

## Consumer Taxes

**CAR. 19/R1**            **The meaning of the phrase “the processing of mineral ores up to the first stage of concentration or the equivalent”**

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Reference(s):            *Fuel Tax Act* (CQLR, c. T-1), section 10  
                                 *Regulation respecting the application of the Fuel Tax Act* (CQLR, c. T-1, r. 1),  
                                 section 10R5

*This version of interpretation bulletin CAR. 19 supersedes the version of October 31, 1996. The bulletin was revised to make sure it is relevant and up to date. The position remains the same. Only some style changes were made.*

This bulletin explains the meaning of the phrase “the processing of mineral ores up to the first stage of concentration or the equivalent” with regard to base or precious metals for purposes of the *Fuel Tax Act* (FTA) and the *Regulation respecting the application of the Fuel Tax Act* (RAFTA).

### LEGISLATIVE AND REGULATORY PROVISIONS

1. According to section 10 of the FTA, a person is entitled to a refund of the tax the person paid on gasoline or non-coloured fuel oil used to operate a motor vehicle that is registered for use exclusively on private land or a private road and that is used for mining operations as defined by regulation.
2. Paragraph (d) of section 10R5 of the RAFTA defines a “mining operation” as any activity carried out for the discovery or mining of a mineral resource in Québec.
3. According to paragraph (a) of section 10R5 of the RAFTA, “mining” means all the work contributing to the recovery and processing of peat or mineral ores from a mineral resource up to the first stage of concentration or the equivalent.

### APPLICATION OF THE ACT

4. The activities considered to be mining operations for purposes of the aforementioned fuel tax refund include not only prospecting activities but also activities carried out after the recovery and before the processing of mineral ores up to the first stage of concentration.

**5.** Revenu Québec considers that metallurgical operations, that is, operations designed to extract metals from their ores, to refine them and to work them for the purpose of obtaining a first concentrate that has a certain market value and a particular degree of concentration, constitute activities within the scope of the definition of a “mining operation.”

**6.** Metallurgical operations include mechanical and physical operations, such as crushing, grinding, quenching and washing, that are designed to separate as much of the gangue or waste material as possible from the actual ore.

**7.** Metallurgical operations also include chemical processing operations, such as dissolution, reduction and electrolysis.

**8.** However, the processing of concentrate in a smelter or any subsequent operation designed to further increase the concentration of metal does not constitute a mining operation within the meaning of section 10R5 of the RAFTA.