

Opportunity*

The Mining Industry
in British Columbia 2006

Appendices

Combined Statement of Revenues & Expenses

B.C. Mining Industry

(\$ millions)	2006 ¹	2005	2004
Gross mining revenues	\$8,076	\$6,285	\$4,584
Less			
Treatment and refining charges ²	332	255	213
Freight and transportation	1,011	1,024	826
Marketing, sales and other deductions	143	89	57
Net mining revenues	6,590	4,917	3,488
Expenses			
Cost of production			
Labour and benefits	654	609	555
Supplies and other ³	2,329	1,599	1,501
	2,293	2,208	2,056
Administration	87	77	66
Depreciation, depletion and amortization	317	313	357
Exploration expenditures written-off	33	–	–
Interest on long-term debt	16	18	9
Writedown of mining assets	–	–	29
ARO Liability Accretion	23	33	22
Stock Based Compensation	17	10	3
Other expenditures	162	102	116
Other income	(87)	(33)	(295)
Total expenses	3,551	2,728	2,363
Earnings (loss) before taxes	3,039	2,189	1,125
Taxes – Current			
Income	457	281	67
Mining	112	92	50
	569	373	117
Future Income tax expense			
Income	112	(25)	137
Total Taxes	691	348	254
Net earnings (loss)	\$2,348	\$1,841	\$871

Notes

1. The 2006 figures pertain to seventeen operating mines that were in production or about to start production during 2006 as well as Teck Cominco Ltd's smelting operation at Trail, six operations in the active permitting stage, eight mines in the reclamation stage, and ten 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)	2006	2005	2004
Assets¹			
Current assets			
Cash and short-term deposits	\$459	\$385	\$249
Receivables and prepaid expenses	469	409	265
Concentrate and product inventories	581	559	395
Materials and supplies inventories	158	131	113
Other current assets	96	105	54
Total current assets	1,763	1,589	1,076
Fixed assets			
Plant and equipment, at cost	5,186	4,493	4,187
Less: Accumulated depreciation and amortization	(3,481)	(2,882)	(2,640)
Net plant and equipment	1,705	1,611	1,547
Mining properties and development expenditures, at cost	1,720	1,718	1,661
Less: Accumulated depletion and amortization	(935)	(1,105)	(1,048)
Net mining properties and development expenditures	785	613	613
Asset retirement obligation, at cost	182	146	116
Less: Accumulated amortization	(88)	(69)	(51)
Net asset retirement obligation	94	77	65
Total fixed assets	2,584	2,301	2,225
Deposits and mortgages receivable	776	752	643
Other assets employed in B.C. mining operations	128	135	25
Total assets	\$5,251	\$4,777	\$3,969

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)	2006	2005	2004
Liabilities and shareholders' equity¹			
Current liabilities			
Short-term debt	\$16	\$104	\$66
Accounts payable and accrued liabilities	540	378	404
Current portion of long-term debt	33	87	42
Taxes payable	7	2	25
Other current liabilities	133	128	58
Total current liabilities	729	699	595
Long-term debt due to/(from) shareholders ²	(1,630)	(974)	(376)
Long-term debt due to others	435	294	170
Total long-term debt	(1,195)	(680)	(206)
Future income and mining taxes ³	31	5	15
ARO Liability	435	398	359
Shareholders' equity	5,251	4,355	3,206
Total liabilities and shareholders' equity	\$5,251	\$4,777	\$3,969
Working capital⁴	\$1,034	\$890	\$481

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)	2006	2005	2004
Net Earnings from operations for the year	\$2,348	\$1,841	\$871
Operating expenditures not involving cash outlays			
Depreciation, depletion and amortization	317	313	357
Future Income tax expense (recovery)	122	(25)	137
Stock based compensation	17	10	3
ARO accretion	23	33	22
Exploration expenditures written-off	33	-	-
Other items	2	(115)	(48)
(including change in non-cash working capital items)			
Items not relating to operations			
Gain on sale of fixed assets	-	-	1
Other	23	14	(200)
Total cash from operations	\$2,885	\$2,071	\$1,143

Net Mining Revenues¹, By Product

(\$ millions)	2006	2005	2004
Metallurgical coal	\$1,937	\$1,947	\$990
Thermal coal	43	36	58
Copper concentrates	1,996	1,134	718
Zinc and zinc concentrates	1,289	528	530
Silver	371	213	270
Gold	343	255	309
Lead and lead concentrates	137	87	104
Molybdenum ²	412	592	398
Combined miscellaneous products ³	62	125	111
Totals	\$6,590	\$4,917	\$3,488

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)	2006	2005	2004	2003	2002
British Columbia	\$117	\$92	\$42	\$43	\$58
Other parts of Canada	1,046	699	733	607	483
United States	1,592	942	727	573	563
Japan	1,581	1,155	775	663	692
United Kingdom	63	72	57	69	66
Korea and Taiwan	624	349	301	171	213
Other parts of the world	1,567	1,608	853	572	448
Totals	\$6,590	\$4,917	\$3,488	\$2,698	\$2,523

Net Mining Revenues, By Economic Region

(\$ millions)	2006	2005	2004	2003	2002
Kootenays ¹	\$3,619	\$2,821	\$1,964	\$1,685	\$1,551
Okanagan	1,371	968	760	378	360
Cariboo/Vancouver Island - Coast	505	280	95	71	56
Nechako/Northeast	937	726	480	380	356
North Coast	158	122	189	184	200
Totals	\$6,590	\$4,917	\$3,488	\$2,698	\$2,523

Note

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

Average Metal and Coal Prices

(U.S. dollars)	Unit	Q1 2007	2006	2005	2004	2003	2002
Copper (LME Grade A)	lb.	3.56	\$3.05	\$1.67	\$1.30	\$0.81	\$0.71
Zinc (LME Cash)	lb.	1.62	1.49	0.63	0.48	0.38	0.35
Silver (LME Cash)	oz.	13.84	11.57	7.31	6.65	4.88	4.60
Gold (London Final)	oz.	677.40	604.34	444.88	409.21	363.51	309.97
Molybdenum (Dealer Oxide)	lb.	27.70	24.38	31.05	15.92	5.21	3.59
Lead (LME Cash)	lb.	0.93	0.58	0.44	0.40	0.23	0.21
Coal (West Coast) ¹	t.	87.50	108.00	95.24 ²	50.00	45.50	44.50
Average Annual Exchange Rate							
Cdn. to U.S. \$ (Bank of Canada)		0.8535	0.8818	0.8254	0.7698	0.7135	0.6368

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

Notes

1. Coal prices are taken from Platt's International Coal Report
2. Does not include Thermal Coal prices

Shipments, By Port

(000's tonnes)	2006	2005	2004	2003	2002
Export shipments, by port					
Campbell River/Texada Island	493	470	581	444	498
Roberts Bank	9,202	18,933	19,739	17,487	18,266
Rupert Inlet/Stewart	135	170	155	196	181
Prince Rupert	623	152	–	479	1,384
Vancouver	8,338	1,543	1,461	1,407	599
Other ports	3,124	1,772	1,345	1,722	–
Total port shipments	21,915	23,040	23,281	21,735	20,928
Other shipments					
Export shipments to U.S. by land	1,235	1,529	1,978	1,375	1,704
Export shipments through					
Eastern Canadian ports	353	951	1,091	883	716
Shipments to B.C. customers	205	81	78	125	132
Shipments to other Canadian customers	1,741	1,029	1,413	1,186	655
Total other shipments	3,534	3,590	4,560	3,569	3,207
Total shipments	25,449	26,630	27,841	25,304	24,135

Shipments, By Commodity

(000's tonnes)	2006	2005	20034	2003	2002
Metallurgical coal	22,933	24,043	25,109	22,777	21,341
Thermal coal	977	883	1,065	1,058	1,405
Copper concentrates	1,027	978	741	784	751
Zinc and zinc concentrates	382	320	381	409	401
Lead and lead concentrates	88	69	83	108	89
Other metals	42	337	462	168	148
Totals	25,449	26,630	27,841	25,304	24,135

Mining Industry Expenditures (cash)

(\$ millions)	2006	2005	2004	2003	2002
Purchased materials, supplies & services					
Production materials and supplies	\$675	\$668	\$530	\$491	\$480
Energy and fuels	365	342	268	234	224
Professional and technical services	46	47	39	27	29
Contract work	242	214	152	117	127
Machinery, equipment and construction materials	408	264	164	108	178
Miscellaneous supplies and services	132	138	77	84	58
Outward transportation	1,011	1,024	826	688	711
BC concentrate purchases	131	19	6	–	–
Out-of-province concentrate purchases	901	451	426	396	309
Unallocated purchases	17	42	60	87	24
Total purchases	3,928	3,209	2,548	2,232	2,140
Other expenditures and dividend distributions					
Treatment, refining and marketing costs	332	255	213	239	267
Salaries and benefits	734	661	610	579	605
Taxes	648	445	185	130	179
Interest	50	19	9	11	13
Dividends (net)	1,057	642	448	108	134
Total other expenditures	2,821	2,022	1,465	1,067	1,198
Total mining industry expenditures	\$6,749	\$5,231	\$4,013	\$3,299	\$3,338

Distribution of Expenditures

(\$ millions)	2006	2005	2004	2003	2002
Suppliers, for goods and services	\$3,895	\$3,235	\$2,512	\$2,200	\$2,107
Smelters, for treatment and refining	332	255	213	239	267
Employees, as salaries and benefits ¹	616	463	487	463	484
Governments, and government agencies, as taxes and other levies ²	799	617	344	278	333
Lenders and investors	1,107	661	457	119	147
Total mining industry expenditures	\$6,749	\$5,231	\$4,013	\$3,299	\$3,338

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)	2006	2005	2004	2003	2002
Road	\$63	\$46	\$44	\$46	\$73
Rail	655	646	572	474	454
Ship	112	141	57	44	39
Wharfage and handling	155	164	115	105	122
Other, including unallocated	26	27	38	19	3
Totals	\$1,011	\$1,024	\$826	\$688	\$711

Capital Expenditures

(\$ millions)	2006	2005	2004	2003	2002
Purchase of lands and mining rights	\$5	\$11	\$11	\$ –	\$ –
Surface construction	168	51	37	23	43
Machinery and equipment	290	245	156	68	126
Mine shafts, underground work, etc.	34	16	13	25	20
Other, including unallocated ¹	16	22	–	1	1
Totals	\$513	\$345	\$217	\$117	\$190

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)	2006	2005	2004	2003	2002
Kootenays	\$123	\$194	\$77	\$64	\$119
Okanagan	82	15	2	8	10
Cariboo/Vancouver Island – Coast	56	66	89	18	13
Nechako/Northeast	234	60	33	20	37
North Coast	18	10	16	7	11
Totals	\$513	\$345	\$217	\$117	\$190

Exploration & Development Expenditures¹

(\$ millions)	Grassroots Exploration ²	Properties under Development	Development on Producing Properties ³	Totals
1997	5	16	20	41
1998	3	6	13	22
1999	1	2	16	19
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
Ten-Year Total	219	150	116	486

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)	2006	2005	2004	2003	2002
Kootenays	\$17	\$4	\$2	\$1	\$2
Okanagan	20	17	8	–	–
Cariboo/Vancouver Island – Coast	10	37	16	3	–
Lower Mainland	–	3	–	–	–
Nechako	10	7	6	6	5
Northeast	19	25	16	–	2
North Coast	53	55	25	5	2
Totals	\$129	\$148	\$73	\$15	\$11

Salaries & Benefits

	2006	2005	2004	2003	2002
Salaries (\$ millions)	\$596	\$551	\$501	\$473	\$493
Benefits (\$ millions)	138	110	109	106	112
Totals	\$734	\$661	\$610	\$579	\$605
Average number of employees^{1,2}	7,345	7,071	6,442	6,128	6,729
Average salary per employee	\$81,200	\$78,000	\$77,800	\$77,200	\$73,300
Average benefits per employee	\$18,700	\$15,600	\$16,900	\$17,300	\$16,600
Average salary & benefits per employee	\$99,900	\$93,600	\$94,700	\$94,500	\$89,900

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)	2006	2005	2004	2003	2002
Kootenays	\$344	\$309	\$306	\$298	\$303
Okanagan	85	79	75	71	71
Cariboo/Vancouver Island – Coast	95	90	53	42	32
Lower Mainland ¹	12	9	6	3	4
Nechako/Northeast	51	43	39	44	50
North Coast	6	18	18	13	13
Unallocated	3	3	3	2	20
Total Gross Wages & Salaries	\$596	\$551	\$500	\$473	\$493

Notes

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

Employee Benefits

(\$ millions)	2006	2005	2004	2003	2002
Medical, dental, and life insurance	\$33	\$28	\$24	\$24	\$22
Company pension plan	50	39	43	43	49
Holiday and vacation pay	44	39	45	45	53
Workers' Compensation	15	16	17	14	14
Canada Pension Plan	16	13	12	13	12
Employment Insurance	8	7	7	7	8
Other	16	7	6	5	7
	182	149	154	151	165
Less: Holiday and vacation pay included in wages and salaries	(44)	(39)	(45)	(45)	(53)
Totals	\$138	\$110	\$109	\$106	\$112

Direct Employees, By Economic Region

(\$ millions)	2006	2005	2004	2003	2002
Kootenays	4,075	4,034	3,856	3,814	4,169
Okangan	1,100	1,010	943	983	1,030
Cariboo/Vancouver Island – Coast	1,241	1,156	750	563	504
Lower Mainland ¹	103	80	71	41	47
Nechako	548	544	522	486	524
North Coast ²	161	175	232	170	168
Northeast ²	80	33	24	22	228
Unallocated	37	39	44	49	59
Totals	7,345	7,071	6,442	6,128	6,729

Notes

1. Includes head office employees for mining companies with global operations.
2. From 1999 onwards, Bullmoose and Quintette were classed as Northeast rather than North Coast.

Direct Tax Payments

(\$ millions)	2006	2005	2004	2003	2002
Canada					
Income Tax	\$340	\$193	\$16	\$26	\$49
Tax on large corporations	1	1	2	1	3
Other	1	–	2	8	7
Total Canada	342	194	20	35	59
B.C. and Municipalities, excluding Property Taxes					
Income Tax, (B.C. portion)	118	88	52	(1)	26
Mining Tax	22	20	–	–	2
Mineral Tax	84	65	39	40	25
B.C. Capital Tax	–	–	–	2	3
Provincial Sales Tax	22	18	18	19	21
Gasoline and Fuel Oil Taxes	8	9	10	7	10
Leases, rentals, etc.	–	1	1	–	–
Other	22	22	18	2	4
Total B.C. and Municipalities	276	223	138	69	91
Property Taxes					
School Tax	8	8	8	8	9
Municipality Finance Authority	7	6	7	5	7
Rural Area Levy	12	11	9	10	11
All other levies	3	3	3	3	2
Total property taxes	30	28	27	26	29
Total direct tax payments	\$648	\$445	\$185	\$130	\$179

Cost of Purchased Energy

(\$ millions)	2006	2005	2004	2003	2002
Electricity	\$115	\$112	\$108	\$99	\$97
Natural gas	28	33	29	27	22
Diesel fuel	191	178	112	93	91
Gasoline	15	8	5	4	4
Coal	15	9	12	10	8
Other	1	2	2	2	2
Totals	\$365	\$342	\$268	\$235	\$224

Summary of Net Capital Inflow

(\$ millions)	New Capital Raised	Internally Generated Capital ¹	Less: Loans & Advances	Net Capital Inflow
2001	172	464	124	512
2002	24	417	97	344
2003	43	491	15	519
2004	283	655	157	781
2005	393	1,429	224	1,598
2006	408	1,778	537	1,649

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.

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

(\$ millions)	2006	2005	2004	2003	2002
By Type of Capital					
Equity Capital, other than flow-through shares	\$172	\$275	\$106	\$15	\$5
Flow-through shares	9	22	40	5	–
Long-term debt	136	60	77	–	–
Advances	91	36	60	23	19
Totals	\$408	\$393	\$283	\$43	\$24
By Country of Origin					
Canada	\$313	\$190	\$259	\$21	\$11
United States	3	15	3	–	–
Other	92	188	21	22	13
Totals	\$408	\$393	\$283	\$43	\$24

Loan Capital & Advances Repaid

(\$ millions)	2006	2005	2004	2003	2002
By Type of Capital					
Loans	\$139	\$52	\$1	\$1	\$1
Advances (includes redemption of shares)	398	172	156	14	96
Totals	\$537	\$224	\$157	\$15	\$97
By Country of Origin					
Canada	\$28	\$19	\$92	\$(4)	\$92
United States	302	124	49	14	4
Japan	207	81	16	5	1
Totals	\$537	\$224	\$157	\$15	\$97

Interest on Long-term Debt

(\$ millions)	2006	2005	2004	2003	2002
Capitalized/Deferred	\$34	\$1	\$ –	\$ –	\$ –
Expensed	16	18	9	11	13
Totals	\$50	\$19	\$9	\$11	\$13

Return on Shareholders' Investment

B.C. Operating Mines

(\$ millions)	Shareholders' Investment ¹ (Average)	Return to Shareholders ²	Return on Shareholders' Investment (%) ³
1997	1,873	159	8.5
1998	1,498	(149)	(9.9)
1999	1,138	(129)	(11.3)
2000	1,115	9	0.8
2001	2,114	66	3.1
2002	2,656	110	4.1
2003	2,626	287	10.9
2004	2,830	832	29.4
2005	3,378	1,826	54.1
2006	3,621	2,348	64.8
Ten-year averages	\$2,285	\$536	23.5%

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 after-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
1997	77
1998	46
1999	78
2000	45
2001	133
2002	134
2003	108
2004	448
2005	642
2006	1,057
Ten-year totals	\$2,768

Training Dollars and Hours

	2006	2005	2004	2003	2002
Total hours	101,569	99,000	71,000	68,910	81,829
Total dollars (000's)	\$5,159	\$4,000	\$3,000	\$3,426	\$4,133
Dollars per hour	\$51	\$40	\$42	\$50	\$51

Reclamation and Environmental Management

(\$ millions)	2006	2005	2004	2003	2002
Capital	\$13	\$21	\$28	\$24	\$10
Operating line	50	49	55	49	51
Total	\$63	\$70	\$83	\$73	\$61

