



Filing Instructions

1. Every operator of a diamond mine in Ontario must file a completed Ontario Diamond Royalty Return (form reference number ODR20) and supporting documents within four months after the end of each fiscal year.
2. Mail the completed Return to:
**Ministry of Northern Development and Mines
Mines & Minerals Division
Diamond Sector Unit
933 Ramsey Lake Road
Sudbury ON P3E 6B5**
3. Cheques for payment of the Ontario Diamond Royalty must be made payable to the *Minister of Finance*.
4. Where the diamond mine comes into production in the current fiscal year, the operator should include a letter, signed by an authorized signing officer, that states the date of commencement of production.
5. Record all money amounts in Canadian dollars (no cents).
6. In an attempt to address the complexity of supporting legislation, descriptions used in this Return have been simplified. Reference should be made to the supporting legislation in Part VIII of the *Mining Act* and Ontario Regulation 323/07 to ensure compliance therewith.
7. Supporting documents:
 - Financial statements for the diamond mine or financial statements of the operator and reconciliation to amounts in this Return.
 - An election under ss. 6(3) of Ont. Reg. 323/07, if this Return is for the last fiscal year of mine production **and** the operator qualifies to file such an election.

Completing the Return

This Return has been prepared in PDF format and is saveable. Before starting to complete the Return electronically, it is recommended that **SAVE AS** be used to preserve the original, blank document.

The Return may be completed on-screen by moving your cursor to entry spots or by tabbing from one entry spot to the next.

There are no automatic calculations built into the supporting format for this Return. Calculations are the responsibility of the operator.



Identification

<p>Legal name of operator (if a corporation, state full name)</p> <p>Mailing address of operator</p>	<p>Name, address and description of diamond mine</p>
---	--

<p>Fiscal year</p>	<p>Start -</p> <p>year month day</p>	<p>End -</p>	<p>year month day</p>	
---------------------------	--	--------------	-----------------------------	--

<p>Address(es) of facilities used in the fiscal year for – Processing</p>	<p>Valuation</p>
---	------------------

<p>Location of operator's books and records</p>	<p>Name and telephone no. of person to contact regarding the mine</p>
---	---

Estimated royalty payable

Estimated Ontario Diamond Royalty payable for fiscal year, *From page 2* 215

Certification

I am an authorized signing officer of the operator. Following examination by me, I do hereby certify that, to the best of my knowledge, this Ontario Diamond Royalty Return, including accompanying schedules and statements, is a true, complete and correct Return in accordance with Part VIII of the *Mining Act* and Ontario Regulation 323/07 and that the information is in accordance with the books and records of the operator.

Authorized person

<p>Name of authorized signing officer of operator</p>	<p>Title</p>
---	--------------

<p>Signature</p>	<p>Date</p> <p>year month day</p>
------------------	---

Calculation of estimated Ontario Diamond Royalty payable for the fiscal year

The net value of output for the fiscal year (NVOY) is used to

calculate the Ontario Diamond Royalty payable for the fiscal year. NVOY, From page 3

The Ontario Diamond Royalty payable for the fiscal year is equal to the lesser of **AMOUNT A** and **AMOUNT B**:

A NVOY X 13%

AMOUNT A =

B The following

If NVOY is less than or equal to \$10,000 enter *nil*

OR

If NVOY is more than \$10,000 the total of the following

Must be nil or higher; not a negative number

Lesser of NVOY and \$5,000,000 = minus \$10,000 = X 5% = +

Lesser of NVOY and \$10,000,000 = minus \$5,000,000 = X 6% = +

Lesser of NVOY and \$15,000,000 = minus \$10,000,000 = X 7% = +

Lesser of NVOY and \$20,000,000 = minus \$15,000,000 = X 8% = +

Lesser of NVOY and \$25,000,000 = minus \$20,000,000 = X 9% = +

Lesser of NVOY and \$30,000,000 = minus \$25,000,000 = X 10% = +

Lesser of NVOY and \$35,000,000 = minus \$30,000,000 = X 11% = +

Lesser of NVOY and \$40,000,000 = minus \$35,000,000 = X 12% = +

Lesser of NVOY and \$45,000,000 = minus \$40,000,000 = X 13% = +

NVOY minus \$45,000,000 = X 14% = +

+ + + + + + + + + =

AMOUNT B is the greater of and

AMOUNT B =

Estimated Ontario Diamond Royalty payable for the year –

The lesser of **AMOUNT A** above and **AMOUNT B** above

=

Transfer to page 1

Calculation of Net Value of Output of the diamond mine for the fiscal year (NVOY)

Letters in NVOY formula
(ss. 6(1), O. Reg. 323/07)

Summary descriptions

Amounts to be included

A	(a) Proceeds from sales From <input type="text" value="416"/> page 4	+	<input type="text" value="416"/>	<input type="text"/>
	(b) Market value From <input type="text" value="417"/> page 4	+	<input type="text" value="417"/>	<input type="text"/>
B	Market value ~ inventory at fiscal year end	+	<input type="text" value="301"/>	<input type="text"/>
D	Lesser of:			
	(a) Amount of payment(s) received during the year for costs claimed as a deduction or allowance, and		<input type="text" value="302"/>	<input type="text"/>
	(b) Amount of cost referred to in (a)		<input type="text" value="303"/>	<input type="text"/>
	Lesser of (a) and (b)	=	<input type="text"/>	+ <input type="text" value="304"/>
E	Excess of sales/insurance proceeds for depreciable assets over undeducted balance of cost [clause 7(5)(b), O. Reg. 323/07]	+	<input type="text" value="305"/>	<input type="text"/>
F	Total withdrawals from Q.E.T. for mine	+	<input type="text" value="306"/>	<input type="text"/>
G	Insurance proceeds received for diamonds produced	+	<input type="text" value="307"/>	<input type="text"/>
H	(a) Grants from Ontarian or Canadian governments for the mine	+	<input type="text" value="308"/>	<input type="text"/>
	(b) Loans forgiven by Ontarian or Canadian governments for the mine	+	<input type="text" value="309"/>	<input type="text"/>
J	(a) Depreciable asset cost reductions (re: diamonds not produced at the mine) in excess of the undeducted balance of the mine's depreciable assets [clause 7(8)(d) and para. 7(9) 5., O. Reg. 323/07]	+	<input type="text" value="310"/>	<input type="text"/>
	(b) Development cost reductions (re: diamonds produced from non-royalty land) in excess of the undeducted balance of development costs. [para. 7(9) 3. and 4., O. Reg. 323/07]	+	<input type="text" value="311"/>	<input type="text"/>

Subtotal of amounts to be included

$$A(a) \text{ } + A(b) \text{ } + B \text{ } + D \text{ } + E \text{ } + F \text{ } + G \text{ } + H(a) \text{ } + H(b) \text{ } + J(a) \text{ } + J(b) \text{ } = \text{}$$

Transfer to pages 6, 10, 11

Amounts to be deducted

C	Market value ~ inventory at start of fiscal year	+	<input type="text" value="313"/>	<input type="text"/>
I	Total of costs and allowances claimed for the fiscal year, other than under K below, From <input type="text" value="508"/> page 5	+	<input type="text" value="508"/>	<input type="text"/>
K	Claim for the Ontario Community and Economic Development Incentive, From <input type="text" value="1114"/> page 11	+	<input type="text" value="1114"/>	<input type="text"/>
Subtotal of amounts to be deducted		=	<input type="text"/>	- <input type="text" value="314"/>

Net value of output for the fiscal year

$$\text{Subtotal of amounts to be included } \text{} \text{ minus Subtotal of amounts to be deducted } \text{} = \text{}$$

Transfer to page 2

Note:

The formula in ss. 6(1), O. Reg. 323/07 for the Net Value of Output for the Fiscal Year (NVOY) requires operators to include the total of amounts A + B + D + E + F + G + H + J and deduct amounts C + I + K.

Revenue for fiscal year from diamonds produced By date of presentation to Diamond Royalty Valuer

Revenue for the fiscal year from diamonds produced as part of the output from the mine should be included in *proceeds* (if a sale is to an unrelated party and satisfactory evidence is provided) or otherwise in *market value*.

	Date of presentation year month day	Total proceeds (from sales to unrelated persons with satisfactory evidence having been provided)	Total weight of output re: proceeds	Total market value (In accordance with legislated rules)	Total weight of output re: market value
401		\$	cts	\$	cts
402		\$	cts	\$	cts
403		\$	cts	\$	cts
404		\$	cts	\$	cts
405		\$	cts	\$	cts
406		\$	cts	\$	cts
407		\$	cts	\$	cts
408		\$	cts	\$	cts
409		\$	cts	\$	cts
410		\$	cts	\$	cts
411		\$	cts	\$	cts
412		\$	cts	\$	cts
413		\$	cts	\$	cts
414		\$	cts	\$	cts
415		\$	cts	\$	cts

Totals

Proceeds

Transfer to A(a) page 3

Market value

Transfer to A(b) page 3

Costs and allowances claimed for the fiscal year (Other than the Ontario Community and Economic Development Incentive)

Paragraph numbers from
ss. 7(1), O. Reg. 323/07

Summary descriptions of deductions

Costs

- 1 Cleaning, sorting, valuing, marketing and selling diamonds produced as part of the output of the mine +

- 2 Insurance, storage, handling and transportation of diamonds produced as part of the output of the mine to the processing plant or market +

- 3 Mining and processing diamonds from the mine +

- 4 Repair or maintenance at the diamond mine or rehabilitation of the mining property of the mine +

- 5 General and indirect costs for property, employees and operations at the mine that are not otherwise allocated to operating costs +

Costs 1 + 2 + 3 + 4 + 5 = + *Transfer to page 6*

- 6 Exploration costs incurred during fiscal year on royalty land, other than on the mining property of the mine (not otherwise claimed as an allowance or deduction under section 7, O. Reg. 323/07), *From* *page 6* +

Allowances, except for processing

- 7 Depreciation, *From* *page 7* +

- 8 Development, *From* *page 8* +

- 9 Contributions to qualifying environmental trust, *From* *page 9* +

Costs/Allowances + 6 + 7 + 8 + 9 = + *Transfer to pages 10 and 11*

Processing allowance and deduction for off-site processing

- 10 Processing allowance, *From* *page 10* +

- 11 Off-site processing cost reductions, where diamonds from the mine are processed at another diamond mine in Ontario or at any other facilities in Ontario that are owned by the operator or by a person related to the operator, *From* *page 10* +

Costs and allowances claimed for the fiscal year (other than the Ontario Community and Economic Development Incentive)

+ 10 + 11 =

Amount I in formula for net value of output for the fiscal year ~ *Transfer to page 3 and Transfer to page 11*

Legal name of operator

Fiscal year end
year month day

Calculation of deduction for exploration costs incurred during the fiscal year for royalty land

Amount of exploration costs incurred during the fiscal year for royalty land (other than exploration costs incurred on the mining property of the diamond mine or otherwise claimed as an allowance or deduction under section 7, O. Reg. 323/07) [paragraph 6 of subsection 7(1), O. Reg. 323/07] See *List of mining claims, etc., below*

+ 601

Calculation of modified net value of output for the fiscal year limitation

Amount of Subtotal of amounts to be included from Calculation of net value of output of the diamond mine for the fiscal year, From 312 page 3

+ 312

Deduct: Para 1 to 5 Costs for the fiscal year

from ss. 7(1), items 1 to 5, From 506 page 5

- 506

Claim for OCED Incentive, From 1114 page 11

- 1114

312 minus (506 + 1114)

= 602

Modified net value of output for the fiscal year limitation of 10% = 602 X 10%

= 603

Deduction for exploration costs incurred during the fiscal year

Lesser of 601 and 603

= 604

Transfer to page 5

List of mining claims, lease or patents for which exploration expenses are included. in 601 above.

List attached

List below

Calculation of undeducted balance of depreciable assets at end of fiscal year and claim for depreciation allowance

Undeducted balance of depreciable assets at end of immediately preceding fiscal year <i>Note 1</i>		+	<input type="text" value="701"/>	<input type="text"/>
Deduct: Depreciation allowance claimed for immediately preceding fiscal year		-	<input type="text" value="702"/>	<input type="text"/>
Opening undepreciated balance of depreciable assets for the fiscal year	<input type="text" value="701"/> minus <input type="text" value="702"/>	=	<input type="text"/>	+ <input type="text" value="703"/> <input type="text"/>
Add: Cost of additions to depreciable assets during the fiscal year <i>Notes 2, 3, and 4</i>				+ <input type="text" value="704"/> <input type="text"/>
Deduct: Proceeds from dispositions of, and insurance proceeds received in the fiscal year for, depreciable assets <i>Notes 5 and 6</i>		+	<input type="text" value="705"/>	<input type="text"/>
Reduction in original cost of depreciable assets used to process diamonds not produced at the diamond mine <i>Note 7</i>		+	<input type="text" value="706"/>	<input type="text"/>
Reduction in original cost of depreciable assets used to produce or process diamonds produced from land that is not royalty land <i>Note 8</i>		+	<input type="text" value="707"/>	<input type="text"/>
<input type="text" value="705"/> + <input type="text" value="706"/> + <input type="text" value="707"/>		=	<input type="text"/>	- <input type="text" value="708"/> <input type="text"/>
Add/Deduct: Prior fiscal year adjustments related to <input type="text" value="705"/> and <input type="text" value="706"/> above. <i>Note 9</i>		±	<input type="text" value="709"/>	<input type="text"/>
Undeducted balance of depreciable assets at the end of the fiscal year prior to deduction of a depreciation allowance	<input type="text" value="703"/> + <input type="text" value="704"/> - <input type="text" value="708"/> ± <input type="text" value="709"/>	=	<input type="text" value="710"/>	<input type="text"/>
Claim for depreciation allowance for the fiscal year <i>Not to exceed</i> <input type="text" value="710"/>		=	<input type="text" value="711"/>	<input type="text"/>

Transfer to page 5

Notes:

- Where the diamond mine commences production in the fiscal year, this amount should be the balance as at the date of commencement of production.
- Depreciation allowance is limited to depreciable assets of the diamond mine and depreciable assets of any facilities in Ontario that are used for processing diamonds produced as part of the output from the diamond mine.
- Interest is not allowed as part of the cost of the eligible asset eligible for depreciation as per cl. 7(11)(d).
- Depreciation allowance is not claimable until the depreciable asset has been used, as per subsection 7(4), O. Reg. 323/07.
- The amount of sales/insurance proceeds to be taken into account for particular depreciable assets should not exceed the original cost of the asset.
- If amount of sales/insurance proceeds for particular depreciable assets exceeds the value of assets eligible for depreciation, the excess should be reported in **D** on page 3.
- Cl. 7(8)(d), O. Reg. 323/07.
- Para. 5 of 7(9), O. Reg. 323/07.
- Ss. 7(10), O. Reg. 323/07.

Calculation of undeducted balance of costs eligible for development allowance at end of fiscal year and claim for development allowance

Undeducted balance of costs eligible for development allowance at end of immediately preceding fiscal year	+	801	
Deduct: Development allowance claimed for immediately preceding fiscal year	-	802	
Opening undeducted balance of costs eligible for development allowance for the fiscal year	=		+ 803

Where the mine commences production in the fiscal year:

Current fiscal year exploration costs incurred on the mining property prior to commencement of production	+	804	
Current fiscal year costs to bring mine into production incurred prior to date of commencement of production	+	805	
Deduct: Total market value of diamonds produced from the mining property:			
~ sold, transferred or removed from the mine before the date of commencement of production,		806	
OR			
~ in inventory on the date of commencement of production		807	
			- 808
805 minus 808	=		+ 809

Exploration costs incurred in the fiscal year after commencement of production <i>Note 1</i>	+	810	
Costs incurred in the fiscal year after commencement of production for workings designed for continuing use <i>Note 2</i>	+	811	
Costs incurred where production includes diamonds from a mining claim or leased property incorporated into the mining property after commencement of production <i>Note 3</i>	+	812	
Deduct: Where mine output includes diamonds produced from non-royalty land. Otherwise claimable costs in 804 and 810 above, to be reduced <i>Note 4</i>	-	813	
Add/Deduct: Prior fiscal year adjustments related to diamonds produced from land that is not royalty land. <i>Note 5</i>	±	814	

Undeducted balance of costs eligible for development allowance at the end of the fiscal year, prior to deduction of the development allowance

803 + 804 + 809 + 810 + 811 + 812 - 813 ± 814	=	815	
---	---	-----	--

Claim for development allowance for the fiscal year <i>Not to exceed</i> 815	=	816	
---	---	-----	--

Transfer to page 5

Notes:

1. Exploration costs cannot have been claimed in respect of any other lands.
2. Subpara. 7(1)8. (iv) for listing of costs to be included.
3. Subpara. 7(1)8 (iv), O. Reg. 323/07 for eligible costs.
4. Para. 7(9) 3. and 4., O. Reg. 323/07.
5. Ss. 7(10), O. Reg. 323/07.

Legal name of operator

Fiscal year end
year month day

Calculation of undeducted balance of Qualifying Environmental Trust (QET) contribution allowance and claim for QET contribution allowance for the fiscal year

Undeducted balance of contributions to the QET at end of immediately preceding fiscal year + 901

Deduct: QET contribution allowance claimed for immediately preceding fiscal year - 902

Undeducted balance of contributions to the QET at the beginning of fiscal year = + 903

Amounts contributed to the QET during the fiscal year + 904

Deduct: Withdrawals from QET during the fiscal year *Note* - 905

Undeducted balance of contributions to the QET at the end of the fiscal year 903 + 904 - 905 = 906

QET contribution allowance for the fiscal year *Not to exceed* 906 = 907

Transfer to page 5

Note:

Any amount withdrawn during the fiscal year from the QET, up to a maximum of the aggregate of the amounts contributed to the QET must be included in the *net value of output for the fiscal year*. [F in subsection 6(1), O. Reg. 323/07]

Calculations of processing allowance and off-site processing cost deduction

Calculation of processing allowance

1. 8% of processing assets eligible for processing allowance at end of fiscal year

Original cost of processing assets at end of the immediately preceding fiscal year	+	1001		
Cost of processing assets added to depreciable assets during the fiscal year <i>Note 1</i>	+	1002		
Original cost of processing assets before adjustments		1001	+	1002
	=		+	1003

Deduct:

(a) Original cost of processing assets included above that were not used for processing during the fiscal year	+	1004		
(b) The portion of the original cost of processing assets included in 1003 above, after deducting assets included in (a) above, used to process diamonds that are not produced as part of the output of the mine <i>Note 2</i>	+	1005		
(c) The portion of the original cost of processing assets included in 1003 above, after deducting assets included in (a) above, where output of the mine includes diamonds produced from non-royalty land <i>Note 3</i>	+	1006		
1004 + 1005 + 1006	=		-	1007

Original cost of the processing assets eligible for a processing allowance at end of the fiscal year		1003	minus	1007	=	1008
---	--	------	-------	------	---	------

8% x	1008	=	1009
-------------	------	---	------

2. 65% of net value of output for the fiscal year before processing allowance deduction

From <i>Subtotal of amounts to be included</i> , in the <i>Calculation of net value of output of the diamond mine for the fiscal year</i> <i>From page 3</i>	+	312		
--	---	-----	--	--

Deduct: <i>Subtotal costs/allowances claimed</i> (Items 1 - 9) <i>From page 5</i>	-	507		
---	---	-----	--	--

Net value of output for the fiscal year before processing allowance		312	minus	507	=	1010
--	--	-----	-------	-----	---	------

65% x	1010	=	1011
--------------	------	---	------

Processing allowance for the fiscal year	Lesser of	1009	and	1011	=		1012
---	-----------	------	-----	------	---	--	------

Transfer to page 5

Calculation of off-site processing cost deduction

Processing costs reduction for output of this mine <i>Note 4</i>	+	1013		
--	---	------	--	--

Processing allowance reduction for output of this mine <i>Note 4</i>	+	1014		
--	---	------	--	--

Depreciable assets cost reduction for output of this mine <i>Note 4</i>	+	1015		
---	---	------	--	--

Off-site processing cost deduction		1013	+	1014	+	1015	=	1016
---	--	------	---	------	---	------	---	------

Transfer to pages 5 and 11

Notes:

1. Processing assets must have been used for processing in the fiscal year.
2. Clause 7(8)(c) O. Reg. 323/07.
3. Para. 7(9) 2. O. Reg. 323/07.
4. Para. 7(1) 11., O. Reg. 323/07.

Ontario Community and Economic Development (OCED) Incentive

Calculation of undeducted balance of qualifying donations (QDs) and qualifying expenditures (QEs) at the end of the fiscal year

All QDs made by the operator to the end of the fiscal year	+	1101		
All QEs incurred by the operator to the end of the fiscal year	+	1102		
1101 + 1102	=		1103	

Deduct:

The total of QDs or QEs claimed in any previous fiscal years <i>Note 1</i>	+	1104		
The total of all benefits that have been or might be received as a result of a QD or QE <i>Note 2</i>	+	1105		
1104 + 1105	=		1106	

Undeducted balance of QDs and QEs at the end of the fiscal year 1103 minus 1106 = 1107

Claim for undeducted balance of QDs and QEs at end of fiscal year. *Not to exceed* 1107 = 1108

Calculation of operator's incentive allowance for the fiscal year *Note 3*

Lesser of 1. and 2. below

1. 15% of specified deductions in fiscal year

Subtotal of <i>All Costs Claimed and Allowances 7, 8 and 9</i> <i>From page 5</i>	+	507		
Claim for undeducted balance of QDs and QEs, above	+	1108		
Off-site processing cost deduction <i>From page 10</i>	+	1016		
507 + 1108 + 1016	=	1109		
15% x 1109	=	1110		

2. 20% of net value of output for the fiscal year before OCED Incentive

Subtotal of amounts to be included in NVOY, <i>From page 3</i>	+	312		
Deduct: <i>Costs and allowances claimed for the fiscal year (other than the Ontario Community and Economic Development Incentive),</i> <i>From page 5</i>	-	508		
312 minus 508	=	1111		
20% x 1111	=	1112		

OCED Incentive allowance for the fiscal year Lesser of 1. 1110 and 2. 1112 = 1113

Operator's claim for OCED Incentive for the fiscal year 1108 + 1113 = 1114

Transfer to pages 3 and 6

Notes:

- Subclause (d)(i) of definition of "undeducted balance" in subsection 1(1), O. Reg. 323/07.
- Subclause (d)(ii) of definition of "undeducted balance" in subsection 1(1), O. Reg. 323/07.
- Para. 2. of subsection 7(2), O. Reg. 323/07.