expenses and point 39 regarding expenses that are not eligible expenses.)

42. The amount of expenses eligible for the RDCL for a fiscal year must be reduced by the government assistance related to those expenses that the operator received or is entitled to receive for that year.

43. In computing the RDCL that an eligible operator can claim in respect of a fiscal year, 50% of the exploration expenses incurred by the operator in that year are considered. The amount of exploration expenses considered in computing the RDCL cannot be greater than the amount of the exploration allowance the operator deducted in computing the annual profit for the fiscal year.

44. To be able to consider the exploration expenses in calculating the RDCL for a fiscal year, an operator must report them as such to Revenu Québec on or before the date on or before which the operator is required to file a mining tax return for that year, that is, within six months following the end of the fiscal year.

45. The exploration expenses that are not reported within the time allowed cannot be considered in computing the RDCL. However, they may be considered for purposes of the cumulative exploration expense account for the computation of an exploration allowance if the time limit referred to in point 38 is complied with.

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In person at our various regional offices

Information regarding an operator's fiscal obligations with respect to the mining tax is available on Revenu Québec's website at <https://www.revenuquebec.ca/en/businesses/sector-specific-measures/mining-tax/>.