

Large taxpayers in the Mining Sector



September 2015



Mining in Mexico



Mexico's ranking in the world

- The No.1 producer of silver in the world
- One of the Top 10 producers of the following 16 minerals: silver, bismuth, fluorite, celestite, wollastonite, cadmium, molybdenum, lead, zinc, diatomite, salt, barite, graphite, gypsum, gold and copper.
- It is the country that attracts most investment in mining exploration in Latin America and by that token ranks fourth in the world, according to the report published by SNL Metals & Mining 2015.
- It is the country with the fifth best mining investment environment in the world, according to a report published by Behre Dolbear consultants in August 2015.

The mining and metallurgy sector in Mexico

- It accounts for 4 percent of Mexico's Gross National Product.
- In July 2015, it was generating 352,666 direct jobs and more than 1.6 million indirect jobs, according to the Mexican Social Security Institute's report.
- In Mexico, 62 companies fall within the sphere of competence of the General Administration for Large Taxpayers (AGGC): 35 Mexican enterprises and 27 foreign enterprises, pertaining to 11 domestic and 20 foreign groups.

Mining output in Mexico is divided into:

| Metal/Mineral | % of Output |
|---------------|-------------|
| Gold | 25% |
| Silver | 24% |
| Copper | 18% |
| Zinc | 6% |
| Sand | 3% |
| Iron | 3% |
| Gravel | 2% |
| Other | 15% |

| POSICIÓN DE MÉXICO EN LA PRODUCCIÓN MUNDIAL DE: | | | |
|---|---|---|---|
| PLATA Primer Lugar | BISMUTO, FLOURITA Segundo Lugar | CELESTITA Y WOLLASTONITA Tercer Lugar | CADMIO, DAITOMITA, MOLIBDENO Y PLOMO Quinto Lugar |
| ORO, YESO Y ZINC Séptimo Lugar | BARITA GRAFITO Octavo Lugar | SAL Noveno Lugar | COBRE Décimo Lugar |

Income tax (ISR) generated/taxable income 2014

| Nationality | # Enterprises | Taxable income | ISR generated | ISR/INCOME |
|--------------|---------------|----------------|---------------|--------------|
| FOREIGN | 27 | 79,133 | 1,817 | 2.30% |
| DOMESTIC | 35 | 169,439 | 6,690 | 3.95% |
| Total | 62 | 248,573 | 8.507 | 3.42% |

ISR generated/taxable income 2010 - 2014

| Nationality | # Enterprises | Taxable income | ISR generated | ISR/INCOME |
|--------------|---------------|------------------|---------------|--------------|
| FOREIGN | 27 | 388,762 | 21,398 | 5.50% |
| DOMESTIC | 35 | 796,697 | 48,370 | 6.07% |
| Total | 62 | 1,185,459 | 69,768 | 5.89% |

Mining Groups – Domestic 2014

| Group | # Enterprises | Taxable income | ISR/Taxable income | % Income with related parties (RP) abroad | % Deductions with related parties (RP) abroad | % Liabilities/ Assets |
|--|------------------|----------------|-----------------------|---|---|-----------------------------|
| Group 1 (Copper, Nickel, Lead and Zinc) | 4 | 58,410 | 7.0% | 4.98% | 0.01% | 29.9% |
| Group 2 (Gold, Silver and Others) | 16 | 54,916 | 2.0% | 5.39% | 0.38% | 34.9% |
| Group 3 (Coal) | 1 | 15,664 | 2.2% | 0.01% | 0.00% | 48.6% |
| Group 4 (Gold, Copper, Nickel, Lead and Zinc) | 5 | 13,237 | 0.2% | 0.00% | 1.69% | 24.3% |
| Group 5 (Fluorite) | 2 | 8,894 | 8.7% | 3.07% | 3.41% | 36.1% |
| Group 6 (Iron) | 2 | 5,754 | 5.1% | 0.00% | 0.20% | 30.8% |
| Group 7 (Manganese) | 1 | 4,409 | 0.0% | 0.00% | 0.00% | 58.3% |
| Group 8 (Salt) | 1 | 2,674 | 0.0% | 0.00% | 0.00% | 64.7% |
| Group 9 (Copper and Nickel) | 1 | 2,279 | 2.0% | 0.00% | 0.00% | 66.8% |
| Group 10 (Coal) | 1 | 1,736 | 0.1% | 0.00% | 0.00% | 69.5% |
| Group 11 (Phosphate rock) | 1 | 1,466 | 0.0% | 0.00% | 0.00% | 53.9% |
| TOTAL | 35 | 169,439 | 3.9% | 3.62% | 0.43% | 43.9% |

Mining Groups – Foreign 2014

Figures in millions of pesos

| Group | Country | # Enterprises | Taxable income | ISR/Taxable income | % Income with RP abroad | % Deductions with RP abroad | % Liabilities/ Assets |
|------------------------------|---------|---------------|----------------|--------------------|-------------------------|-----------------------------|-----------------------|
| Group 12 (Gold and Silver) | CANADA | 3 | 27,111 | 1.08% | 64.10% | 3.19% | 44.0% |
| Group 13 (Other) | CANADA | 1 | 5,531 | 0.23% | 5.15% | 13.39% | 90.0% |
| Group 14 (Silver) | CANADA | 4 | 4,692 | 0.00% | 18.21% | 9.58% | 83.6% |
| Group 15 (Gold) | HOLLAND | 1 | 4,353 | 8.67% | 0.00% | 12.93% | 46.9% |
| Group 16 (Clays and Other) | CANADA | 1 | 3,966 | 2.47% | 0.30% | 18.00% | 42.3% |
| Group 17 (Copper and Nickel) | CANADA | 1 | 3,747 | 0.00% | 11.13% | 0.00% | 53.7% |
| Group 18 (Silver) | USA | 1 | 3,383 | 0.05% | 0.86% | 6.71% | 77.8% |
| Group 19 (Silver) | CANADA | 2 | 2,775 | 2.69% | 0.00% | 13.44% | 66.4% |
| Group 20 (Salt) | JAPAN | 1 | 2,478 | 4.86% | 85.64% | 0.66% | 9.5% |
| Group 21 (Gold and Silver) | CANADA | 2 | 2,441 | 6.29% | 0.00% | 5.59% | 68.5% |
| Group 22 (Gold) | CANADA | 1 | 2,340 | 0.03% | 0.00% | 4.85% | 56.2% |
| Group 23 (Silver) | CANADA | 1 | 2,217 | 0.00% | 0.00% | 6.74% | 58.5% |
| Group 24 (Iron) | HOLLAND | 1 | 2,163 | 5.51% | 4.56% | 3.38% | 67.8% |
| Group 25 | CANADA | 1 | 2,081 | 11.91% | 0.00% | 2.53% | 37.4% |
| Group 26 (Gold) | CANADA | 1 | 2,067 | 6.37% | 0.00% | 1.78% | 44.9% |
| Group 27 (Gold) | CANADA | 1 | 1,910 | 3.17% | 94.03% | 8.99% | 58.8% |
| Group 28 (Gold) | USA | 1 | 1,777 | 7.14% | 0.00% | 6.81% | 24.4% |
| Group 29 (Gold) | CANADA | 1 | 1,518 | 0.00% | 0.00% | 3.93% | 84.4% |
| Group 30 (Copper and Nickel) | CANADA | 1 | 1,402 | 0.00% | 63.50% | 14.56% | 126.3% |

Mining Groups – Domestic 2010 - 2014

| Group | # Enterprises | Taxable income | ISR/Taxable income | % Income with RP abroad | % Deductions with RP abroad | % Liabilities/ Assets |
|--------------|---------------|----------------|--------------------|-------------------------|-----------------------------|-----------------------|
| Group 1 | 4 | 289,839 | 8.90% | 7.60% | 1.20% | 25.4% |
| Group 2 | 16 | 234,977 | 6.40% | 3.90% | 0.70% | 28.5% |
| Group 4 | 5 | 73,499 | 0.70% | 0.00% | 14.90% | 60.7% |
| Group 3 | 1 | 70,649 | 2.30% | 0.00% | 0.00% | 39.2% |
| Group 5 | 2 | 39,908 | 5.70% | 0.70% | 1.20% | 45.3% |
| Group 6 | 2 | 26,502 | 5.00% | 3.00% | 0.10% | 32.1% |
| Group 7 | 1 | 20,722 | 1.90% | 0.00% | 0.00% | 49.7% |
| Group 9 | 1 | 15,185 | 8.40% | 0.00% | 0.00% | 32.1% |
| Group 8 | 1 | 8,823 | 2.10% | 0.00% | 0.00% | 42.7% |
| Group 11 | 1 | 8,432 | 0.00% | 0.00% | 0.00% | 72.0% |
| Group 10 | 1 | 8,163 | 0.50% | 0.00% | 25.90% | 67.6% |
| TOTAL | 35 | 796,697 | 6.10% | 4.10% | 2.70% | 42.4% |

Mining Groups – Foreign 2010 - 2014

Figures in millions of pesos

| Group | Country | # Enterprises | Taxable income | ISR/Taxable income | % Income with RP abroad | % Deductions with RP abroad | % Liabilities/ Assets |
|--------------|---------|---------------|----------------|--------------------|-------------------------|-----------------------------|-----------------------|
| Group 12 | CANADA | 3 | 139,017 | 6.5% | 28.4% | 10.9% | 39.8% |
| Group 18 | USA | 1 | 24,257 | 0.1% | 2.1% | 7.6% | 93.8% |
| Group 15 | HOLLAND | 1 | 23,073 | 4.9% | 0.0% | 13.3% | 48.0% |
| Group 19 | CANADA | 2 | 18,440 | 12.9% | 0.0% | 7.2% | 54.0% |
| Group 22 | CANADA | 1 | 17,446 | 10.3% | 0.0% | 6.2% | 38.9% |
| Group 17 | CANADA | 1 | 15,955 | 0.0% | 5.4% | 2.2% | 69.7% |
| Group 16 | CANADA | 1 | 15,614 | 2.6% | 0.2% | 13.6% | 42.9% |
| Group 13 | CANADA | 1 | 15,277 | 0.1% | 7.3% | 19.5% | 84.7% |
| Group 14 | CANADA | 4 | 14,269 | 0.8% | 24.9% | 9.1% | 73.9% |
| Group 29 | CANADA | 1 | 13,592 | 15.1% | 0.0% | 3.6% | 84.4% |
| Group 21 | CANADA | 2 | 12,384 | 5.5% | 0.0% | 6.5% | 62.5% |
| Group 23 | CANADA | 1 | 11,111 | 1.5% | 53.2% | 7.3% | 56.0% |
| Group 25 | CANADA | 1 | 10,714 | 12.0% | 0.8% | 4.9% | 36.5% |
| Group 20 | JAPAN | 1 | 10,553 | 4.4% | 95.6% | 0.6% | 9.2% |
| Group 30 | CANADA | 1 | 10,418 | 0.0% | 49.7% | 6.3% | 141.3% |
| Group 26 | CANADA | 1 | 8,875 | 4.9% | 0.0% | 1.3% | 40.3% |
| Group 24 | HOLLAND | 1 | 8,254 | 4.8% | 3.5% | 2.3% | 67.8% |
| Group 27 | CANADA | 1 | 7,482 | 4.6% | 57.3% | 14.4% | 58.8% |
| Group 31 | USA | 1 | 7,006 | 5.0% | 0.0% | 4.8% | 88.3% |
| Group 28 | USA | 1 | 5,024 | 6.5% | 0.0% | 9.9% | 24.4% |
| TOTAL | | 27 | 388,762 | 5.5% | 18.4% | 9.0% | 52.1% |