

Westario Power Inc.

1800223

2001-12-31

DOLLARS ONLY

Corporate Minimum Tax - Schedule A: Calculation of CMT Base

Banks - Net income/loss as per report accepted by Superintendent of Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.



Net Income/Loss (unconsolidated, determined in accordance with GAAP)

+ 2100 -871,523.

Subtract (to the extent reflected in net income/loss):

Provision for recovery of income taxes	.....	+	2101	0.
Provision for deferred income taxes (credits)	.....	+	2102	0.
Equity income from corporations	.....	+	2103	0.
Share of partnership(s)/joint venture(s) income	.....	+	2104	0.
Dividends received/receivable deductible under fed.s.112	.....	+	2105	0.
Dividends received/receivable deductible under fed.s.113	.....	+	2106	0.
Dividends received/receivable deductible under fed.s.83(2)	.....	+	2107	0.
Federal Part VI.1 tax paid on dividends declared and paid after May 5, 1997, under fed.s.191.1(1)	0. x 9/4	+	2108	0.

Subtotal = 2109 0.

Add (to extent reflected in net income/loss):

Provision for current taxes	+	2110	0.
Provision for deferred income taxes (debits)	+	2111	0.
Equity losses from corporations	+	2112	0.
Share of partnership(s)/joint venture(s) losses	+	2113	0.

Dividends that have been deducted to arrive at net income per Financial Statements.

Applies to dividends that have been declared and paid after May 5, 1997.s.57.4(1.1)

(excluding dividends under fed.s.137(4.1))

+ 2114 0.

Subtotal = 2115 0.

Add/Subtract:

Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years

** Fed.s.85	+	2116	0.	or -	2117	0.
** Fed.s.85.1	+	2118	0.	or -	2119	0.
** Fed.s.97	+	2120	0.	or -	2121	0.

** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years + 2122 0. or - 2123 0.

** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years + 2124 0. or - 2125 0.

** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years + 2126 0. or - 2127 0.

Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income

- 2150 0.

Subtotal (Additions) = 2128 0.

Subtotal (Subtractions) = 2129 0.

** Other adjustments ± 2130 0.

Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130 = 2131 -871,523.

** Share of partnership(s)/joint venture(s) **adjusted** net income/loss ± 2132 0.

Adjusted net income (loss) (if loss, transfer to 2202 in Schedule B: Continuity of CMT Losses Carried Forward, Page 20.) = 2133 -871,523.

Deduct: * CMT losses: pre-1994 Loss + From 2210 0.

* CMT losses: other eligible losses + From 2211 0.

= 2134 0.

* CMT losses applied cannot exceed adjusted net income or increase a loss

** Retain calculations. Do not submit with this tax return.

CMT Base = 2135 0.

Transfer to CMT Base on Page 8

Westario Power Inc.

1800223

2001-12-31

Corporate Minimum Tax (CMT)

DOLLARS ONLY

Schedule B: Continuity of CMT Losses Carried Forward



Balance at Beginning of year (1), (2) + 2201 0.

Add: Current year's losses + 2202 871,523.

Losses from predecessor corporations on amalgamation (3) + 2203 0.

Losses from predecessor corporations on wind-up (3) + 2204 0.

Amalgamation (x) 2205 ☐ Yes Wind-up (x) 2206 ☐ Yes

Subtotal = 871,523. + 2207 871,523.

Adjustments (attach schedule) ± 2208 0.

CMT losses available 2201 + 2207 ± 2208 = 2209 871,523.

Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income + 2210 0.

Other eligible losses utilized during the year to reduce adjusted net income (4) .. + 2211 0.

Losses expired during the year + 2212 0.

Subtotal = 0. - 2213 0.

Balances at End of Year (5) 2209 - 2213 = 2214 871,523.

Notes:

(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.

(2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))

(3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))

(4) CMT losses must be used to the extent of the lesser of the adjusted net income 2133 and CMT losses available 2209.

(5) Amount in 2214 must equal sum of 2270 + 2290.

Schedule C: Analysis of CMT Losses Year End Balance by Year of Origin

For a pre-1994 loss, use the date of the last taxation year end before your corporation's first taxation year commencing after 1993.

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	2001-12-31	2260 0	2280 0
2241		2261 871,523	2281 0
2242		2262 0	2282 0
2243		2263 0	2283 0
2244		2264 0	2284 0
2245		2265 0	2285 0
2246		2266 0	2286 0
2247		2267 0	2287 0
2248		2268 0	2288 0
2249		2269 0	2289 0
Totals		2270 871,523	2290 0

The sum of amounts 2270 + 2290
must equal amount in 2214.

Corporate Minimum Tax (CMT)

Schedule D: Continuity of CMT Credit Carryovers



Balance at Beginning of year (1)	.....	+	2301	.....	0.
Add:	Current year's CMT Credit (280 on page 8. If negative, enter NIL)	.....	+	From 280	..... 0.
	CMT Credit Carryovers from predecessor corporations (2)	.....	+	2302	..... 0.
	Amalgamation (x) 2303 <input type="checkbox"/> Yes Wind-up (x) 2304 <input type="checkbox"/> Yes	.....		
Subtotal	.....	=		..... 0.	+
			2305	.....	0.
Adjustments (Attach schedule)	.....	±	2306	.....	0.
CMT credit carryover available	2301 + 2305 ± 2306	.....	=	2307	..... 0.
					Transfer to Page 8
Subtract:	CMT Credit utilized during the year to reduce income tax (Page 8)	.....	+	From 310	..... 0.
	CMT Credit expired during the year	.....	+	2308	..... 0.
Subtotal	.....	=		..... 0.	-
			2309	.....	0.
Balance at End of Year (3)	2307 - 2309	.....	=	2310	..... 0.

Notes:

- (1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))
- (2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))
- (3) Amount in 2310 must equal sum of 2370 + 2390.

Schedule E: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
2340	2000-12-31	2360	2380
		0	0
2341	2001-12-31	2361	2381
		0	0
2342		2362	2382
		0	0
2343		2363	2383
		0	0
2344		2364	2384
		0	0
2345		2365	2385
		0	0
2346		2366	2386
		0	0
2347		2367	2387
		0	0
2348		2368	2388
		0	0
2349		2369	2389
		0	0
Totals		2370	2390
		0	0

The sum of amounts 2370 + 2390
must equal amount in 2310.

Westario Power Inc.

Corp. Tax Acct. No. : 1800223

Year Ended: 2001-12-31

CT23-Supp.

ONTARIO CT23 SUPPLEMENTARY - LIST OF ASSOCIATED CORPORATIONS

Name of Associated Corporation	Ontario Corp.		Taxable Capital	Total Assets (Note 1)	Total Revenue (Note 1)	Taxable Income (Note 2)
	Tax Number	Taxation Year end				
Westario Power Services Inc	1800224	2001-12-31	2,635,033	5,636,891	731,519	95,095
Westario Power Holdings Inc	1800222	2001-12-31	100,312	18,269,471	136,481	1,044
TOTALS			2,735,345	23,906,362	868,000	96,139

Note 1: Enter total assets and total revenues only if "Corporate Minimum Tax (CMT)" is applicable.

Note 2: Enter Taxable Income amounts only if "Surtax on a CCPC" is applicable
(i.e. IDSBC is applicable).

Ontario CT23 Supplementary

Summary of Capital Cost Allowance

	UCC at	Cost of		Lesser of			Recapture of			Undepreciated
Class	Beginning	Additions		Cost or	1/2 of	Rate	Capital Cost	Terminal	Capital Cost	Capital Cost
No.	of Year	During Year	Adjustments	Proceeds	[203]-[207]	%	Allowance	Loss	Allowance	end of year
[200]	[201]	[203]	[205]	[207]	[211]	[212]	[213]	[215]	[217]	[220]
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
1	0	9,734,810	0	0	4,867,405	4	0	0	49,074	9,685,736
2	0	8,624,500	0	0	4,312,250	6	0	0	65,215	8,559,285
8	0	1,305,822	0	0	652,911	20	0	0	32,914	1,272,908
Total	0	19,665,132	0	0	9,832,566		0	0	147,203	19,517,929
=====	=====	=====	=====	=====	=====		=====	=====	=====	=====

**Ontario Cumulative Eligible Capital Deduction
Schedule 10**

(For taxation years 2000 and later)

- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

Part 1 - Calculation of current year deduction and carry-forward

Ontario Cumulative eligible capital - balance at end of preceding taxation year (if negative, enter zero)					0	A
Add: Cost of eligible capital property acquired during the taxation year	+	134,851				B
Amount transferred on amalgamation or wind-up of subsidiary	+	0				C
Other adjustments	+	2,224,000				D
Total of B + C + D	=	2,358,851	x	0.75	=	1,769,138 E
Subtotal A + E	=					1,769,138 F
Deduct: Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	+	0				G
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the "Income Tax Act" (Canada)	+	0				H
Other adjustments	+	0				I
Total of G + H + I	=	0	x	0.75	=	0 J
Ontario cumulative eligible capital balance F - J	=					1,769,138 K
"If K is negative, enter zero at line M and proceed to Part 2"						
Current year deduction 1,769,138 K x 7.00% *	=					31,214 L
* "The maximum current year deduction is 7%.						
However, you can claim any amount up to the maximum."						
Enter amount in box 651 of the CT23						
Ontario cumulative eligible capital - closing balance K - L (if negative, enter zero)	=					1,737,924 M

Note: * Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated for the number of days in the taxation year divided by 365 or 366 days.

Part 2 - Amount to be included in income arising from disposition

"Only complete this part only if the amount at line K is negative"

Amount from line K above "show as a positive amount" 0 N

Total cumulative eligible capital deductions from income for
taxation years commencing before July 1, 1988 0 1

Total of all amounts which reduced cumulative eligible capital
in the current or prior years under subsection 80(7) of the ITA 0 2

Total of cumulative eligible capital deductions claimed for
taxation years commencing after June 30, 1988 0 3

Negative balances in the cumulative eligible capital account
that were included in income for taxation years commencing
after June 30, 1988 0 4

Line 3 deduct line 4 0 5

Total lines 1 + 2 + 5 0 6

Line T from previous Ontario Schedule 10 for taxation years ending
after February 27, 2000 0 7

Deduct line 7 from line 6 0 O

N - O (cannot be negative) 0 P

Amount on line 5 0 x 1/2 0 Q

P - Q 0 R

Amount on line R 0 x 2/3 * 0 S

Lesser of line N or line O 0 T

Amount to be included in income S + T

For taxation years ending before February 28, 2000, line N - line Q 0
=====

Note: * For taxation years ending after February 27, 2000, and before October 18, 2000,
use 8/9 to calculate line S.

Appendix 19

2001 Notice of Assessments

Appendix 20

2002 T2 Federal Tax Return

T2 CORPORATION INCOME TAX RETURN

200
Code 0101Canada Customs and Revenue Agency
Agence des douanes et du revenu du Canada

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, including proposed legislation, see the corresponding items in the *2001 T2 Corporation Income Tax Guide*.

Send one completed copy of this return, including schedules, and the *General Index of Financial Information (GIFI)* to your tax services office or to the tax centre that serves the corporation. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business Number (BN) 001 865909790RC0001

Corporation's name

002 Westario Power Inc.Has the corporation changed its name since the last time we were notified? ... 003 1 Yes ☐ 2 No ☒If yes, do you have a copy of the articles of amendment? 004 1 Yes ☐ 2 No ☐

Address of head office

Has the address changed since the last time we were notified? 010 1 Yes ☐ 2 No ☒011 Westario Power Inc.012 385 Queen Street

City

Province, territory, or state

015 Kincardine016 ON

Country (other than Canada)

Postal Code/ZIP code

017 CA018 N2Z-2R4

Mailing address (if different from head office address)

Has the address changed since the last time we were notified?

020 1 Yes ☐ 2 No ☒1 c/o

022

023

City

Province, territory, or state

025

026

Country (other than Canada)

Postal code/ZIP code

027

028

Location of books and records

031 Westario Power Inc.032 385 Queen Street

City

Province, territory, or state

035 Kincardine036 ON

Country (other than Canada)

Postal Code/ZIP code

037 CA038 N2Z-2R4

040 Type of corporation at the end of the taxation year

- 1 ☒ Canadian-controlled private corporation (CCPC) 4 ☐ Corporation controlled by a public corporation
- 2 ☐ Other private corporation 5 ☐ Other corporation (please specify, below)
- 3 ☐ Public corporation

If the type of corporation changed during the taxation year, please provide the effective date of the change 043

YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start

Taxation year end

060 2002-01-01
YYYY/MM/DD061 2002-05-06
YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒

If yes, provide the date control was acquired 065

YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership? 067 1 Yes ☐ 2 No ☒

Is this the first year of filing after:

Incorporation? 070 1 Yes ☐ 2 No ☒
Amalgamation? 071 1 Yes ☐ 2 No ☒

If yes, please provide Schedule 24

Has there been a windup of a subsidiary under section 88 during the current taxation year? 072 1 Yes ☐ 2 No ☒

If yes, please provide Schedule 24

Is this the final taxation year before amalgamation? 076 1 Yes ☒ 2 No ☒

Is this the final return up to dissolution? 078 1 Yes ☐ 2 No ☒

Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If no, give the country of residence.

081

Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes ☐ 2 No ☒

If yes, please provide Schedule 91

If the corporation is exempt from tax under section 149, tick one of the following boxes:

- 085 1 ☐ Exempt under 149(1)(e) or (l)
2 ☐ Exempt under 149(1)(j)
3 ☐ Exempt under 149(1)(t)
4 ☐ Exempt under other paragraphs of section 149

Do not use this area

091

092

093

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095

096

Attachments

Financial statement information: For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141. * We do not print these schedules.
Schedules - Answer the following questions. For each yes response, attach to the T2 return the schedule that applies.

Guide item	Yes	Schedule
27 Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
28 Does the corporation have any non-resident shareholders?	<input type="checkbox"/>	19
29 Is the corporation an associated Canadian-controlled private corporation?	<input checked="" type="checkbox"/>	23
30 Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	<input type="checkbox"/>	49
32 Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's-length transactions with non-residents	<input type="checkbox"/>	11
33 If you answered yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	<input type="checkbox"/>	44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	<input type="checkbox"/>	T5004
38 Is the corporation a member of a partnership for which a partnership identification number has been assigned?	<input type="checkbox"/>	T5013
40 Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	<input type="checkbox"/>	22
41 Did the corporation have any foreign affiliates during the year?	<input type="checkbox"/>	25
42 Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal Income Tax Regulations?	<input type="checkbox"/>	29
43 Has the corporation had any non-arm's-length transactions with a non-resident?	<input type="checkbox"/>	T106
47 Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	<input type="checkbox"/>	
46 Does the corporation (private corporations only) have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
55 Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	1
78-81 Has the corporation made any charitable donations, gifts to Canada or a province, or gifts of cultural or ecological property?	<input type="checkbox"/>	2
82,104 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input type="checkbox"/>	3
69-76 Is the corporation claiming any type of losses?	<input checked="" type="checkbox"/>	4
131 Is the corporation claiming a provincial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input type="checkbox"/>	5
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	<input type="checkbox"/>	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	<input type="checkbox"/>	7
57 Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property?	<input checked="" type="checkbox"/>	10
59 Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
60 Is the corporation claiming reserves of any kind?	<input type="checkbox"/>	13
61 Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
62 Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	<input type="checkbox"/>	17
149 Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
130 Was the corporation carrying on business in Canada while not a Canadian corporation?	<input type="checkbox"/>	20 *
117 Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	<input type="checkbox"/>	21
154 Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	<input type="checkbox"/>	26 *
110 Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
120 Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
63 Is the corporation claiming any scientific research and experimental development expenditures?	<input type="checkbox"/>	T661
* 23 Is the corporation subject to gross Part I.3 tax?	<input checked="" type="checkbox"/>	33/34/35
3 Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	<input checked="" type="checkbox"/>	36
123 Is the corporation claiming a surtax credit?	<input type="checkbox"/>	37
127 Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
127 Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
128 Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
128 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
124 Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	<input type="checkbox"/>	46
127 For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<input type="checkbox"/>	39
127 For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	<input type="checkbox"/>	40
127 For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	<input type="checkbox"/>	41
151 Is the corporation claiming a Canadian film or video production tax credit refund?	<input type="checkbox"/>	T1131

Corporation's name /estario Power Inc.	Business Number 865909790RC0001	Taxation year-end 2002-05-06
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Attachments - continued from page 2

Guide item	Yes	Schedule
129 Is the corporation subject to Part XIII.1 tax?	<input type="checkbox"/>	92 *
152 Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<input type="checkbox"/>	T1134-A
44 Did the corporation have any controlled foreign affiliates?	<input type="checkbox"/>	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	<input type="checkbox"/>	T1135
44 Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
— Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
— Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
— Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174
— Is the corporation claiming the BC mining exploration tax credit?	<input type="checkbox"/>	421
— Is the corporation claiming the BC SR&ED tax credit?	<input type="checkbox"/>	T666

Additional information

Is the corporation inactive? 280 1 Yes ☐ 2 No ☒

Has the major business activity changed since the last return was filed? (enter yes for first time filers) 281 1 Yes ☐ 2 No ☒

What is the corporation's major business activity? 282 _____
(Only complete if yes was entered at line 281.)

If the major activity involves the resale of goods, indicate whether it is wholesale or retail 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

284 <u>Hydro Services</u>	285 <u>100</u> %
286 _____	287 <u>0</u> %
288 _____	289 <u>0</u> %

Did the corporation immigrate to Canada during the taxation year? 291 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? 292 1 Yes ☐ 2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL	300	<u>-736,880</u> A
Deduct: Charitable donations from Schedule 2	311	<u>0</u>
Gifts to Canada or a province from Schedule 2	312	<u>0</u>
Cultural gifts from Schedule 2	313	<u>0</u>
Ecological gifts from Schedule 2	314	<u>0</u>
Taxable dividends deductible under section 112, 113, or subsection 138(6) from Schedule 3	320	<u>0</u>
Part VI.1 tax deduction from Schedule 43	325	<u>0</u>
Non-capital losses of preceding taxation years from Schedule 4	331	<u>0</u>
Net-capital losses of preceding taxation years from Schedule 4	332	<u>0</u>
Restricted farm losses of preceding taxation years from Schedule 4	333	<u>0</u>
Farm losses of preceding taxation years from Schedule 4	334	<u>0</u>
Limited partnership losses of preceding taxation years from Schedule 4	335	<u>0</u>
Taxable capital gains or taxable dividends allocated from a central credit union	340	<u>0</u>
Prospector's and grubstaker's shares	350	<u>0</u>
Subtotal		<u>0</u> B
Subtotal (amount A minus amount B)		<u>0</u> C
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	355	<u>0</u> D
Taxable income (amount C plus amount D)	360	<u>0</u>
Income exempt under paragraph 149(1)(t)	370	<u>0</u>
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		<u>0</u> Z

Small business deduction

Canadian-controlled private corporations (CCPCs) throughout the taxation year

Income from active business carried on in Canada from Schedule 7	400	0	A
Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/3 of the amount that would be deductible at line 632*, and 10/4 of line 636** on page 7, and minus any amount that, because of federal law is exempt from Part I tax	405	0	B
Business limit (for associated corporations, enter business limit from Schedule 23)	410	0	C
Reduction to business limit:			
Amount C <u>0</u> x <u>415 ***</u> <u>30,654</u> D = <u>11,250</u>		0	E
Reduced business limit (amount C minus amount E) (if negative, enter "0")	425	0	F
Small business deduction - 16.00% of the least of amounts A, B, C, and F (enter amount G on line 9 of page 7)	430	0	G

- * Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.
- ** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.
- *** Large corporation tax for preceding year - Enter the total gross Part I.3 tax for the corporation for its preceding taxation year, before deducting the surtax credits, increased to reflect a full-year tax liability if the previous year is less than 51 weeks. For associated corporations, see Schedule 23 for the special rules that apply.

Accelerated tax reduction

Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction

Reduced business limit (amount from line 425)	0 x 3/2 =	0	A
Net active business income (amount from line 400) *		0	B
Taxable income from line 360 or amount Z on page 3, whichever applies, minus 10/4 of the maximum deductible amount at line 636** on page 7, and minus any amount that, because of federal law is exempt for Part I Tax		0	C
Deduct: Aggregate investment income (amount from line 440 of page 6)		0	D
Amount C minus amount D (if negative, enter "0")		0	E
The least of amounts A, B, or E above		0	F
Amount Z from Part 9 of Schedule 27	0 x 100/7 =	0	G
Amount QQ from Part 13 of Schedule 27		0	H
Resource allowance (amount from line 346 of Schedule 1)	0 x 3 =	0	I
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)		0	J
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction		0	K
Total of amounts G, H, I, J, and K		0	L
Amount F minus amount L (if negative, enter "0")		0	M
Amount M <u>0</u> x <u>Number of days in the taxation year after December 31, 2000</u> <u>126</u> = <u>0</u> N		126	
	<u>Number of days in the taxation year</u>	<u>126</u>	
Accelerated tax reduction - 7% of amount N (enter amount O on line 637 of page 7)		0	O

- * If the amount at line 450 of Schedule 7 is positive, specified partnerships need to use Schedule 70 to calculate net active business income.
- ** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

General tax reduction for Canadian-controlled private corporations

Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 or amount Z of page 3	.....	0	A
Amount Z from Part 9 of Schedule 27	..... <u>0</u> x 100/7	0	B
Amount QQ from Part 13 of Schedule 27	.....	0	C
Resource allowance (amount from line 346 of Schedule 1)	..... <u>0</u> x 3 =	0	D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	.....	0	E
Least of amounts on lines 400, 405, 410, and 425 of the small business deduction on page 4	.....	0	F
Aggregate investment income from line 440 of page 6	.....	0	G
Amount used to calculate the accelerated tax reduction (amount M of page 4)	.....	0	H
Total of amounts B, C, D, E, F, G, and H	.....	0	I
Amount A minus amount I (if negative, enter "0")	.....	0	J
Amount J	<u>0</u> x $\frac{\text{Number of days in the taxation year in 2001}}{\text{Number of days in the taxation year}}$	<u>0</u> x 1% =	0 K
		126	
Amount J	<u>0</u> x $\frac{\text{Number of days in the taxation year in 2002}}{\text{Number of days in the taxation year}}$	<u>126</u> x 3% =	0 L
		126	
Amount J	<u>0</u> x $\frac{\text{Number of days in the taxation year in 2003}}{\text{Number of days in the taxation year}}$	<u>0</u> x 5% =	0 M
		126	
Amount J	<u>0</u> x $\frac{\text{Number of days in the taxation year after 2003}}{\text{Number of days in the taxation year}}$	<u>0</u> x 7% =	0 N
		126	
General tax reduction for Canadian-controlled private corporations - Total of amounts K, L, M and N (enter amount O on line 638 of page 7)			0 O

General tax reduction

Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation

Taxable income from line 360 or amount Z of page 3	.....	0	A
Amount Z from Part 9 of Schedule 27	..... <u>0</u> x 100/7	0	B
Amount QQ from Part 13 of Schedule 27	.....	0	C
Resource allowance (amount from line 346 of Schedule 1)	..... <u>0</u> x 3 =	0	D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	.....	0	E
Total of amounts B, C, D, and E	.....	0	F
Amount A minus amount F (if negative, enter "0")	.....	0	G
Amount G	<u>0</u> x $\frac{\text{Number of days in the taxation year in 2001}}{\text{Number of days in the taxation year}}$	<u>0</u> x 1% =	0 H
		126	
Amount G	<u>0</u> x $\frac{\text{Number of days in the taxation year in 2002}}{\text{Number of days in the taxation year}}$	<u>126</u> x 3% =	0 I
		126	
Amount G	<u>0</u> x $\frac{\text{Number of days in the taxation year in 2003}}{\text{Number of days in the taxation year}}$	<u>0</u> x 5% =	0 J
		126	
Amount G	<u>0</u> x $\frac{\text{Number of days in the taxation year after 2003}}{\text{Number of days in the taxation year}}$	<u>0</u> x 7% =	0 K
		126	
General tax reduction - Total of amounts H, I, J and K (enter amount L on line 639 of page 7)			0 L

Corporation's name
Westario Power Inc.

Business Number
865909790RC0001

Taxation year-end
2002-05-06

Refundable portion of Part I tax

Canadian-controlled private corporations throughout the taxation year

Aggregate investment income 440 0 x 26 2/3% = 0 A
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 0

Deduct:

Foreign investment income 445 0 x 9 1/3% = 0
(amount O from Part 1 of Schedule 7) (if negative, enter "0") 0 B

Amount A minus amount B (if negative, enter "0") 0 C

Taxable income from line 360 on page 3 0

Deduct:

Least of amounts on lines 400, 405, 410, and 425 on page 4 0

Foreign non-business
income tax credit from
line 632 of page 7 0 x 25/9 = 0

Foreign business income
tax credit from line 636
of page 7 0 x 10/4 = 0
..... 0

..... 0 x 26 2/3% = 0 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) 0

Deduct corporate surtax from line 600 of page 7 0

Net amount 0 E

Refundable portion of Part I tax - The least of amounts C, D, and E 450 0 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 0

Deduct dividend refund for the previous taxation year 465 0
..... 0 A

Add the total of:

Refundable portion of Part I tax from line 450 above 0

Total Part IV tax payable from line 360 on page 2 of Schedule 3 0

Net refundable dividend tax on hand transferred from a predecessor
corporation on amalgamation, or from a wound-up subsidiary corporation 480 0
..... 0 B

Refundable dividend tax on hand at the end of the taxation year - Amount A plus amount B 485 0

Dividend refund

Private and subject corporations at the time taxable dividends were paid in the taxation year

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 0 x 1/3 0 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above 0 B

Dividend refund - Lesser of amounts A and B (enter this amount on line 784 of page 8) 0

Corporation's name Westario Power Inc.	Business Number 865909790RC0001	Taxation year-end 2002-05-06
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Part I tax

Base amount of Part I tax - 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 550 0 A

Corporate surtax calculation

Base amount from line A above	.....	<u>0</u>	1
Deduct:			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	.....	<u>0</u>	2
Investment corporation deduction from line 620 below	.....	<u>0</u>	3
Federal logging tax credit from line 640 below	.....	<u>0</u>	4
Federal qualifying environmental trust tax credit from line 648 below	.....	<u>0</u>	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter the least of a, b, and c below on line 6:

28.00 % of taxable income from line 360 of page 3	.....	<u>0</u> a	} <u>0</u> 6
28.00 % of taxed capital gains	.....	<u>0</u> b	
Part I tax otherwise payable	.....	<u>0</u> c	
(line A plus lines C and D minus line F)			
Total of lines 2 to 6	.....	<u>0</u>	7
Net amount (line 1 minus line 7)	.....	<u>0</u>	8

Corporate surtax - 4.00% of the amount on line 8 600 0 B

Recapture of investment tax credit from line XX in Part 16 of Schedule 31 602 0 C

Calculation for the refundable tax on Canadian-controlled private corporation's investment income (for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6	.....	<u>0</u>	i
Taxable income from line 360 on page 3	.....	<u>0</u>	
Deduct:			
The least of amounts on lines 400, 405, 410, and 425 of page 4	.....	<u>0</u>	
Net amount	.....	<u>0</u>	ii

Refundable tax on CCPC's investment income - 6 2/3% of the lesser of amounts i or ii 604 0 D

Subtotal (add lines A, B, C, and D) 0 E

Deduct:

Small business deduction from line 430 of page 4	.....	<u>0</u>	9
Federal tax abatement	.....	<u>608</u>	
Manufacturing and processing profits deduction from amount BB or amount VV of Schedule 27	.....	<u>616</u>	
Investment corporation deduction	.....	<u>620</u>	
(taxed capital gains 624 <u>0</u>)			
Additional deduction - credit unions from Schedule 17	.....	<u>628</u>	
Federal foreign non-business income tax credit from Schedule 21	.....	<u>632</u>	
Federal foreign business income tax credit from Schedule 21	.....	<u>636</u>	
Accelerated tax reduction from amount O of page 4	.....	<u>637</u>	
General tax reduction for CCPCs from amount O of page 5	.....	<u>638</u>	
General tax reduction from amount L of page 5	.....	<u>639</u>	
Federal logging tax credit from Schedule 21	.....	<u>640</u>	
Federal political contribution tax credit	.....	<u>644</u>	
Federal political contributions 646 <u>0</u>			
Federal qualifying environmental trust tax credit	.....	<u>648</u>	
Investment tax credit from Schedule 31	.....	<u>652</u>	
Subtotal	.....	<u>0</u>	F

Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8) 0 G

Summary of tax and credits

Federal tax

Part I tax payable from page 7	700	0
Part I.3 tax payable from Schedule 33, 34, or 35	704	6,884
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		6,884

Add provincial and territorial tax:

Provincial or territorial jurisdiction 750 ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta) 760 0

Provincial tax on large corporations (New Brunswick and Nova Scotia) 765 0

Total tax payable 770 6,884 A

Deduct other credits:

Investment tax credit refund from Schedule 31 780 0

Dividend refund from page 6 784 0

Federal capital gains refund from Schedule 18 788 0

Federal qualifying environmental trust tax credit refund 792 0

Canadian film or video production tax credit refund from Form T1131 796 0

Film or video production services tax credit refund from Form T1177 797 0

Tax withheld at source 800 0

Total payments on which tax has been withheld 801 0

Allowable refund for non-resident-owned investment corporations from Schedule 26 804 0

Provincial and territorial capital gains refund from Schedule 18 808 0

Provincial and territorial refundable tax credits from Schedule 5 812 0

Royalties deductible under Syncrude Remission Order 815 0

Tax remitted under Syncrude Remission Order 816 0

Tax instalments paid 840 16,636

Total credits 890 16,636

Refund code 894 2

Overpayment 9,752

Balance (line A minus line B) 16,636 B
-9,752

Direct deposit request

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information 910 _____
Branch number

914 _____ 918 _____
Institution number Account number

If the result is negative, you have an **overpayment**.
If the result is positive, you have a **balance unpaid**.
Enter the amount on whichever line applies.
We do not charge or refund a difference of less than \$2.

Balance unpaid 0

Enclosed payment 898 0

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one month extension of the date the balance of tax is due?

896 1 Yes ☐ 2 No ☒

Certification

950 BELL

951 PAT

954 Finance Manager

Last name in block letters

First name in block letters

Position, office or rank

I am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955

Date (yyyy/mm/dd)

Signature of an authorized signing officer of the corporation

956

Telephone number

Is the contact person the same as the authorized signing officer? If no, complete the information below

957 1 Yes ☒ 2 No ☐

958

Name in block letters

959

Telephone number

Language of correspondence - Langue de correspondance

990

Please indicate the language of your choice.
Indiquer la langue de correspondance de votre choix.

1 English/Anglais

☒ 2 Français/French

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to in this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements.....			-542,223	✓ A
Additions:				
Provision for income taxes - current.....	FF ✓	101	8,791	cc
Amortization of tangible assets.....		104	244,975	✓
Subtotal of additions.....			253,766	253,766
Other Additions:				
Miscellaneous Other Additions:				
Subtotal of Other Additions.....		199	0	0
Total Additions		500	253,766	253,766
Deductions:				
C cost allowance from Schedule 8.....		403	389,773	✓
Cumulative eligible capital deduction from Schedule 10.....		405	31,539	✓
Subtotal of Deductions.....			421,312	421,312
Other Deductions:				
Miscellaneous Other Deductions:				
700 estimate of net income May 1 to 6 6/120 x 542,223 <1055>		390	27,111	✓
Subtotal of Other Deductions.....		499	27,111	27,111
Total Deductions		510	448,423	448,423
Net income (loss) for income tax purposes.....			-736,880	
(enter on line 300 on the T2 return)			=====	

B 2/3 x 102

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CORPORATION LOSS CONTINUITY AND APPLICATION
(2000 and later taxation years)

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232, "Losses - Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs, referred to on this schedule are from the federal "Income Tax Act."

Part 1 - Non-capital losses**Determination of current-year non-capital loss**

Net income (loss) for income tax purposes		-736,880
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)	0	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	0	
Amount of Part VI.1 tax deductible	0	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	0	0

Subtotal (if positive, enter "0")		-736,880
Deduct: (increase a loss)		
Section 110.5 - Addition for foreign tax deductions		0

Subtotal		-736,880
Add: (decrease a loss)		
Current-year farm loss		0

Current-year non-capital loss (if positive, enter "0")		-736,880
		=====

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year		488,310	✓
Deduct: Non-capital loss expired after seven taxation years	100	0	
Non-capital losses at beginning of taxation year	102	488,310	
Less: Non-capital losses transferred on amalgamation or wind-up of subsidiary corporation	105	0	
Current-year non-capital loss (from calculation above)	110	736,880	1,225,190

Continuity of non-capital losses and request for a carryback (cont'd)

Deduct:

Amount applied against taxable income (enter on line 331 of the T2 return)	130	0	
Amount applied against taxable dividends subject to Part IV tax.	135	0	
Section 80 - Adjustments for forgiven amounts.	140	0	
Subsection 111(10) - Adjustments for fuel tax rebate.		0	
Other adjustments.	150	0	0

Subtotal 1,225,190

Deduct - Request to carry back non-capital loss to:

First preceding taxation year to reduce taxable income.	901	0	
Second preceding taxation year to reduce taxable income.	902	0	
Third preceding taxation year to reduce taxable income.	903	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax.	911	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax.	912	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax.	913	0	0

Non-capital losses - Closing balance. 180 1,225,190

Election under paragraph 88(1.1)(f)

Paragraph 88(1.1)(f) election indicator. 190 Yes []

Loss from a wholly owned subsidiary deemed to be a loss of the parent from its immediately preceding taxation year.

Part 2 - Capital losses

Continuity of capital losses and request for a carryback

Capital losses at end of preceding taxation year.	200	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation.	205	0	
Current-year capital loss (from Schedule 6 calculation).	210	0	0

Add:

Allowable business investment loss expired as non-capital loss.	0 x 4/3	220	0
		Subtotal	0

Deduct:

Amount applied against current-year capital gain (see note 1)	225	0	
Section 80 - Adjustments for forgiven amounts.	240	0	
Other adjustments.	250	0	0
		Subtotal	0

Deduct - Request to carry back capital loss to: (see note 2)

	Capital gain (100%)		Amount carried back (100%)	
First preceding taxation year.	0	951	0	
Second preceding taxation year.	0	952	0	
Third preceding taxation year.	0	953	0	0

Capital losses - Closing balance. 280 0

Part 2 - Capital losses

Continuity of capital losses and request for a carryback (cont'd)

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4.

Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3.

For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determined by dividing the total taxable capital gain by the total capital gain.

Note 1

On line 332 of the T2 return, enter the amount from line 225 multiplied by the current year inclusion rate (see Schedule 6.)

Note 2

Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the loss. At the time of the application of the loss carryback, the net capital loss amount will be calculated at the inclusion rate of the year to which the net capital loss is applied.

Part 3 - Farm losses

Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year.		0	
Deduct: Farm loss expired after 10 taxation years.	300	0	
Farm losses at beginning of taxation year.	302	0	
Add: Farm losses transferred on amalgamation or wind-up of subsidiary corporation.	305	0	
Current-year farm loss.	310	0	0
Deduct:			
Amount applied against taxable income (enter on line 334 of the T2 return).	330	0	
Amount applied against taxable dividends subject to Part IV tax.	335	0	
Section 80 - Adjustment forgiven amount.	340	0	
Other adjustments.	350	0	0

		Subtotal	0
Deduct - Request to carry back farm loss to:			
First preceding taxation year to reduce taxable income.	921	0	
Second preceding taxation year to reduce taxable income.	922	0	
Third preceding taxation year to reduce taxable income.	923	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax.	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax.	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax.	933	0	0

Farm losses - Closing balance.	380		0
			=====

Restricted Farm Loss Determination:

Is the corporation exempt from the restricted farm loss rules?

(A reply of "NO" triggers the restricted farm loss rules.) [Y/N] [Y]

Part 4 - Restricted farm losses

Current-year restricted farm loss

Total losses for the year from farming business.	485	0	A
Minus the deductible farm loss:			
\$2,500 plus B or C, whichever is less.	2,500		
(Amount A above 0 - \$2,500) divided by 2 =	0	B	
	6,250	C	0 2,500
Current-year restricted farm loss (enter this amount on line 410).			0

Continuity of restricted farm losses and request for a carryback

Restricted farm losses at end of preceding taxation year.		0	
Deduct: Restricted farm loss expired after 10 taxation years.	400	0	
Restricted farm losses at beginning of taxation year.	402	0	
Add: Restricted farm losses transferred on amalgamation or wind-up of subsidiary corporation.	405	0	
Current-year restricted farm loss (enter on line 233 of Schedule 1).	410	0	0
Deduct:			
Amount applied against farming income (enter on line 333 of the T2 return).	430	0	
Section 80 - Adjustments for forgiven amounts.	440	0	
Other adjustments.	450	0	0
		Subtotal	0
Deduct - Request to carry back restricted farm loss to:			
First preceding taxation year to reduce farming income.	941	0	
Second preceding taxation year to reduce farming income.	942	0	
Third preceding taxation year to reduce farming income.	943	0	0
Restricted farm losses - Closing balance.	480		0

Note

The total losses for the year from all farming businesses are computed without including any scientific research expenses.

Part 5 - Listed personal property losses

Continuity of listed personal property loss and request for a carryback

Listed personal property losses at end of preceding taxation year.		0	
Deduct: Listed personal property loss expired after seven taxation years.	500	0	
Listed personal property losses at beginning of taxation year.	502	0	
Add: Current-year listed personal property loss (from Schedule 6).	510	0	
		Subtotal	0
Deduct:			
Amount applied against listed personal property gains (enter on line 655 of Schedule 6).	530	0	
Other adjustments.	550	0	0
		Subtotal	0
Deduct - Request to carry back listed personal property loss to:			
First preceding taxation year to reduce listed personal property gains.	961	0	
Second preceding taxation year to reduce listed personal property gains.	962	0	
Third preceding taxation year to reduce listed personal property gains.	963	0	0
Listed personal property losses - Closing balance.	580		0

Part 6 - Analysis of balance of losses by year of origin

Non-capital losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	736,880	0	0	N/A	0	736,880
2001	488,310	N/A	0	N/A	0	0	488,310
2001	0	N/A	0	N/A	0	0	0
2000	0	N/A	0	N/A	0	0	0
1999	0	N/A	0	N/A	0	0	0
1998	0	N/A	0	N/A	0	0	0
1997	0	N/A	0	N/A	0	0	0
1996	0	N/A	0	N/A	0	0	0 *
Total	488,310	736,880	0	0	0	0	1,225,190

Farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	0	0	0	N/A	0	0
2001	0	N/A	0	N/A	0	0	0
2001	0	N/A	0	N/A	0	0	0
2000	0	N/A	0	N/A	0	0	0
1999	0	N/A	0	N/A	0	0	0
1998	0	N/A	0	N/A	0	0	0
1997	0	N/A	0	N/A	0	0	0
1996	0	N/A	0	N/A	0	0	0
1995	0	N/A	0	N/A	0	0	0
1994	0	N/A	0	N/A	0	0	0
1993	0	N/A	0	N/A	0	0	0 *
Total	0	0	0	0	0	0	0

Restricted farm losses

Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	0	0	0	N/A	N/A	0
2001	0	N/A	0	N/A	0	N/A	0
1	0	N/A	0	N/A	0	N/A	0
2000	0	N/A	0	N/A	0	N/A	0
1999	0	N/A	0	N/A	0	N/A	0
1998	0	N/A	0	N/A	0	N/A	0
1997	0	N/A	0	N/A	0	N/A	0
1996	0	N/A	0	N/A	0	N/A	0
1995	0	N/A	0	N/A	0	N/A	0
1994	0	N/A	0	N/A	0	N/A	0
1993	0	N/A	0	N/A	0	N/A	0 *
Total	0	0	0	0	0	N/A	0

* This balance expires this year and will not be available next year

Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101] N

Class No.	UCC at Beginning of Year	Cost of Additions During Year	Adjustments	Lesser of Cost or Proceeds	1/2 of [203]-[207]	Rate %	Recapture of Capital Cost Allowance	Terminal Loss	Capital Cost Allowance	Undepreciated Capital Cost end of year
[200]	[201]	[203]	[205]	[207]	[211]	[212]	[213]	[215]	[217]	[220]
1	7,273,987	0	0	1,088	0	4	0	0	100,426	7,172,473
2	6,438,023	0	0	0	0	6	0	0	133,139	6,294,884
8	955,954	1,471	0	0	735	20	0	0	66,051	891,374
12	0	522,337	0	0	261,168	100	0	0	90,157	432,180
Total	14,657,964	523,808	0	1,088	261,903		0	0	389,773	14,790,911

See U in tax file

14,003,827

AB

This schedule is to be completed by a corporation having one or more of the following:

- related corporation(s)
- associated corporation(s)

Name	Ctry of resi- dence	Business Number (Note)	Rela- tion- ship Code	Number		Number		% of pre- ferred shares owned	Book value of capital stock
				of common shares owned	% of common shares owned	of preferred shares owned	% of pre- ferred shares owned		
				[500]	[550]	[600]	[650]		
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]	
Westario Power Services Inc		892764614RC0001	3		0 0.00		0 0.00		0
Westario Power Holdings Inc		892764416RC0001	1		0 0.00		0 0.00		0
Hanover Electric Services Inc.		865909790RC0001	3		0 0.00		0 0.00		0
Minto Hydro Inc.		865909790RC0001	3		0 0.00		0 0.00		0

Note: Enter "NR" if a corporation is not registered.

Relationship code:
1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated

The relationship code represents the relationship that the corporation named has to the filing corporation. For example, if the corporation is the parent corporation of the filing corporation, then the relationship code is "1".

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

- For use by a corporation that has eligible capital property. For more information, see the "T2 Corporation Income Tax Guide".
- A separate cumulative eligible capital account must be kept for each business.
- This form applies to taxation years that end after February 27, 2000.

Part 1 - Calculation of current year deduction and carry-forward

Cumulative eligible capital - Balance at end of preceding taxation year

(if negative, enter "0") 200 1,305,181 A

Add:

Cost of eligible capital property acquired during
the taxation year 222 0 BAmount transferred on amalgamation or wind-up
of subsidiary 224 0 COther adjustments 226 0 D

(add amounts B, C, and D) 0 x 0.75 = 0 E

Subtotal (amount A plus amount E) 230 1,305,181 F

Deduct:

Proceeds of sale (less outlays and expenses not otherwise deductible)
from the disposition of all eligible capital property during
the taxation year 242 0 GA gross amount of a reduction in respect of a forgiven debt
obligation as provided for in subsection 80(7) 244 0 HOther adjustments 246 0 I(add amounts G, H, and I) 0 x 0.75 = 248 0 JCumulative eligible capital balance (amount F minus amount J) 1,305,181 K
(if amount K is negative, enter "0" at line M and proceed to Part 2)Current year deduction amount K 1,305,181 x 7.00% = 250 31,539 L ✓
(enter amount L at line 405 of Schedule 1)Cumulative eligible capital - Closing balance 300 1,273,642 M
Amount K minus amount L (if negative, enter "0")

Note

can claim any amount up to the maximum deduction of 7%. For taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.



Part 2 - Amount to be included in income arising from disposition

(complete this part only if the amount at line K is negative)

Amount from line K above (show as a positive amount).....

0 N

Total of cumulative eligible capital deductions from income for
taxation years beginning after June 30, 1988.

400

0 1

Total of all amounts which reduced cumulative eligible capital in
the current or prior years under subsection 80(7).

401

0 2

Total of cumulative eligible capital deductions claimed for
taxation years beginning before July 1, 1988.

402

0 3

Negative balances in the cumulative eligible capital account
that were included in income for taxation years beginning
before July 1, 1988.

408

0 4

Line 3 minus line 4.

0

0 5

Total of lines 1, 2, and 5.

0 6

Line T from Schedule 10 of previous taxation years ending
after February 27, 2000.

409

0 7

Line 6 minus line 7.

0

0 O

Line N minus line O (cannot be negative).

0 P

Amount on line 5 0 x 1/2.

0 Q

Line 6 minus line Q.

0 R

Amount on line R 0 x 2/3*.

0 S

Lesser of line N or line O.

0 T

Amount to be included in income on line 108 of Schedule 1,

line S plus line T

For taxation years ending before February 28, 2000,

line N - line Q.

410

0

* For taxation years ending after February 27, 2000, and before October 18, 2000,
use fraction 8/9 to calculate line S.

**AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS (CCPC's)
TO ALLOCATE THE BUSINESS LIMIT (1998 and later taxation years)**

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to allocate the business limit for purposes of the small business deduction. Information from this schedule will be used to determine the date the balance of tax is due and to calculate the business limit reduction.
- An associated CCPC that has more than one taxation year ending in a calendar year, is required to file an agreement for each taxation year ending in that calendar year.

Column 1: Enter the legal name of each of the corporations in the associated group, including non-CCPCs and CCPCs that have filed an election under subsection 256(2) not to be associated for purposes of the small business deduction.

Column 2: Provide the Business Number for each corporation (if a corporation is not registered, enter "NR").

Column 3: Enter the code that applies to each corporation:

- 1 - associated for purposes of allocating the business limit (unless association code 5 applies)
- 2 - CCPC that is a "third corporation" that has elected under subsection 256(2) not to be associated for purposes of the small business deduction
- 3 - non-CCPC that is a "third corporation" as defined in subsection 256(2)
- 4 - associated non-CCPC
- 5 - associated CCPC that is not associated for purposes of allocating the business limit because of a subsection 256(2) election made by a "third corporation".

Column 4: Enter the amount allocated to each corporation that has an association code 1 in column 3. The total of all amounts in column 4 can not exceed \$200,000.

Column 5: Complete column for a CCPC that has more than one taxation year ending in a calendar year, and is associated in more than one of those years with another CCPC that has a taxation year ending in the same calendar year. Enter the taxation year to which this agreement applies.

Column 6: Enter the gross Part I.3 tax of the prior year. This is used for the business limit reduction.

Allocation of business limit

Date filed (for departmental use only). Year Month Day

Enter the calendar year to which the agreement applies. Year
2002

Is this an amended agreement for the above-noted calendar year that is intended to replace an agreement previously filed by any of the associated corporations listed below? [Y/N] [N]

1	2	3	4	5	6
Names of associated corporations	Business Number of associated corporations	Association code	Business limit allocated (Note 1)	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year (Notes 2 & 3)
<input type="checkbox"/> 100	<input type="checkbox"/> 200	<input type="checkbox"/> 300	<input type="checkbox"/> 400	<input type="checkbox"/> 500	
Westario Power Inc.	865909790RC0001	1	0		25,229
See attached			200,000		5,425
			-----		-----
	Totals (not to exceed \$200,000)		200,000		30,654
			=====		=====

Note 1:

Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

Note 2:**Reduction to the business limit under subsection 125(5.1)**

The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction area of the T2 return.

The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Note 3:

If the taxation year of the associated corporation was less than 51 weeks, the amount of gross Part I.3 tax is the unprorated amount before the application of subsection 181.1(2).

Westario Power Inc.

Account/Business No.: 865909790RC0001 Year Ended:

2002-05-06

ACCEMENT AMONG ASSOCIATED CCPC's TO ALLOCATE THE BUSINESS LIMIT

1	2	3	4	5	6
Name of associated corporation	Business Number of associated corporation	Asso- ciation code	Business limit allocated (Note)	Taxation year end to which this agreement applies	Gross Part I.3 Tax of the prior year
[100]	[200]	[300]	[400]	[500]	
Westario Power Services Inc	892764614RC0001	1	200,000	2001-12-31	1,391
Westario Power Holdings Inc	892764416RC0001	1	0	2001-12-31	45
Hanover Electric Services Inc.	865909790RC0001	1	0	2002-05-06	2,403
Minto Hydro Inc.	865909790RC0001	1	0	2002-05-06	1,586
TOTALS			200,000		5,425

Note: Each corporation will enter the amount allocated to it in column 4 on line 410 of the T2 return unless the corporation's taxation year is less than 51 weeks, in which case the amount allocated in column 4 must be prorated by the number of days in the taxation year divided by 365.

Reduction to the business limit under subsection 125(5.1)

The reduction to the business limit applies when any member of the associated group had gross Part I.3 tax payable (before the deduction of surtax credits) for its last taxation year ending in the preceding calendar year. The reduction is calculated in the small business deduction are of the T2 return. The amount to be entered at line 415 of the T2 return, (large corporation tax for preceding year), includes the gross Part I.3 tax payable for each corporation that has an "association code" of 1 or 4 in column 3 for its last taxation year ending in the preceding calendar year.

Schedule 23-Supplementary

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

PART 1.3 TAX ON LARGE CORPORATIONS
(1998 and later taxation years)

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part 1.3 tax payable before the deduction for surtax credits.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal "Income Tax Act."
- Subsection 181(1) defines the terms "financial institution," "long-term debt," and "reserves."
- Subsection 181(3) provides the basis to determine the carrying value of a corporation's assets or any other amount under Part 1.3 in respect of its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or in respect of a partnership in which it has an interest.
- No Part 1.3 tax is payable for a taxation year by a corporation that was:
 - 1) a non-resident-owned investment corporation throughout the year;
 - 2) bankrupt [as defined by subsection 128(3)] at the end of the year;
 - 3) a deposit insurance corporation throughout the year, as defined by subsection 137.1(5), or deemed to be a deposit insurance corporation by subsection 137.1(5.1);
 - 4) exempt from tax under section 149 throughout the year on all of its taxable income;
 - 5) neither resident in Canada nor carried on a business through a permanent establishment in Canada at any time in the year; or
 - 6) a corporation described in subsection 136(2) throughout the year, the principal business of which was marketing (including processing incidental to or connected therewith) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" within six months of the end of the taxation year.

Filing date (for departmental use only) 100 Year Month Day

Complete the following areas to determine the amounts needed to calculate Part 1.3 tax. If the corporation was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 5, "Taxable capital employed in Canada - Non-resident corporation."

Part 1 - Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I.	101	0
Capital stock (or members' contributions if incorporated without share capital)	103	10,562,604
Retained earnings.	104	0
Contributed surplus.	105	0
Any other surpluses.	106	0
Deferred unrealized foreign exchange gains.	107	0
All loans and advances to the corporation.	108	385,750
All indebtedness of the corporation represented by bonds, debentures, notes, mortgages, bankers' acceptances, or similar obligations.	109	9,380,792
Any dividends declared but not paid by the corporation before the end of the year.	110	0
All other indebtedness of the corporation (other than any indebtedness in respect of a lease) that has been outstanding for more than 365 days before the end of the year.	111	0

Part 1 - Capital (cont'd)

Proportion of the amount, if any, by which the total of all amounts
(that would be determined under lines 101, 107, 108, 109, 111 and 112)
in respect of the partnership of which the corporation is a member
at the end of the year exceeds the amount of the partnership's deferred
unrealized foreign exchange losses (see note below)

112 0

Subtotal 20,329,146 20,329,146 A

Deduct the following amounts:

Deferred tax debit balance at the end of the year 121 0
Any deficit deducted in computing the shareholders' equity 122 1,465,860
Any amount deducted under subsection 135(1) in computing income under
Part I for the year, to the extent that the amount may reasonably be
regarded as being included in any of lines 101 to 112 above 123 0
The amount of deferred unrealized foreign exchange losses 124 0

Subtotal 1,465,860 1,465,860 B

Capital for the year (amount A minus amount B) (if negative, enter "0") 190 18,863,286

Note: Lines 101, 107, 108, 109, 111, and 112 are determined as follows:

- Amounts owing to the member or to corporations that are other members of the partnership are not to be included.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- Amounts at these lines apply to partnerships in the same way that they apply to corporations.
- The proportion of the total amounts is determined in accordance with the corporation's share of the partnership's income or loss for the fiscal period of the partnership.

Part 2 - Investment allowance

Add the carrying value at the end of the year of the following assets of the corporation:

A share of another corporation 401 0
A loan or advance to another corporation (other than a financial institution) 402 0
A bond, debenture, note, mortgage, or similar obligation of another corporation
(other than a financial institution) 403 0
Long-term debt of a financial institution 404 0
A dividend receivable on a share of the capital stock of another corporation 405 0
A loan or advance to, or a bond, debenture, note, mortgage or similar obligation of,
a partnership all of the members of which, throughout the year, were other corporations
(other than financial institutions) that were not exempt from tax under Part I.3
[other than by reason of paragraph 181.1(3)(d)] 406 0
An interest in a partnership 407 0

Investment allowance for the year 490 0

Note: Lines 401 to 405 should not include the carrying value of a share of the capital stock of,
dividend payable by, or indebtedness of, a corporation that is exempt from tax under Part I of
the Act (other than by reason of paragraph 181.1(3)(d) of the Act).

Part 3 - Taxable capital

Capital for the year (line 190) 18,863,286 C

Deduct: Investment allowance for the year (line 490) 0 D

Taxable capital for the taxation year

(amount C minus amount D) (if negative, enter "0") 500 18,863,286

B

Part 4 - Taxable capital employed in Canada - Canadian resident corporation

To be completed by a corporation that was resident in Canada at any time in the year.

Taxable capital for the year (line 500)	18,863,286	X	Taxable income earned in Canada	610	1,000	Taxable capital employed in Canada	690	18,863,286
			Taxable income		1,000			

- Notes: 1) Regulation 8601 gives details on calculating the amount of taxable income earned in Canada.
 2) Where a corporation's taxable income for a taxation year is "0," it shall, for the purposes of the above calculation, be deemed to have a taxable income for that year of \$1,000.
 3) In the case of an airline corporation, Regulation 8601 should be considered when completing the above calculation.

Part 5 - Taxable capital employed in Canada - Non-resident corporation

To be completed by a corporation that was not resident in Canada throughout the year and carried on a business through a permanent establishment in Canada.

Total of all amounts which is the carrying value at the end of the year of an asset of the corporation used in the year or held in the year, in the course of carrying on any business it carried on during the year through a permanent establishment in Canada. 701 0

Deduct the following amounts:

Corporation's indebtedness at the end of the year [other than indebtedness described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably be regarded as relating to a business it carried on during the year through a permanent establishment in Canada. 711 0

Total of all amounts each of which is the carrying value at the end of year of an asset described in subsection 181.2(4) of the corporation that it used in the year, or held in the year, in the course of carrying on any business it carried on during the year in Canada. 712 0

Total amount of carrying value at the end of year of an asset of the corporation that is a ship or aircraft the corporation operated in international traffic, or personal property used or held by the corporation in carrying on any business during the year in Canada. 713 0

Total deductions (add lines 711, 712, and 713) 0 0 E

Taxable capital employed in Canada

(line 701 minus amount E) (if negative, enter "0"). 790 0

Part 6 - Calculation of gross Part 1.3 tax

Taxable capital employed in Canada for the year (line 690 or 790, whichever applies). 18,863,286

Deduct: Capital deduction claimed for the year (enter \$10,000,000 or, for related corporations, the amount allocated on Schedule 36). 801 10,000,000

Excess of taxable capital employed in Canada over capital deduction. 811 8,863,286

Gross Part 1.3 tax: Line 811 8,863,286 x .2250% = 19,942 F

Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:

Amount F 19,942 x Number of days in the year 126 = 6,884 G

Gross Part 1.3 tax (amount F or G, whichever applies). 820 6,884

Part 7 - Calculation of current year surtax credits

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable.

This is called the surtax credit.

- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the Act when calculating the amount deductible in respect of a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.

Current year surtax credit equals current year Canadian surtax payable.

Canadian surtax payable

For a corporation that was not resident in Canada throughout the year, the lesser of a and b, below:

- a) line 600 from the T2 return. 0
- b) line 700 from the T2 return. 0 H

In any other case, the lesser of c and d below:

- c) line 600 from the T2 return 0 x line 690 of this schedule 18,863,286 = 0
-
- 18,863,286
- line 500 of this schedule
- d) line 700 from the T2 return. 0 I
- Current year surtax credit (amount H or I, whichever applies). 830 0
- =====

Part 8 - Calculation of Part I.3 tax credit available for carry-forward

- Amount on line 830. 0
- L Part I.3 tax before deducting surtax credits (line 820). 6,884 J
-
- Net amount -6,884 K
- =====

If the amount on line K is "positive," it represents the amount of Part I.3 tax credits that may be carried forward from taxation years prior to 1992 and applied this year to reduce Canadian surtax payable. Refer to Schedule 37 for unused Part I.3 tax credit balance. 0 L

=====

If the amount on line K is "negative," it represents the amount of unused surtax credit of other years that may be applied to reduce Part I.3 tax payable in the current year. 6,884 M

=====

Part 9 - Calculation of current year unused surtax credit

- Amount K (if positive). 0
- Less: Part I.3 tax credits claimed
- (carried forward from taxation years prior to 1992 - see amount L above). 0
-
- Current year unused surtax credit (enter this amount on Schedule 37). 850 0
- =====

Part 10 - Calculation of net Part I.3 tax payable

Gross Part I.3 tax (line 820)		6,884	N
Deduct the following amounts:			
Current year surtax credit applied			
(the lesser of lines 820 and 830)	861	0	
Unused surtax credit from prior years applied	862	0	

Total (cannot exceed amount on line 820)		0	0 O

Net Part I.3 tax payable (amount N minus amount O)			
Enter this amount at line 704 of the T2 return	870	6,884	
		=====	

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX
(1998 and later taxation years)

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 among the members of the related group.
- Do not file this agreement if no members of the related group are liable to pay Part I.3 tax.

Are any members of the related group liable to pay Part I.3 tax? [Y/N] [Y]

- In cases where a related corporation has more than one taxation year ending in a calendar year, it is required to file an agreement for each taxation year ending in that calendar year.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation ending in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal "Income Tax Act", a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.
- Attach additional schedules if space for agreement is not sufficient.

Agreement

Year Month Day

Date filed (for departmental use only). Is this an amended agreement? [Y/N] [N]Enter the calendar year to which the agreement applies. Year 2002

Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member which is exempt from Part I.3 tax under subsection 181.1(3) is not required to be included.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year \$	Taxation year end to which this agreement applies (Note 2)
<input type="text" value="200"/>	<input type="text" value="300"/>	<input type="text" value="400"/>	<input type="text" value="500"/>
Westario Power Inc.	865909790RC0001	10,000,000	
See attached		0	

	Total (not to exceed \$10,000,000)	10,000,000	
		=====	

Note 1: If a corporation is not registered enter, "NR".

Note 2: An entry is only required for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

Westario Power Inc.

Sch. 036-Supp.

Account/Business No.: 865909790RC0001 Year Ended:
AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

2002-05-06

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 among the members of the related group.
- In accordance with subsection 181.5(7) of the federal Income Tax Act, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

Names of all corporations which are members of the related group	Business Number (Note 1) [300]	Allocation of capital deduction for the year [400]	Taxation year end to which this agreement applies (Note 2) [500]
[200]			
Westario Power Services Inc	892764614RC0001	0	2001-12-31
Westario Power Holdings Inc	892764416RC0001	0	2001-12-31
Hanover Electric Services Inc.	865909790RC0001	0	2002-05-06
Minto Hydro Inc.	865909790RC0001	0	2002-05-06
TOTAL		0	

Note 1: If a corporation is not registered, enter "NR".

Note 2: An entry is only required for a corporation that has more than one taxation ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year. The capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is an amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

Schedule 36 - Supplementary

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

SHAREHOLDER INFORMATION

(1998 and later taxation years)

All private corporations must complete this schedule for any shareholder who holds 10% or more of the corporation's common and/or preferred shares.

Name of shareholder	Business Number	Social Insurance Number	Percentage common shares	Percentage preferred shares
	(note 1)	(note 2)		
	100	200	400	500
Westario Power Holdings Inc	892764416RC0001		100.00	100.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00
			0.00	0.00

Note 1: If a corporate shareholder does not have a business number, NR must be entered to indicate the corporation is not registered.

Note 2: If an individual shareholder does not have a social insurance number, NA must be entered to indicate the SIN is not available.

Note 3: If a trust holds 10% or more of the corporation's common or preferred shares, enter "NR" for the business number and, if space permits, enter the trust's name and account number. Do not enter anything in the "SIN" column.

**BUSINESS CONSENT FORM**

Use this form to consent to the release of confidential information about your Business Number (BN) account(s) to the representative named below, or to cancel consent for an existing representative.

- Complete Parts 1, 2, and 5 to name a representative.
- Complete Parts 3, 4, and 5 to cancel consent for an existing representative.
- Complete all parts of this form if you want to both name a new representative and cancel consent for an existing representative.

If you have questions, such as where to send this form, call us at 1-800-959-5525.

Part 1 - Consent to release of information to a representative

Client's name: Westario Power Inc. Business Number: 865909790RC0001

I consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

BDO Dunwoody LLP

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to specify a particular individual of that firm, enter that individual's first and last name.

519-364-3790

Representative's telephone number

Representative's fax number

Part 2 - Details of consent**A. Which accounts?**

I request that this consent apply to all accounts. ☒ OR

I request that this consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to authorize access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001	<input type="checkbox"/>	RC	<input type="text"/>	RC	<input type="text"/>
GST/HST	RT0001	<input type="checkbox"/>	RT	<input type="text"/>	RT	<input type="text"/>
Payroll deductions	RP0001	<input type="checkbox"/>	RP	<input type="text"/>	RP	<input type="text"/>
Import/Export	RM0001	<input type="checkbox"/>	RM	<input type="text"/>	RM	<input type="text"/>

B. Which years?

I request that this consent apply to all years. ☒ OR

I request that this consent apply only to the following years:

- All year-ends up to:
Year Month Day
- All year-ends beginning in: and all years after that.
Year Month Day
- The following year-ends only:

<input type="text"/>	<input type="text"/>
Year Month Day	Year Month Day
<input type="text"/>	<input type="text"/>
Year Month Day	Year Month Day

Part 3 - Cancellation of consent to release of information to a representative

Client's name: Westario Power Inc.

Business Number: 865909790RC0001

I cancel all previous consents for all representatives. ☐

OR

I cancel my consent to the release of confidential information about my BN account(s) by the Canada Customs and Revenue Agency to the representative named below.

Representative's name (If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)

If you named a firm as your representative, and you want to cancel the consent for a particular individual of that firm, enter that individual's first and last name.

Representative's telephone number

Representative's fax number

Part 4 - Details of cancellation of consent

A. Which accounts?

I request that this cancellation of consent apply to all accounts. ☐

OR

I request that this cancellation of consent apply only to the following accounts.

(Check the appropriate box or boxes. If you wish to cancel access to more than one account of the same type, for example RP0002 and RP0003, please print the account numbers in the spaces provided.)

Corporate income tax	RC0001	<input type="checkbox"/>	RC	<input type="text"/>	RC	<input type="text"/>
GST/HST	RT0001	<input type="checkbox"/>	RT	<input type="text"/>	RT	<input type="text"/>
Payroll deductions	RP0001	<input type="checkbox"/>	RP	<input type="text"/>	RP	<input type="text"/>
Import/Export	RM0001	<input type="checkbox"/>	RM	<input type="text"/>	RM	<input type="text"/>

B. Which years?

I request that this cancellation of consent apply to all years. ☐

OR

I request that this cancellation of consent apply only to the following years:

- All year-ends up to:
Year Month Day
- All year-ends beginning in: and all years after that.
Year Month Day
- The following year-ends only:
Year Month Day Year Month Day

Year Month Day Year Month Day

Part 5 - Signature

Print your name PAT BELL

Title Finance Manager

This form must be signed by an owner, partner, director, trustee, or officer.

Sign here _____

Date
Year Month Day

WE WILL NOT PROCESS THIS FORM IF IT IS NOT SIGNED

KPMG File Stamp
London (CA 050)

Client Name: Westario Power

Year: _____ Prepared By: _____

Reviewed By: _____

Gen Corr ☐ Working Paper File ☐

Perm File ☐ T1 ☐ T2 ☒ T3 ☐

Billing File ☐ T4/T5 ☐

Tax Corr ☐ Tax Perm ☐ Day File ☐

Tax Special ☐ _____

Other ☐ _____

Filed By: _____

Ministry of Finance
Attention: Mr. Ian Tso
5 Park Home Avenue
North York, ON M2N 6W8
Fax: (416) 730 - 5575

September 7, 2005

Dear Mr. Tso

Westario Power Inc. ("the Company")
Taxation year ended December 31, 2002, 2003 & 2004
Corporate Account Number 1800342

Please find enclosed amended corporate tax returns for the Company's taxation years ended December 31, 2002, December 31, 2003 and December 31, 2004.

The amended returns are filed as a consequence of the restatement of the Company's regulatory asset balances and related carrying charges in 2002, 2003 and 2004. As a result of the changes the Company's taxable income in 2002 has increased to \$960,016 from \$653,860 as previously amended. The Company's 2003 loss has been reduced to \$128,790 from a loss of \$244,273 as previously amended. The Company's 2004 taxable income has been reduced to \$887,147 from \$970,643 as originally filed. The claim for the Apprenticeship Tax Credit has been eliminated and will be claimed by the employer Westario Power Services Inc.

It is anticipated that the company's income tax and capital tax payable will change by the following amounts:

	2002			2003			2004		
	As Amended	June 05 Amended	Change	As Amended	June 05 Amended	Change	As Amended	As Filed	Change
Income Tax Federal & Provincial	-	-	-	-	-	-	31,342	-	31,342
Corporate Minimum Tax	66,899	14,114	52,785	57,811	43,635	14,176	35,279	47,402	(12,123)
Capital Tax	50,351	55,567	(5,216)	68,987	66,296	2,691	73,110	52,049	21,061
LCT	29,118	27,960	1,158	50,252	46,740	3,512	-	-	-
Total			<u>48,727</u>			<u>20,379</u>			<u>40,280</u>

This form serves as a federal, provincial, and territorial corporation income tax return, unless the corporation is located in Quebec, Ontario, or Alberta. If the corporation is located in one of these provinces, you have to file a separate provincial corporate return.

Parts, sections, subsections, and paragraphs mentioned on this return refer to the *Income Tax Act*. This return may contain changes that had not yet become law at the time of printing. If you need more information about items on the return, see the corresponding items in the *T2 Corporation - Income Tax Guide* (T4012).

Send one completed copy of this return, including schedules and the *General Index of Financial Information* (GIFI), to your tax services office or tax centre. You have to file the return within six months after the end of the corporation's taxation year. For more information on when and how to file T2 returns, see items 1 to 5 in the guide.

055 Do not use this area

Identification

Business Number (BN) 001 865909790RC0001

Corporation's name

002 Westario Power Inc.

Has the corporation changed its name since the last time we were notified? 003 1 Yes 2 No X

If Yes, do you have a copy of the articles of amendment? 004 1 Yes 2 No

Address of head office

Has the address changed since the last time we were notified? 010 1 Yes 2 No X

011 385 Queen Street

012 City Province, territory, or state

015 Kincardine 016 ON

Country (other than Canada) Postal code/ZIP code

017 018 N2Z-2R4

Mailing address (if different from head office address)

Has the address changed since the last time we were notified? 020 1 Yes 2 No X

021 c/o

022 385 Queen Street

023 City Province, territory, or state

025 Kincardine 026 ON

Country (other than Canada) Postal code/ZIP code

027 028 N2Z-2R4

Location of books and records

Has the location of books and records changed since the last time we were notified? 030 1 Yes 2 No X

031 385 Queen Street

032 City Province, territory, or state

035 Kincardine 036 ON

Country (other than Canada) Postal code/ZIP code

37 038 N2Z-2R4

040 Type of corporation at the end of the taxation year

- 1 X Canadian-controlled private corporation (CCPC) 4 Corporation controlled by a public corporation
2 Other private corporation 5 Other corporation (specify, below)
3 Public corporation

If the type of corporation changed during the taxation year, provide the effective date of the change 043 YYYY/MM/DD

To which taxation year does this return apply?

Taxation year start Taxation year-end
060 2002-05-07 061 2002-12-31
YYYY/MM/DD YYYY/MM/DD

Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes X 2 No

If Yes, give the date control was acquired 065 2002-05-06
YYYY/MM/DD

Is the corporation a professional corporation that is a member of a partnership?

067 1 Yes 2 No X

Is this the first year of filing after:

Incorporation? 070 1 Yes 2 No X
Amalgamation? 071 1 Yes X 2 No

If Yes, complete and attach Schedule 24.

Has there been a windup of a subsidiary under section 88 during the current taxation year?

072 1 Yes 2 No X

If Yes, complete and attach Schedule 24.

Is this the final taxation year before amalgamation?

076 1 Yes 2 No X

Is this the final return up to dissolution?

078 1 Yes 2 No X

Is the corporation a resident of Canada?

080 1 Yes X 2 No If No, give the country of residence.

Is the non-resident corporation claiming an exemption under an income tax treaty?

082 1 Yes 2 No X

If Yes, complete and attach Schedule 91.

If the corporation is exempt from tax under section 149, tick one of the following boxes:

- 085 1 Exempt under paragraph 149(1)(e) or (l)
2 Exempt under paragraph 149(1)(j)
3 Exempt under paragraph 149(1)(t)
4 Exempt under other paragraphs of section 149

Attachments

Financial statement information: Use GIFI schedules 100, 125, and 141.

* We do not print these schedules.

Schedules – Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.

Guide item		Yes	Schedule
27 Is the corporation related to any other corporations?	150	X	9
28 Does the corporation have any non-resident shareholders?	151		19
29 Is the corporation an associated Canadian-controlled private corporation?	160	X	23
30 Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32 Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33 If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164		14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165		15
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166		T5004
38 Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40 Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41 Did the corporation have any foreign affiliates during the year?	169		25
42 Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170		29
43 Has the corporation had any non-arm's length transactions with a non-resident?	171		T106
47 Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172		
46 For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55 Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
78-81 Has the corporation made any charitable donations, gifts to Canada, a province or a territory, or gifts of cultural or ecological property?	202		2
82,104 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
69-76 Is the corporation claiming any type of losses?	204	X	4
132 Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205		5
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206		6
103 i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57 Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58 Does the corporation have any property that is eligible capital property?	210	X	10
59 Does the corporation have any resource-related deductions?	212		12
60 Is the corporation claiming reserves of any kind?	213		13
61 Is the corporation claiming a patronage dividend deduction?	216		16
62 Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150 Is the corporation an investment corporation or a mutual fund corporation?	218		18
131 Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118 Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
155 Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
111 Does the corporation have any Canadian manufacturing and processing profits?	227		27
121 Is the corporation claiming an investment tax credit?	231		31
63 Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
124 Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
124 Is the corporation claiming a surtax credit?	237		37
128 Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128 Is the corporation claiming a Part I tax credit?	242		42
129 Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
125 Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
128 For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250		39
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131
153 Is the corporation claiming a film or video production services tax credit refund?	254		T1177
130 Is the corporation subject to Part XIII.1 tax?	255		92 *

Attachments – continued from page 2

Guide item	Yes	Schedule
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	<input type="checkbox"/>	T1134-A
44 Did the corporation have any controlled foreign affiliates?	<input type="checkbox"/>	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	<input type="checkbox"/>	T1135
44 Did the corporation transfer or loan property to a non-resident trust?	<input type="checkbox"/>	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	<input type="checkbox"/>	T1142
— Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	<input type="checkbox"/>	T1145
— Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	<input type="checkbox"/>	T1146
— Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	<input type="checkbox"/>	T1174

Additional information

Is the corporation inactive? ☐ 280 1 Yes ☐ 2 No ☒

Has the major business activity changed since the last return was filed? (enter Yes for first-time filers) ☒ 281 1 Yes ☒ 2 No ☐

What is the corporation's major business activity? (Only complete if Yes was entered at line 281.) ☐ 282 Hydro Services

If the major activity involves the resale of goods, indicate whether it is wholesale or retail ☐ 283 1 Wholesale ☐ 2 Retail ☐

Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.

<input type="checkbox"/> 284	<u>Hydro Services</u>	<input type="checkbox"/> 285	<u>100%</u>
<input type="checkbox"/> 286		<input type="checkbox"/> 287	<u>0%</u>
<input type="checkbox"/> 288		<input type="checkbox"/> 289	<u>0%</u>

Did the corporation immigrate to Canada during the taxation year? ☐ 291 1 Yes ☐ 2 No ☒

Did the corporation emigrate from Canada during the taxation year? ☐ 292 1 Yes ☐ 2 No ☒

Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL ☐ 300 960,016 A

Deduct:

Charitable donations from Schedule 2	<input type="checkbox"/> 311	<u>0</u>
Gifts to Canada, a province, or a territory from Schedule 2	<input type="checkbox"/> 312	<u>0</u>
Cultural gifts from Schedule 2	<input type="checkbox"/> 313	<u>0</u>
Ecological gifts from Schedule 2	<input type="checkbox"/> 314	<u>0</u>
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	<input type="checkbox"/> 320	<u>0</u>
Part VI.1 tax deduction from Schedule 43*	<input type="checkbox"/> 325	<u>0</u>
Non-capital losses of preceding taxation years from Schedule 4	<input type="checkbox"/> 331	<u>960,016</u>
Net-capital losses of preceding taxation years from Schedule 4	<input type="checkbox"/> 332	<u>0</u>
Restricted farm losses of preceding taxation years from Schedule 4	<input type="checkbox"/> 333	<u>0</u>
Farm losses of preceding taxation years from Schedule 4	<input type="checkbox"/> 334	<u>0</u>
Limited partnership losses of preceding taxation years from Schedule 4	<input type="checkbox"/> 335	<u>0</u>
Taxable capital gains or taxable dividends allocated from a central credit union	<input type="checkbox"/> 340	<u>0</u>
Prospector's and grubstaker's shares	<input type="checkbox"/> 350	<u>0</u>
Subtotal		<u>960,016</u>

Subtotal (amount A minus amount B) (if negative, enter "0") 960,016 B

Add:

Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	<input type="checkbox"/> 355	<u>0</u>
Taxable income (amount C plus amount D)	<input type="checkbox"/> 360	<u>0</u>
Income exempt under paragraph 149(1)(t)	<input type="checkbox"/> 370	<u>0</u>
Taxable income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		<u>0</u> Z

* This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.

Small business deduction**Canadian-controlled private corporations (CCPCs) throughout the taxation year**Income from active business carried on in Canada from Schedule 7 **400** 960,016 ATaxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632* on page 7, **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ... **405** 0 B**Calculation of the business limit:**

For all CCPCs, calculate the amount at line 4 below.

200,000	x	Number of days in the taxation year before 2003	<u>239</u>	=	<u>200,000</u>	1
		Number of days in the taxation year	<u>239</u>			
225,000	x	Number of days in the taxation year in 2003	<u>0</u>	=	<u>0</u>	2
		Number of days in the taxation year	<u>239</u>			
250,000	x	Number of days in the taxation year in 2004	<u>0</u>	=	<u>0</u>	3
		Number of days in the taxation year	<u>239</u>			
300,000	x	Number of days in the taxation year after 2004	<u>0</u>	=	<u>0</u>	3.1
		Number of days in the taxation year	<u>239</u>			

Add amounts at lines 1, 2, 3, and 3.1 200,000 4Business limit (see notes 1 and 2 below) **410** 0 C

Notes: 1. For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.

2. For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

Business limit reduction:Amount C 0 x **415***** 20,854 D = 11,250 0 EReduced business limit (amount C minus amount E) (if negative, enter "0") **425** 0 F**Small business deduction** - 16.00% of whichever amount is least: A, B, C, or F **430** 0 G
(enter amount G on line 9 of page 7)

* Calculate the amount of foreign non-business income tax credit deductible at line 632 without reference to the refundable tax on the CCPC's investment income (line 604) and without reference to the corporate tax reductions under section 123.4.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

***** Large corporation tax**

• The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus \$10,000,000).

• If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.

• If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:

- starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
- starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.

• For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

Accelerated tax reduction**Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**Reduced business limit (amount from line 425) 0 x 300,000 line 4 above = 0 ANet active business income (amount from line 400) * 960,016 BTaxable income from line 360 on page 3 **minus** 3 times the amount at line 636** on page 7, and **minus** any amount that, because of federal law, is exempt for Part I tax 0 C**Deduct:**Aggregate investment income (amount from line 440 of page 6) 0 DAmount C minus amount D (if negative, enter "0") 0 0 EAmount A, B, or E above, whichever is less 0 FAmount Z from Part 9 of Schedule 27 0 x 100/7 = 0 GAmount QQ from Part 13 of Schedule 27 0 HTaxable resource income from line 435 of page 5 0 IAmount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) .. 0 JAmount on line 400, 405, 410, or 425 of the small business deduction, whichever is less .. 0 KTotal of amounts G, H, I, J, and K 0 0 LAmount F minus amount L (if negative, enter "0") 0 M**Accelerated tax reduction** - 7% of amount M (enter amount N on line 637 of page 7) 0 N

* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to use Schedule 70 to calculate net active business income.

** Calculate the amount of foreign business income tax credit deductible at line 636 without reference to the corporate tax reductions under section 123.4.

Resource deduction

Taxable resource income [as defined in subsection 125.11(1)]				435	<u>0</u>	A
Amount A	<u>0</u>	x	Number of days in the taxation year in 2003	<u>0</u>	x 1% =	<u>0</u> B
			Number of days in the taxation year	239		
Amount A	<u>0</u>	x	Number of days in the taxation year in 2004	<u>0</u>	x 2% =	<u>0</u> C
			Number of days in the taxation year	239		
Amount A	<u>0</u>	x	Number of days in the taxation year in 2005	<u>0</u>	x 3% =	<u>0</u> C.1
			Number of days in the taxation year	239		
Amount A	<u>0</u>	x	Number of days in the taxation year in 2006	<u>0</u>	x 5% =	<u>0</u> C.2
			Number of days in the taxation year	239		
Resource deduction – total of amounts B, C, C.1, and C.2 (enter amount D on line 10 of page 7)				438	<u>0</u>	D

General tax reduction for Canadian-controlled private corporations**Canadian-controlled private corporations throughout the taxation year**

Taxable income from line 360 on page 3				<u>0</u>	E	
Amount Z from Part 9 of Schedule 27	<u>0</u>	x 100/7 =	<u>0</u>	F		
Amount QQ from Part 13 of Schedule 27	<u>0</u>		<u>0</u>	G		
Taxable resource income from line 435 above	<u>0</u>		<u>0</u>	H		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	<u>0</u>		<u>0</u>	I		
Amount on line 400, 405, 410, or 425 on page 4, whichever is less	<u>0</u>		<u>0</u>	J		
Aggregate investment income from line 440 of page 6	<u>0</u>		<u>0</u>	K		
Amount used to calculate the accelerated tax reduction (amount M of page 4)	<u>0</u>		<u>0</u>	L		
Total of amounts F, G, H, I, J, K, and L	<u>0</u>		<u>0</u>	M		
Amount E minus amount M (if negative, enter "0")				<u>0</u>	N	
Amount N	<u>0</u>	x	Number of days in the taxation year in 2002	<u>239</u>	x 3% =	<u>0</u> O
			Number of days in the taxation year	239		
Amount N	<u>0</u>	x	Number of days in the taxation year in 2003	<u>0</u>	x 5% =	<u>0</u> P
			Number of days in the taxation year	239		
Amount N	<u>0</u>	x	Number of days in the taxation year after 2003	<u>0</u>	x 7% =	<u>0</u> Q
			Number of days in the taxation year	239		
General tax reduction for Canadian-controlled private corporations - total of amounts O, P, and Q (enter amount R on line 638 of page 7)				<u>0</u>	R	

General tax reduction**Corporations other than a Canadian-controlled private corporation, an investment corporation, a mortgage investment corporation, a mutual fund corporation, or a non-resident-owned investment corporation**

Taxable income from line 360 of page 3				<u>0</u>	S	
Amount Z from Part 9 of Schedule 27	<u>0</u>	x 100/7 =	<u>0</u>	T		
Amount QQ from Part 13 of Schedule 27	<u>0</u>		<u>0</u>	U		
Taxable resource income from line 435 above	<u>0</u>		<u>0</u>	V		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)	<u>0</u>		<u>0</u>	W		
Total of amounts T, U, V, and W	<u>0</u>		<u>0</u>	X		
Amount S minus amount X (if negative, enter "0")				<u>0</u>	Y	
Amount Y	<u>0</u>	x	Number of days in the taxation year in 2002	<u>239</u>	x 3% =	<u>0</u> Z
			Number of days in the taxation year	239		
Amount Y	<u>0</u>	x	Number of days in the taxation year in 2003	<u>0</u>	x 5% =	<u>0</u> AA
			Number of days in the taxation year	239		
Amount Y	<u>0</u>	x	Number of days in the taxation year after 2003	<u>0</u>	x 7% =	<u>0</u> BB
			Number of days in the taxation year	239		
General tax reduction - total of amounts Z, AA, and BB (enter amount CC on line 639 of page 7)				<u>0</u>	CC	

Refundable portion of Part I tax**Canadian-controlled private corporations throughout the taxation year**

Aggregate investment income 440 0 x 26 2/3% = 0 A
(amount P from Part 1 of Schedule 7)

Foreign non-business income tax credit from line 632 on page 7 0

Deduct:

Foreign investment income 445 0 x 9 1/3% = 0
(amount O from Part 1 of Schedule 7) (if negative, enter "0") 0 B

Amount A minus amount B (if negative, enter "0") 0 C

Taxable income from line 360 on page 3 0

Deduct:

Amount on line 400, 405, 410, or 425 on page 4, whichever is less 0

Foreign non-business
income tax credit from
line 632 of page 7 0 x 25/9 = 0

Foreign business income
tax credit from line 636
of page 7 0 x 3 = 0

..... 0 x 26 2/3% = 0 D

Part I tax payable minus investment tax credit refund (line 700 minus line 780 of page 8) ... 0

Deduct: Corporate surtax from line 600 of page 7 0

Net amount 0 E

Refundable portion of Part I tax – Amount C, D, or E, whichever is less 450 F

Refundable dividend tax on hand

Refundable dividend tax on hand at the end of the preceding taxation year 460 0

Deduct: Dividend refund for the previous taxation year 465 0

..... 0 A

Add the total of:

Refundable portion of Part I tax from line 450 above 0

Total Part IV tax payable from line 360 on page 2 of Schedule 3 0

Net refundable dividend tax on hand transferred from a predecessor
corporation on amalgamation, or from a wound-up subsidiary corporation 480 0

..... 0 B

Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B 485 0

Dividend refund**Private and subject corporations at the time taxable dividends were paid in the taxation year**

Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 0 x 1/3 0 A

Refundable dividend tax on hand at the end of the taxation year from line 485 above 0 B

Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8) 0

Part I tax

Base amount of Part I tax – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 **550** 0 A

Corporate surtax calculation

Base amount from line A above	<u>0</u>	1
Deduct:		
10% of taxable income (line 360 or amount Z, whichever applies) from page 3	<u>0</u>	2
Investment corporation deduction from line 620 below	<u>0</u>	3
Federal logging tax credit from line 640 below	<u>0</u>	4
Federal qualifying environmental trust tax credit from line 648 below	<u>0</u>	5

For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:

28.00% of taxable income from line 360 of page 3 ...	<u>0</u> a	}	<u>0</u>	6
28.00% of taxed capital gains	<u>0</u> b			
Part I tax otherwise payable	<u>0</u> c			
(line A plus lines C and D minus line F)				
Total of lines 2 to 6	<u>0</u>		<u>0</u>	7
Net amount (line 1 minus line 7)	<u>0</u>		<u>0</u>	8

Corporate surtax – 4.00% of the amount on line 8 **600** 0 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31 **602** 0 C

Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income
(for a CCPC throughout the taxation year)

Aggregate investment income from line 440 on page 6	<u>0</u>	i
Taxable income from line 360 on page 3	<u>0</u>	
Deduct:		
Amount on lines 400, 405, 410, or 425 of page 4, whichever is less ..	<u>0</u>	
Net amount	<u>0</u>	ii

Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii **604** 0 D

Subtotal (add lines A, B, C, and D) 0 E

Deduct:

Small business deduction from line 430 of page 4	<u>0</u>	9
Federal tax abatement	608	<u>0</u>
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616	<u>0</u>
Investment corporation deduction	620	<u>0</u>
(taxed capital gains 624 <u>0</u>)		
Additional deduction – credit unions from Schedule 17	628	<u>0</u>
Federal foreign non-business income tax credit from Schedule 21	632	<u>0</u>
Federal foreign business income tax credit from Schedule 21	636	<u>0</u>
Accelerated tax reduction from amount N of page 4	637	<u>0</u>
Resource deduction from line 438 of page 5	<u>0</u>	10
General tax reduction for CCPCs from amount R of page 5	638	<u>0</u>
General tax reduction from amount CC of page 5	639	<u>0</u>
Federal logging tax credit from Schedule 21	640	<u>0</u>
Federal political contribution tax credit	644	<u>0</u>
Federal political contributions 646 <u>0</u>		
Federal qualifying environmental trust tax credit	648	<u>0</u>
Investment tax credit from Schedule 31	652	<u>0</u>
Subtotal	<u>0</u>	<u>0</u> F

Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8) 0 G

Summary of tax and credits**Federal tax**

Part I tax payable from page 7	700	0
Part I.3 tax payable from Schedule 33, 34, or 35	704	29,118
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
Total federal tax		29,118

Add provincial and territorial tax:Provincial or territorial jurisdiction **750** ON

(if more than one jurisdiction, enter "multiple" and complete Schedule 5)

Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta) **760** 0Provincial tax on large corporations (New Brunswick and Nova Scotia) **765** 0**Total tax payable** **770** **29,118 A****Deduct other credits:**

Investment tax credit refund from Schedule 31	780	0
Dividend refund from page 6	784	0
Federal capital gains refund from Schedule 18	788	0
Federal qualifying environmental trust tax credit refund	792	0
Canadian film or video production tax credit refund from Form T1131	796	0
Film or video production services tax credit refund from Form T1177	797	0
Tax withheld at source	800	0

Total payments on which tax has been withheld **801** 0Allowable refund for non-resident-owned investment corporations from Schedule 26 **804** 0Provincial and territorial capital gains refund from Schedule 18 **808** 0Provincial and territorial refundable tax credits from Schedule 5 **812** 0Royalties deductible under Syncrude Remission Order **815** 0Tax remitted under Syncrude Remission Order **816** 0Tax instalments paid **840** 27,960**Total credits** **890** 27,960 **27,960 B**Refund code **894** 0

Overpayment 0

Balance (line A minus line B) **1,158****Direct deposit request**

To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:

☐ Start ☐ Change information **910** Branch number

914 Institution number **918** Account number

If the result is negative, you have an **overpayment**.If the result is positive, you have a **balance unpaid**.

Enter the amount on whichever line applies.

We do not charge or refund a difference of \$2 or less.

Balance unpaid **1,158****Enclosed payment** **898** **1,158**

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due?

896 1 Yes ☐ 2 No ☒**Certification**

950 Bell Last name in block letters **951** Pat First name in block letters **954** Finance Manager Position, office, or rank

I am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

955 Date (yyyy/mm/dd) **956** 519-396-3485 Telephone number

Is the contact person the same as the authorized signing officer? If No, complete the information below **957** 1 Yes ☒ 2 No ☐

958 Name in block letters **959** Telephone number

Language of correspondence - Langue de correspondance

990 Indicate the language of your choice.
Indiquer la langue de correspondance de votre choix.

1 English/Anglais ☒ 2 Français/French ☐

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

NET INCOME (LOSS) FOR INCOME TAX PURPOSES

- The purpose of this schedule is to provide a reconciliation between the corporation's net income (loss) as reported on the financial statements and its net income (loss) for tax purposes.
- Please provide us with the applicable details in the identification area, and complete the applicable lines that contain a numbered black box. You should report amounts in accordance with the Generally Accepted Accounting Principles (GAAP).
- Sections, subsections, and paragraphs referred to on this schedule are from the "Income Tax Act."
- For more information, see the "T2 Corporation Income Tax Guide."

Net income (loss) after taxes and extraordinary items per financial statements	1,374,388	A
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Additions:

Provision for income taxes - current	101	52,590	
Provision for income taxes - deferred	102	900,000	
Amortization of tangible assets	104	1,013,685	
Amortization of intangible assets	106	21,150	

Subtotal of additions		1,987,425	1,987,425

Other Additions:**Miscellaneous Other Additions:**

600 Net loss for Jan 1 to May 6 - Reported on May 06/02	290	981,199	

Subtotal of Other Additions	199	981,199	981,199

Total Additions	500	2,968,624	

Westario Power Inc.

Account/Business No.: 865909790RC0001

Year Ended:

2002-12-31

Sch. 001

Deductions:

Capital cost allowance from Schedule 8.....	<input type="checkbox"/> 403	1,496,961	
Cumulative eligible capital deduction from Schedule 10.....	<input type="checkbox"/> 405	77,734	
Deferred and prepaid expenses.....	<input type="checkbox"/> 409	1,470,396	

Subtotal of Deductions.....		3,045,091	3,045,091

Other Deductions:**Miscellaneous Other Deductions:**

<input type="checkbox"/> 700 Stub period depreciation reported May 6.....	<input type="checkbox"/> 390	326,199	
<input type="checkbox"/> 701 Tax provision reported May 6.....	<input type="checkbox"/> 391	11,706	

Subtotal of Other Deductions.....	<input type="checkbox"/> 499	337,905	337,905

Total Deductions	<input type="checkbox"/> 510		3,382,996

Net income (loss) for income tax purposes.....	960,016
(enter on line 300 on the T2 return)	=====

Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada

CORPORATION LOSS CONTINUITY AND APPLICATION

- For use by a corporation to determine the continuity and use of available losses; to determine the current-year non-capital loss, farm loss, restricted farm loss, and limited partnership loss; to determine the amount of restricted farm loss and limited partnership loss that may be applied in a year; and to request a loss carryback to prior years.
- The corporation can choose whether or not to deduct an available loss from income in a taxation year. It can deduct losses in any order. However, for each type of loss, deduct the oldest loss first.
- For a detailed description and calculation of these losses, see Interpretation Bulletin IT-232, "Losses - Their Deductibility in the Loss Year or in Other Years." For information on these losses, see the "T2 Corporation Income Tax Guide."
- File one completed copy of this schedule with the T2 return, or forward it by itself to the tax centre where the return is filed.
- Parts, sections, subsections, and paragraphs, referred to on this schedule are from the federal "Income Tax Act."

Part 1 - Non-capital losses**Determination of current-year non-capital loss**

Net income (loss) for income tax purposes	960,016	
Deduct: (increase a loss)		
Net capital losses deducted in the year (enter as a positive amount)	0	
Taxable dividends deductible under sections 112, 113, or subsection 138(6)	0	
Amount of Part VI.1 tax deductible	0	
Amount deductible as prospector's and grubstaker's shares - Paragraph 110(1)(d.2)	0	0

Subtotal (if positive, enter "0")	0	
Deduct: (increase a loss)		
Section 110.5 - Addition for foreign tax deductions	0	

Subtotal	0	
Add: (decrease a loss)		
Current-year farm loss	0	

Current-year non-capital loss (if positive, enter "0")	0	
		=====

Continuity of non-capital losses and request for a carryback

Non-capital loss at the end of preceding taxation year	1,631,411	
Deduct: Non-capital loss expired after seven taxation years	100 0	
Non-capital losses at beginning of taxation year	102 1,631,411	
Non-capital losses transferred on amalgamation or wind-up of subsidiary corporation	105 0	
Current-year non-capital loss (from calculation above)	110 0	1,631,411