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# NATIONAL ASSEMBLY

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SECOND SESSION

THIRTY-THIRD LEGISLATURE

Bill 126

## **An Act to amend the Mining Duties Act**

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### **Introduction**

**Introduced by  
Mr Raymond Savoie  
Minister for Mines and Native Affairs**



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## EXPLANATORY NOTES

*The object of this bill is to make the amendments to the Mining Duties Act (R.S.Q., chapter D-15) rendered necessary by recent changes in the Taxation Act (R.S.Q., chapter I-3) with respect to the rules concerning flow-through shares.*

*Moreover, this bill repeals a provision dealing with mineral substance shipped outside Québec.*

# Bill 126

## An Act to amend the Mining Duties Act

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

**1.** Section 18.1 of the Mining Duties Act (R.S.Q., chapter D-15) is replaced by the following section:

**“18.1** The mining exploration and development expenses referred to in subparagraph *c* or *d* of section 18 do not include any outlay or expense incurred to the extent that the outlay or expense constitutes an expense incurred

(*a*) by a person, including a partnership, pursuant to an agreement entered into with an operator or another corporation or partnership, under which the person incurs such expense solely as consideration for a share of the capital stock of the operator or of another corporation or partnership, for an interest in a partnership, or for an interest or right attaching to the share or interest; or

(*b*) by a corporation, including the operator, where a share of the capital stock of the corporation was issued to a person, including a partnership, pursuant to an agreement in writing entered into between the person and the corporation, under which the corporation, for any purpose, agreed to incur such expense and to renounce to the person an amount in respect of the expense so incurred by the corporation not exceeding the consideration received by it for the share.”

This section applies in respect of expenses incurred after 28 February 1986.

**2.** Section 27 of the said Act is amended by replacing paragraph *c* by the following paragraph:

“(c) any outlay or expense incurred as cost of work done during the fiscal year with respect to shafts, excavations, drifts, trenches, borings or other means of mining exploration or development referred to in paragraph *m* of section 8 or as mining exploration and development expenses referred to in paragraph *n* of that section to the extent that the outlay or expense constitutes an expense incurred

i. by a person, including a partnership, pursuant to an agreement entered into with the operator or another corporation or partnership, under which the person incurs such expense solely as consideration for a share of the capital stock of the operator or of another corporation or partnership, for an interest in a partnership, or for an interest or right attaching to the share or interest; or

ii. by a corporation, including the operator, where a share of the capital stock of the corporation was issued to a person, including a partnership, pursuant to an agreement in writing entered into between the person and the corporation, under which the corporation, for any purpose, agreed to incur such expense and to renounce to the person an amount in respect of the expense so incurred by the corporation not exceeding the consideration received by it for the share;”.

This section applies in respect of expenses incurred after 28 February 1986.

**3.** Section 27.1 of the said Act is amended by replacing paragraph *a* by the following paragraph:

“(a) the amount of any outlay or expense incurred in respect of the property to the extent that the outlay or expense constitutes an expense incurred

i. by a person, including a partnership, pursuant to an agreement entered into with the operator or another corporation or partnership, under which the person incurs such expense solely as consideration for a share of the capital stock of the operator or of another corporation or partnership, for an interest in a partnership, or for an interest or right attaching to the share or interest; or

ii. by a corporation, including the operator, where a share of the capital stock of the corporation was issued to a person, including a partnership, pursuant to an agreement in writing entered into between the person and the corporation, under which the corporation, for any purpose, agreed to incur such expense and to renounce to the person an amount in respect of the expense so incurred by the

corporation not exceeding the consideration received by it for the share;”.

This section applies in respect of expenses incurred after 28 February 1986.

**4.** Section 98 of the said Act is repealed.

**5.** This Act comes into force on (*insert here the date of assent to this Act*).