

LEGISLATIVE RETURN

SUBMITTED BY: Hon. Mr. Pillai, Minister of Energy, Mines and Resources and Corporate Policy and Planning



1. On _____,

- asked the following question during the Oral Question Period at page(s) _____ of *Hansard*
- submitted the following written question – WQ No. _____
- gave notice of the following motion for the production of papers – MPP No. _____

RE: _____

OR

2. This legislative return relates to a matter outstanding from discussion with Ms. Hanson, Member for Whitehorse Centre on December 3, 2020 related to:

Bill No. 205 Second Reading Third Reading
 Committee of the Whole: Vote 53
Motion No. _____ RE: anticipated return (royalties) to Yukon from placer quartz in 2020
at page(s) 2211-2213 of *Hansard*.

The response is as follows:

Please see attachment for response.

Dec 16/2020
Date

R Pillai
Signature

Question: What are the anticipated return (royalties) to Yukon for the ounces of placer gold produced in 2020; the value of the minerals extracted under the *Quartz Mining Act* and the anticipated revenues to Yukon in 2020; how are values for purposes of royalties determined for placer and quartz mining?

The response is as follows:

Placer Royalties

- To date, the amount of placer gold that was reported for royalty to the Government of Yukon in the 2020-2021 fiscal year to date is 81,883.917 troy ounces. This number accounts for ounces recorded from April 1 to October 31, 2020. The fiscal year begins on April 1, 2020 and ends on March 31, 2021.
- Placer miners only pay royalties on gold that they export out of the territory.
- In 2020, exported placer gold has an approximate value of almost \$165.6 million. This represents a 15 per cent increase in gold production and 43 per cent increase in value of production compared to 2019.

Placer gold (in troy oz.) extracted for fiscal 2020-2021 (April 1, 2020 to date)	
April	0
May	0
June	6,584.900
July	17,572.760
August	9,597.816
September	20,540.661
October	27,587.780
TOTAL TO DATE	81,883.917

- For the 2019-2020 fiscal year, 78,052.600 troy ounces of gold were reported for royalty.
- The total dollar amount for placer royalties collected by the Government of Yukon from April 1, 2020 to October 31, 2020 is \$30,706.50 (see table).
- The placer royalty revenues for November and December 2020, and January through March 2021 have yet to be calculated. Monthly activity reports are calculated by the Mining Recorder Office within two months of the month in question, and are published on Yukon.ca within three months of the month in question.

Placer Royalties in dollars for fiscal 2020-2021 (April 1 to date)	
April	0
May	0
June	2,469.33
July	6,589.79
August	3,599.18
September	7,702.75
October	10,345.45
TOTAL TO DATE	\$30,706.50

- Under the *Placer Mining Act*, placer royalty collected by the Yukon government is 37.5 cents/troy ounce.
- For the 2019-2020 fiscal year, the Government of Yukon collected \$29,271.02 in placer royalties.

Quartz Royalties

- The total amount of quartz royalties collected by the Government of Yukon for 2020 have not yet been calculated. Operating mines will submit their royalty projections for 2020 in April 2021 and quartz royalty figures will be available later in 2021.
- Quartz royalty rates are described in the *Quartz Mining Act*. The quartz royalty is based on a mine's revenue minus allowable deductions. The rates are broken out into a royalty ladder with increasing royalty percentages paid for higher overall revenue.