

Dear Colleague in the Mining Industry:

We are pleased to once again present our comparison of effective income tax rates in the global mining industry. This edition includes 52 companies operating throughout the world which are mining precious metals, base metals, industrial minerals (including cement) and coal. The companies presented are headquartered in a variety of countries from every continent. As did last year's, this edition features commentary and analysis by Janet Kerr of our Tax Rate Benchmarking Team. A few matters to note:

Reviewing the comparison on paper can be difficult due to the number of companies included, so we have posted this information on a website located at <https://www.communities.pwc.com/miningetr> which includes a spreadsheet allowing you to sort by item mined or territory.

- While the spreadsheets are a great starting point and a quick way to compare companies' effective rates, the included income tax footnotes from each company's financial statements are also very useful. The footnotes are in alphabetical order and can be easily accessed on the website.
- The line items adjusting from the statutory rate to the effective rate are presented as they appear in the companies' financial statements. Different companies use different terminology and different presentation styles. We've combined what we believe to be clearly comparable items (ex. depletion and resource allowance) but tried not to interpret too much and, therefore, have left many items described exactly as they appear in the financial statements. We suggest you review the footnotes to gather further information on line items presented and make your own judgments on comparability.
- The real value in the Comparison, we believe, is spending a little time with it and discerning what the adjustments really mean and how they originated. Is a particular item 'typical' when looking at other mining companies in general or in the same segment or in the same country? Do similar companies have it? Should they? Is the item likely to repeat next year? Might there be a similar/mirror item going the other way next year (creating a valuation allowance this year, will it reverse next year)? Your local PricewaterhouseCoopers mining tax professionals would be happy to meet with you and determine if an effective rate study might be of benefit to you and your company.

We try to improve the Comparison each year, but we know there is always room for improvement. We welcome your input and will do our best to make the Comparison more effective in the future. Please contact me with your comments, positive or constructive.

We hope you find the comparison interesting and useful.

Sincerely,

Steve Ralbovsky
US Mining Leader
Global Mining Tax Leader