

Rock on*

The Mining Industry in British Columbia 2009

Appendices

Combined Statement of Revenues & Expenses

B.C. Mining Industry

(\$ millions)	2009 ¹	2008	2007
Gross mining revenues	\$7,019	\$8,355	\$6,863
Less			
Treatment and refining charges ²	326	321	243
Freight and transportation	910	1,171	956
Marketing, sales and other deductions	48	84	109
Net mining revenues	5,733	6,779	5,555
Expenses			
Cost of production			
Labour and benefits	785	786	678
Supplies and other ³	2,044	2,342	2,365
	2,830	3,128	3,043
Administration	128	139	114
Depreciation, depletion and amortization	360	309	260
Exploration expenditures written-off	14	35	38
Interest on long-term debt	48	38	50
Writedown of mining assets	4	32	–
ARO Liability Accretion	30	33	33
Stock Based Compensation	8	14	13
Other expenditures	164	74	319
Other income	(102)	(257)	(55)
Total expenses	3,483	3,545	3,815
Earnings (loss) before taxes	2,250	3,234	1,740

Notes

1. The 2009 figures pertain to eighteen operating mines that were in production or about to start production during 2009 as well as Teck Resources Ltd's smelting operation at Trail, nine operations in the active permitting stage, six mines in the reclamation stage, and seven advanced exploration staged properties.
Out-of-province operations and non-mining activities are excluded.
2. Treatment and refining charges apply mainly to copper, zinc, lead, gold and silver. They are not applicable to revenues from coal or molybdenum.
3. Expense figures exclude purchases of B.C. concentrates.

Combined Statement of Financial Position

B.C. Mining Industry

(\$ millions)	2009	2008	2007
Assets¹			
Current assets			
Cash and short-term deposits	\$425	\$215	\$639
Receivables and prepaid expenses	363	245	363
Concentrate and product inventories	719	568	627
Materials and supplies inventories	221	194	162
Other current assets	402	306	121
Total current assets	2,130	1,528	1,912
Fixed assets			
Plant and equipment, at cost	6,357	6,087	5,761
Less: Accumulated depreciation and amortization	(3,414)	(3,301)	(3,156)
Net plant and equipment	2,943	2,786	2,605
Mining properties and development expenditures, at cost	2,446	1,848	1,781
Less: Accumulated depletion and amortization	(811)	(748)	(731)
Net mining properties and development expenditures	1,635	1,100	1,050
Asset retirement obligation, at cost	215	263	256
Less: Accumulated amortization	(108)	(100)	(65)
Net asset retirement obligation	107	163	191
Total fixed assets	4,685	4,049	3,846
Deposits and mortgages receivable	453	302	393
Other assets employed in B.C. mining operations	428	325	219
Total assets	\$7,696	\$6,204	\$6,370

Note

- Assets are stated at their book values as shown in the annual financial statements of the mines, after adjustments to exclude non-mining and out-of-province items.

Combined Statement of Financial Position

B.C. Mining Industry

(\$ millions)	2009	2008	2007
Liabilities and shareholders' equity¹			
Current liabilities			
Short-term debt	\$53	\$104	\$22
Accounts payable and accrued liabilities	423	631	598
Current portion of long-term debt	61	78	272
Taxes payable	39	10	25
Other current liabilities	108	126	109
Total current liabilities	684	949	1,026
Long-term debt due to/(from) shareholders ²	(1,745)	(3,657)	(2,314)
Long-term debt due to others	1,427	1,027	795
Total long-term debt	(318)	(2,630)	(1,519)
Future income and mining taxes ³	99	41	29
ARO Liability	415	472	468
Shareholders' equity	6,816	7,372	6,366
Total liabilities and shareholders' equity	\$7,696	\$6,204	\$6,370
Working capital⁴	\$1,446	\$579	\$886

Notes

- Some B.C. mines operate as divisions of larger companies and do not exist as separate corporate entities. Therefore, it is not possible for these mines to report the allocation of shareholders' equity in a meaningful way. The shareholders' equity for these mines included in the table is the difference between assets and liabilities (including debt) of the B.C. operations.
- Long-term debt due to/(from) shareholders consists primarily of amounts due to/(from) related companies. This figure is negative because there are more amounts due from related companies than due to related companies.
- Future income taxes do not represent taxes owing to the government. Future income taxes reflect the difference between how income tax expense is reported under GAAP (Generally Accepted Accounting Principles) and how income tax payable to the Government is determined according to the Canadian Income Tax Act.
- Working Capital represents current assets less current liabilities.

Summary of Cash Flow from Operations

B.C. Operating Mines

(\$ millions)	2009	2008	2007
Pre-tax earnings from operations for the year	2,250	3,234	1,740
Income Taxes as reported by survey participants	186	287	534
Net Earnings from operations for the year	\$2,064	\$2,947	\$1,206
Operating expenditures not involving cash outlays			
Depreciation, depletion and amortization	360	309	260
Future Income tax expense (recovery)	12	(3)	318
Stock based compensation	8	14	13
ARO accretion	14	33	33
Exploration expenditures written-off	30	33	33
Other items	(291)	121	81
(including change in non-cash working capital items)			
Items not relating to operations			
Loss on disposal of fixed assets	(1)	(5)	(1)
Other	(27)	(26)	31
Total cash from operations	\$2,170	\$3,423	\$1,974

Net Mining Revenues¹, By Product

(\$ millions)	2009	2008	2007
Metallurgical coal	\$2,608	\$3,231	\$1,369
Thermal coal	264	334	113
Copper concentrates	1,222	1,188	1,659
Zinc and zinc concentrates	587	736	1,231
Silver	288	272	248
Gold	309	231	205
Lead and lead concentrates	139	200	202
Molybdenum ²	241	472	433
Combined miscellaneous products ³	75	115	95
Totals	\$5,733	\$6,779	\$5,555

Notes

1. Mining revenues are reported net of treatment and refining charges, marketing expenses and freight and transportation charges to the F.O.B. point of delivery.
2. Molybdenum sales included in combined miscellaneous products prior to 2002.
3. Miscellaneous products include revenues from Excess Power Sales.

Net Mining Revenues, By Market Area

(\$ millions)	2009	2008	2007	2006	2005
British Columbia	\$43	\$53	\$84	\$117	\$92
Other parts of Canada	613	853	844	1,046	699
United States	839	1,239	1,540	1,592	942
Japan	1,238	1,873	1,495	1,581	1,155
United Kingdom	118	140	86	63	72
Korea and Taiwan	876	965	362	624	349
Other parts of the world	2,006	1,656	1,144	1,567	1,608
Totals	\$5,733	\$6,779	\$5,555	\$6,590	\$4,917

Net Mining Revenues, By Economic Region

(\$ millions)	2009	2008	2007	2006	2005
Kootenays ¹	\$3,648	\$4,907	\$3,171	\$3,619	\$2,821
Okanagan	815	747	1,083	1,371	968
Cariboo/Vancouver Island - Coast	369	443	474	505	280
Nechako/Northeast	901	682	827	937	726
North Coast	-	-	-	158	122
Totals	\$5,733	\$6,779	\$5,555	\$6,590	\$4,917

Note

1. Includes Teck Resources Limited's smelting operations at Trail which are physically located in the Kootenays.

Average Metal and Coal Prices

(U.S. dollars)	Unit	2010 Q1	2009	2008	2007	2006	2005
Copper (LME Grade A)	lb.	3.29	2.35	3.16	\$3.23	\$3.05	\$1.67
Zinc (LME Cash)	lb.	1.04	0.75	0.85	1.47	1.49	0.63
Silver (LME Cash)	oz.	16.92	14.70	15.02	13.39	11.57	7.31
Gold (London Final)	oz.	1110.16	974.02	871.71	696.66	604.34	444.88
Molybdenum (Dealer Oxide)	lb.	16.06	11.12	28.42	29.91	24.38	31.05
Lead (LME Cash)	lb.	1.00	0.78	0.95	1.17	0.58	0.44
Coal ¹	t.	140.00	157.00	260.63	80.18	108.00	95.24
Average Annual Exchange Rate							
Cdn. to U.S. \$ (Bank of Canada)		0.9868	0.8760	0.9381	0.9304	0.8818	0.8254

Source for above metals (excludes Coal): Platts Metal Week

Notes

1. Realised coal prices reported by survey participants.

Shipments, By Port

(000's tonnes)	2009	2008	2007	2006	2005
Export shipments, by port					
Campbell River/Texada Island	208	407	488	493	470
Roberts Bank	13,357	14,764	15,750	9,202	18,933
Rupert Inlet/Stewart	80	64	100	135	170
Prince Rupert	2,067	3,066	1,410	623	152
Vancouver	572	806	489	8,338	1,543
Other ports	3,324	4,376	3,325	3,124	1,772
Total port shipments	19,608	23,483	21,562	21,915	23,040
Other shipments					
Export shipments to U.S. by land	825	1,252	1,187	1,235	1,529
Export shipments through					
Eastern Canadian ports	418	807	913	353	951
Shipments to B.C. customers	49	161	120	205	81
Shipments to other Canadian customers	403	1,137	1,072	1,741	1,029
Total other shipments	1,695	3,357	3,292	3,534	3,590
Total shipments	21,303	26,840	24,854	25,449	26,630

Shipments, By Commodity

(000's tonnes)	2009	2008	2007	2006	2005
Metallurgical coal	16,917	22,302	20,695	22,933	24,043
Thermal coal	1,622	806	815	977	883
Copper concentrates	730	850	816	1,027	978
Zinc and zinc concentrates	289	327	349	382	320
Lead and lead concentrates	73	85	76	88	69
Other metals	1,672	2,470	2,103	42	337
Totals	21,303	26,840	24,854	25,449	26,630

Appendix 10

Mining Industry Expenditures (cash)

(\$ millions)	2009	2008	2007	2006	2005
Purchased materials, supplies & services					
Production materials and supplies	\$525	\$639	\$698	\$675	\$668
Energy and fuels	392	522	392	365	342
Professional and technical services	49	45	135	46	47
Contract work	266	351	367	242	214
Machinery, equipment and construction materials	493	448	479	408	264
Miscellaneous supplies and services	63	100	196	132	138
Outward transportation	911	1,171	956	1,011	1,024
BC concentrate purchases	26	49	58	131	19
Out-of-province concentrate purchases	746	630	1,025	901	451
Unallocated purchases	27	42	41	17	42
Total purchases	3,498	3,997	4,347	3,928	3,209
Other expenditures and dividend distributions					
Treatment, refining and marketing costs	326	321	243	332	255
Salaries and benefits	851	858	758	734	661
Taxes	243	365	290	648	445
Interest	635	168	143	50	19
Dividends (net)	120	407	635	1,057	642
Total other expenditures	2,175	2,119	2,069	2,821	2,022
Total mining industry expenditures	\$5,673	\$6,116	\$6,416	\$6,749	\$5,231

Distribution of Expenditures

(\$ millions)	2009	2008	2007	2006	2005
Suppliers, for goods and services	\$3,467	\$3,964	\$4,313	\$3,895	\$3,235
Smelters, for treatment and refining	326	321	243	332	255
Employees, as salaries and benefits ¹	712	710	618	616	463
Governments, and government agencies, as taxes and other levies ²	413	545	463	799	617
Lenders and investors	755	576	779	1,107	661
Total mining industry expenditures	\$5,673	\$6,116	\$6,416	\$6,749	\$5,231

Notes

1. Net of income taxes and other deductions from salaries.
2. Includes direct taxes, other levies and payments related to employment.

Outward Transportation Costs

(\$ millions)	2009	2008	2007	2006	2005
Road	\$47	\$57	\$63	\$63	\$46
Rail	465	612	604	655	646
Ship	126	171	114	112	141
Wharfage and handling	194	228	137	155	164
Other, including unallocated	79	103	38	26	27
Totals	\$911	\$1,171	\$956	\$1,011	\$1,024

Capital Expenditures

(\$ millions)	2009	2008	2007	2006	2005
Purchase of lands and mining rights	\$4	\$10	\$9	\$5	\$11
Surface construction	123	278	518	168	51
Machinery and equipment	311	438	352	290	245
Mine shafts, underground work, etc.	60	121	57	34	16
Other, including unallocated ¹	70	6	28	16	22
Totals	\$568	\$853	\$964	\$513	\$345

Note

1. The unallocated category includes construction-in-progress for which an accurate allocation to specific fixed asset categories was not available. These expenditures would relate primarily to surface construction and machinery and equipment.

Capital Expenditures, By Economic Region

(\$ millions)	2009	2008	2007	2006	2005
Kootenays	\$134	\$310	\$151	\$123	\$194
Okanagan	278	187	183	82	15
Cariboo/Vancouver Island – Coast	17	168	144	56	66
Nechako/Northeast	139	188	144	234	60
North Coast	–	–	342	18	10
Totals	\$568	\$853	\$964	\$513	\$345

Exploration & Development Expenditures¹

(\$ millions)	Grassroots Exploration ²	Properties under Development	Development on Producing Properties ³	Totals
2000	2	4	11	17
2001	1	4	5	10
2002	1	8	2	11
2003	6	6	3	15
2004	36	22	15	73
2005	81	44	23	148
2006	83	38	8	129
2007	57	73	30	160
2008	35	33	18	86
2009	26	119	12	157
Ten-Year Total	328	351	127	806

Notes

- Survey respondents are asked not to include any capitalized costs under Exploration and Development Expenditures. Capitalized costs are reported in Appendices 13 and 14.
- Grassroots exploration includes all exploration expenditures incurred in searching for and delineating mineral deposits on properties where no production is taking place.
- Development includes all mine development expenditures related to outlining and gaining access to ore on properties committed to production or in production. Thus, on producing properties, expenditures on drilling and excavations to extend proven ore are included.

Exploration & Development Expenditures, By Economic Region

(\$ millions)	2009	2008	2007	2006	2005
Kootenays	\$7	\$13	\$44	\$17	\$4
Okanagan	91	–	42	20	17
Cariboo/Vancouver Island – Coast	11	25	26	10	37
Lower Mainland	2	2	–	–	3
Nechako	20	34	11	10	7
Northeast	21	5	7	19	25
North Coast	5	7	30	53	55
Totals	\$157	\$86	\$160	\$129	\$148

Salaries & Benefits

	2009	2008	2007	2006	2005
Salaries (\$ millions)	\$703	\$713	\$622	\$596	\$551
Benefits (\$ millions)	148	145	136	138	110
Totals	\$851	\$858	\$758	\$734	\$661
Average number of employees^{1,2}	7,688	7,607	7,449	7,345	7,071
Average salary per employee	\$91,400	\$93,800	\$83,500	\$81,200	\$78,000
Average benefits per employee	\$19,400	\$19,000	\$18,200	\$18,700	\$15,600
Average salary & benefits per employee	\$110,800	\$112,800	\$101,700	\$99,900	\$93,600

Notes

- Participants were asked to report only the number of employees productively engaged. The number of employees represents the sum of the number actually engaged in mining operations at the end of each month divided by twelve to approximate an average “full-time equivalent” for the industry.
- Average number of employees reflects only the number of people employed by participants of this Survey.

Wages & Salaries, By Economic Region

(\$ millions)	2009	2008	2007	2006	2005
Kootenays	\$413	\$418	\$357	\$344	\$309
Okanagan	118	105	98	85	79
Cariboo/Vancouver Island – Coast	112	126	105	95	90
Lower Mainland ¹	8	8	6	12	9
Nechako/Northeast	47	51	40	51	43
North Coast	1	2	13	6	18
Unallocated	4	3	3	3	3
Total Gross Wages & Salaries	\$703	\$713	\$622	\$596	\$551

Notes

1. Includes wages and salaries for head offices of companies with global operations.

Employee Benefits

(\$ millions)	2009	2008	2007	2006	2005
Medical, dental, and life insurance	\$35	\$38	\$35	\$33	\$28
Company pension plan	61	44	42	50	39
Holiday and vacation pay	45	45	46	44	39
Workers' Compensation	11	13	13	15	16
Canada Pension Plan	16	17	18	16	13
Employment Insurance	7	7	8	8	7
Other	20	26	19	16	7
	195	190	181	182	149
Less: Holiday and vacation pay included in wages and salaries	(46)	(45)	(45)	(44)	(39)
Totals	\$149	\$145	\$136	\$138	\$110

Direct Employees, By Economic Region

	2009	2008	2007	2006	2005
Kootenays	4,375	4,352	4,106	4,075	4,034
Okangan	1,295	1,172	1,152	1,100	1,010
Cariboo/Vancouver Island – Coast	1,216	1,368	1,301	1,241	1,156
Lower Mainland ¹	78	70	94	103	80
Nechako	610	577	577	548	544
North Coast	13	34	182	161	175
Northeast	72	4	5	80	33
Unallocated	29	30	32	37	39
Totals	7,688	7,607	7,449	7,345	7,071

Notes

1. Includes head office employees for mining companies with global operations.

Direct Tax Payments

(\$ millions)	2009	2008	2007	2006	2005
Canada					
Income Tax	\$29	\$35	\$85	\$340	\$193
Tax on large corporations	–	–	–	1	1
Other	3	3	2	1	–
Total Canada	32	38	87	342	194
B.C. and Municipalities, excluding Property Taxes					
Income Tax, (B.C. portion)	16	19	39	118	88
Mining Tax	2	–	2	22	20
Mineral Tax	123	229	84	84	65
B.C. Capital Tax	–	–	–	–	–
Provincial Sales Tax	17	19	18	22	18
Gasoline and Fuel Oil Taxes	11	10	9	8	9
Leases, rentals, etc.	1	3	–	1	–
Other	16	20	19	22	22
Total B.C. and Municipalities	186	298	174	276	223
Property Taxes					
School Tax	3	7	9	8	8
Municipality Finance Authority	10	9	7	7	6
Rural Area Levy	10	11	11	12	11
All other levies	2	2	2	3	3
Total property taxes	25	29	29	30	28
Total direct tax payments	\$243	\$365	\$290	\$648	\$445

Cost of Purchased Energy

(\$ millions)	2009	2008	2007	2006	2005
Electricity	\$109	\$104	\$111	\$115	\$112
Natural gas	26	38	29	28	33
Diesel fuel	195	295	215	191	178
Gasoline	7	8	18	15	8
Coal	22	20	13	15	9
Other	55	57	6	1	2
Totals	\$414	\$522	\$392	\$365	\$342

Summary of Net Capital Inflow

(\$ millions)	New Capital Raised	Internally Generated Capital ¹	Less: Loans & Advances	Net Capital Inflow
2003	43	491	15	519
2004	283	655	157	781
2005	393	1,429	224	1,598
2006	408	1,778	537	1,649
2007	1,069	1,415	1,317	1,167
2008	12,290	3,098	1,131	14,257
2009	6,603 ²	2,165	8,195	573

Note

1. Internally generated capital includes the net earnings of British Columbia mining operations adjusted for expenses which do not require a current outlay of funds, and items which do not relate to operations. Deducted from this total are dividends paid, amounts invested in or set aside for mining activities outside British Columbia, and amounts invested in non-mining activities.
2. Includes \$6.3 billion of debt refinancing.

New Capital Raised by Participating Companies for use in B.C.

(\$ millions)	2009 ¹	2008	2007	2006	2005
By Type of Capital					
Equity Capital, other than flow-through shares	\$1,774	\$200	\$342	\$172	\$275
Flow-through shares	7	2	258	9	22
Long-term debt	4,709	12,071	201	136	60
Advances	113	17	268	91	36
Totals	\$6,603	\$12,290	\$1,069	\$408	\$393
By Country of Origin					
Canada	\$1,915	\$146	\$805	\$313	\$190
United States	4,625	12,017	–	3	15
Other	63	127	264	92	188
Totals	\$6,603	\$12,290	\$1,069	\$408	\$393

Loan Capital & Advances Repaid

(\$ millions)	2009	2008	2007	2006	2005
By Type of Capital					
Loans	\$8,141	\$352	\$111	\$139	\$52
Advances (includes redemption of shares)	54	779	1,206	398	172
Totals	\$8,195	\$1,131	\$1,317	\$537	\$224
By Country of Origin					
Canada	\$145	\$353	\$688	\$28	\$19
United States	8,040	583	472	302	124
Japan	10	195	157	207	81
Totals	\$8,195	\$1,131	\$1,317	\$537	\$224

Interest on Long-term Debt

(\$ millions)	2009	2008	2007	2006	2005
Capitalized/Deferred	\$54	\$14	\$24	\$34	\$1
Expensed	579	154	119	16	18
Totals	\$633	\$168	\$143	\$50	\$19

Return on Shareholders' Investment

B.C. Operating Mines

(\$ millions)	Shareholders' Investment ¹ (Average)	Return to Shareholders ²	Return on Shareholders' Investment (%) ³
2002	2,656	271	10.2
2003	2,626	362	13.8
2004	2,830	1,125	39.8
2005	3,378	2,189	64.8
2006	3,621	3,039	83.9
2007	3,800	1,740	45.8
2008	3,317	3,234	97.5
2009	5,071	2,250	44.4
Eight-year averages	\$3,413	\$1,776	52.1%

Notes

- Shareholders' Investment is taken to be the share capital, retained earnings and contributed surplus of the companies together with the amount of long-term loans provided by parent companies, affiliates and shareholders.
- Return to Shareholders is measured in current dollars.
- The Return on Shareholders' Investment is defined as the ratio of pre-tax earnings to total investment made by the shareholders. Included in the Return to Shareholders is that portion of the interest on long-term loans which was paid to lenders who were also parent companies, affiliates or shareholders.

Dividends Paid by Participating Companies

(\$ millions)	Dividends Paid
2000	45
2001	133
2002	134
2003	108
2004	448
2005	642
2006	1,057
2007	635
2008	407
2009	120
Ten-year totals	\$3,729

Training Dollars and Hours

	2009	2008	2007	2006	2005
Total hours	178,313	199,785	175,318	101,569	99,000
Total dollars (000's)	\$13,740	\$14,503	\$10,414	\$5,159	\$4,000
Dollars per hour	\$77	\$73	\$59	\$51	\$40

Reclamation and Environmental Management

(\$ millions)	2009	2008	2007	2006	2005
Capital	\$20	\$16	\$21	\$13	\$21
Operating line	42	50	44	50	49
Total	\$62	\$66	\$65	\$63	\$70

