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

### **T2 CORPORATION INCOME TAX RETURN**

200 Code 0301

Do not use this area

055

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.

| Identification                                                                               |                                         |                                                                                                  |                                |
|----------------------------------------------------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------|
| Business Number (BN)                                                                         | 001 863605929RC0001                     |                                                                                                  |                                |
| Corporation's name                                                                           |                                         |                                                                                                  |                                |
| 002 NIAGARA-ON-THE-LAKE HY                                                                   | DRO INC.                                |                                                                                                  | · 09                           |
| 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                                                                       |                                         | To which taxation year does this return ap                                                       | oply?                          |
| Has the address changed since the last time we were notified?                                | 010 1 Yes 2 No X                        | Taxation year start                                                                              | Taxation year-end              |
|                                                                                              |                                         | 0602003-01-01                                                                                    | 061 2003-12-31                 |
| 011 P.O. Box 460                                                                             |                                         | YYYY/MM/DD<br>Has there been an acquisition of control                                           | YYYY/MM/DD                     |
| City                                                                                         | Province, territory, or state           | to which subsection 249(4) applies                                                               | 063 1 Yes 2 No X               |
|                                                                                              | 016 ON                                  | since the previous taxation year?                                                                | 063 1 Yes 2 No X               |
| Country (other than Canada)                                                                  | Postal code/ZIP code                    | If Yes, give the date control was                                                                | 065                            |
| 017                                                                                          | 018 LOS-1T0                             | acquired                                                                                         | 065 YYYY/MM/DD                 |
| Malling address (if different from head offic<br>Has the address changed since the last time |                                         | is the corporation a professional                                                                |                                |
|                                                                                              |                                         | corporation that is a member of                                                                  |                                |
|                                                                                              |                                         | a partnership?                                                                                   | 067 1 Yes 2 No X               |
| 022                                                                                          | · · · · ·                               | is this the first year of filing after:                                                          |                                |
| 023                                                                                          | · · · · · · · · · · · · · · · · · · ·   | Incorporation?                                                                                   | 070 1 Yes 2 No X               |
| City                                                                                         | Province, territory, or state           | Amalgamation?                                                                                    | 071 1 Yes 2 No X               |
| 025                                                                                          | 026                                     | If Yes, complete and attach Schedule 24.                                                         |                                |
| Country (other than Canada)                                                                  | Postal code/ZIP code                    | Has there been a windup of a subsidiary<br>under section 88 during the current<br>taxation year? | 072 1 Yes 2 No X               |
| 027                                                                                          | 028                                     | If yes, complete and attach Schedule 24.                                                         |                                |
| Location of books and records                                                                |                                         | Is this the final taxation year                                                                  |                                |
| 031 P.O. BOX 460, 8 HENEGAN I                                                                | ROAD                                    | before amalgamation?                                                                             | 076 1 Yes 2 No X               |
| 032                                                                                          |                                         | Is this the final return up to                                                                   |                                |
| City                                                                                         | Province, territory, or state           | dissolution?                                                                                     | 078 1 Yes 2 No X               |
| 035 Virgil<br>Country (other than Canada)                                                    | O36 ON<br>Postal code/ZIP code          | is the corporation a resident of Canada?                                                         |                                |
| 037                                                                                          | 038 LOS-1TO                             |                                                                                                  | give the country of residence. |
| 040 Type of corporation at the end of th                                                     |                                         | 080 1 Yes X 2 No If No, g                                                                        |                                |
|                                                                                              | Corporation controlled by               | 081                                                                                              |                                |
| 1 X private corporation (CCPC)                                                               | a public corporation                    | Is the non-resident corporation claiming<br>an exemption under an income tax<br>treaty?          |                                |
| 2 Other private corporation 5                                                                | 5 Other corporation<br>(specify, below) | If yes, complete and attach Schedule 91.                                                         | 082 1 Yes 2 No 👗               |
| 3 Public corporation                                                                         |                                         | If the corporation is exempt from tax unde<br>one of the following boxes:                        | er section 149, tick           |
|                                                                                              |                                         | 085 1 Exempt under paragraph                                                                     | 149(1)(e) or (l)               |
| If the type of corporation changed during                                                    |                                         | 2 Exempt under paragraph                                                                         | 149(1)(j)                      |
| the taxation year, provide the effective<br>date of the change                               | 043                                     | -3 Exempt upder paragraph                                                                        | 149(1)(t)                      |
|                                                                                              | YYYY/MM/DD                              | 4 Exempt under biner para                                                                        | Igraphs a section 149          |
| T2 E (03)                                                                                    | (Ce formulaire existe en franç          | ais.) <b>REFEREN</b>                                                                             | Page 1 of 8                    |

#### 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. Yes Schedule Guide item Is the corporation related to any other corporations? Does the corporation have any non-resident shareholders? Is the corporation an associated Canadian-controlled private corporation? Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit? 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 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? Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada? Is the corporation claiming a deduction for payments to a type of employee benefit plan? T5004 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989? T5013 Is the corporation a member of a partnership for which a partnership identification number has been assigned? 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? . . . . . . Did the corporation have any foreign affiliates during the year? Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal Income Tax Regulations? T106 Has the corporation had any non-arm's length transactions with a non-resident? Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year? For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares? Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes? X Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or 78-81 ecological property? 82,104 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund? 69-76 Is the corporation claiming any type of losses? Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction? Has the corporation realized any capital gains or incurred any capital losses during the taxation year? 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? Х Does the corporation have any property that is eligible for capital cost allowance? X Does the corporation have any property that is eligible capital property? Does the corporation have any resource-related deductions? Is the corporation claiming reserves of any kind? Is the corporation claiming a patronage dividend deduction? Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction? Is the corporation an investment corporation or a mutual fund corporation? Was the corporation carrying on business in Canada as a non-resident corporation? Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits? Is the corporation a non-resident-owned investment corporation claiming an allowable refund? Does the corporation have any Canadian manufacturing and processing profits? . . . . . . . . . . . . . . . . Is the corporation claiming an investment tax credit? T661 Is the corporation claiming any scientific research and experimental development expenditures? 33/34/35 Is the corporation subject to gross Part 1.3 tax? X Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax? Is the corporation claiming a surtax credit? Is the corporation subject to gross Part VI tax on capital of financial institutions? Is the corporation claiming a Part I tax credit? Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid? Is the corporation agreeing to a transfer of the liability for Part VI.1 tax? Is the corporation subject to Part II - Tobacco Manufacturers' surtax? 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? 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? 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?

Is the corporation claiming a Canadian film or video production tax credit refund?

NIAGARA-ON-THE-LAKE HYDRO INC.

T1131

2003-12-31

863605929RC0001

#### NIAGARA-ON-THE-LAKE HYDRO INC.

|     | Attachments - continued from page 2                                                                                                                                |         |          |
|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|----------|
| Gu  | lde item                                                                                                                                                           | Yes     | Schedule |
| 130 | Is the corporation subject to Part XIII.1 tax?                                                                                                                     |         | 92 *     |
| 153 | Is the corporation claiming a film or video production services tax credit refund?                                                                                 |         | T1177    |
| 44  | Did the corporation have any foreign affiliates that are not controlled foreign affiliates?                                                                        |         | T1134-A  |
| 44  | Did the corporation have any controlled foreign affiliates?                                                                                                        | $\odot$ | T1134-B  |
| 44  | Did the corporation own specified foreign property in the year with a cost amount over \$100,000?                                                                  |         | T1135    |
| 44  | Did the corporation transfer or loan property to a non-resident trust?                                                                                             |         | T1141    |
| 44  | Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?                                                            |         | T1142    |
|     | - Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?                                                            |         | T1145    |
|     | - Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?                                         |         | T1146    |
|     | <ul> <li>Has the corporation entered into an agreement with other associated corporations for salary or<br/>wages of specified employees for SR&amp;ED?</li> </ul> |         | T1174    |
|     | Is the corporation claiming the BC mining exploration tax credit?                                                                                                  |         | 421      |
|     | Is the corporation claiming the BC SR&ED tax credit?                                                                                                               |         | T666     |

| 280 1 Yes 2 No X                                                |
|-----------------------------------------------------------------|
| -time filers) 281 1 Yes 2 No X                                  |
| 283 1 Wholesale 2 Retail                                        |
| 285 99%                                                         |
|                                                                 |
| /8                                                              |
| 2890%                                                           |
| 291     1 Yes     2 No     X       292     1 Yes     2 No     X |
|                                                                 |

| ——— Ta    | xable income                                                                                                                                                    |           |                               |     |                    |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|-------------------------------|-----|--------------------|
| Net incon | ne or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI                                                                             |           |                               | 300 | -106,7 <u>91</u> A |
| Deduct:   | Charitable donations from Schedule 2                                                                                                                            | 311       | 0                             |     |                    |
|           | Gifts to Canada, a province, or a territory from Schedule 2                                                                                                     | 312       | 0                             |     |                    |
|           | Cultural gifts from Schedule 2                                                                                                                                  | 313       | 0                             |     |                    |
|           | Ecological gifts from Schedule 2                                                                                                                                | 314       | 0                             |     |                    |
|           | Taxable dividends deductible under section 112 or 113, or subsection 138(6)           from Schedule 3                                                           | 320       | .0                            |     |                    |
|           | Part VI.1 tax deduction from Schedule 43                                                                                                                        | 325       | 0                             |     |                    |
|           | Non-capital losses of preceding taxation years from Schedule 4                                                                                                  | 331       | 0                             |     |                    |
|           | Net-capital losses of preceding taxation years from Schedule 4                                                                                                  | 332       | 0                             |     |                    |
|           | Restricted farm losses of preceding taxation years from Schedule 4                                                                                              | 333       | 0                             |     |                    |
|           | Farm losses of preceding taxation years from Schedule 4                                                                                                         | 334       | 0                             |     |                    |
|           | Limited partnership losses of preceding taxation years from Schedule 4                                                                                          | 335       | 0                             |     |                    |
|           | Taxable capital gains or taxable dividends allocated from           a central credit union                                                                      | 340       | 0                             |     |                    |
|           | Prospector's and grubstaker's shares                                                                                                                            | 350       | 0                             |     |                    |
|           | s                                                                                                                                                               | Subtotal  | 0                             | _   | Ов                 |
|           | Subtotal (amount A m                                                                                                                                            | ninus am  | ount B) (if negative, enter " | 0") | <u> </u>           |
| Add:      | Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions .                                                                                          |           |                               | 355 | <u> </u>           |
| Taxable   | income (amount C plus amount D)                                                                                                                                 |           |                               | 360 | 0                  |
| Income e  | exempt under paragraph 149(1)(t)                                                                                                                                |           |                               | 370 | 0                  |
|           | income for a corporation with exempt income under paragraph 149(1)(t) (line 360 r<br>nount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8. | ninus lin | e 370)                        | =   | 0_z                |

| NIAGARA-ON-THE-LAKE HYDRO INC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 863605929RC                                   | 2003-12-31                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------------------------|
| Small business deduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                               |                                                   |
| Canadian-controlled private corporations (CCPCs) throughout the ta                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | xation year                                   | [400] 0 A                                         |
| Income from active business carried on in Canada from Schedule 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                               |                                                   |
| Taxable income from line 360 on page 3, minus 10/3 of the amount at line the amount at line 636** on page 7, and minus any amount that, because                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | of federal law, is exempt from Part I tax     | [405] В                                           |
| Calculation of the business limit:<br>For all CCPCs, calculate the amount at line 4 below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                               |                                                   |
| 200,000 x Number of days in the taxation year before 2003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0 =                                           | 0 1                                               |
| Number of days in the taxation year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 365                                           |                                                   |
| 225 000 x Number of days in the taxation year in 2003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 365 = 225,                                    | 000 %                                             |
| 225,000 x Number of days in the taxation year in 2003<br>Number of days in the taxation year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 365 <u>- 365</u>                              | 500 -                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                               | 03                                                |
| 250,000 x Number of days in the taxation year in 2004<br>Number of days in the taxation year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <u>    0   =                        </u>      | <u> </u>                                          |
| 275,000 x Number of days in the taxation year in 2005                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 0 =                                           | <u> </u>                                          |
| Number of days in the taxation year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 365                                           |                                                   |
| Add amounts at                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | lines 1, 2, 3, and 3.1225,                    |                                                   |
| Business limit (see notes 1 and 2 below)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                               | 410 <u>1,076</u> c                                |
| <ul> <li>Notes: 1. For CCPCs that are note associated, enter the amount from litaxation year is less than 51 weeks, prorate the amount from lidvided by 365, and enter the result on line 410.</li> <li>2. For associated CCPCs, use Schedule 23 to calculate the amount</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | ine 4 by the number of dyas in the taxation   |                                                   |
| Business limit reduction:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                               |                                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ,819 D =                                      | <u>652</u> е                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ,250                                          |                                                   |
| Reduced business limit (amount C minus amount E) (if negative, enter "0"                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | •                                             | 425 <u>424</u> F                                  |
| Small business deduction -16.00% of whichever amount is least: A, B,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | C, or F                                       | 430 <u> </u>                                      |
| (enter amount G on line 9 of page 7)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                               |                                                   |
| <ul> <li>Calculate the amount of foreign non-business income tax credit dedu<br/>investment income (line 604) and without reference to the corporate t</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                               | undable tax on the CCPC's                         |
| ** Calculate the amount of foreign business income tax credit deductible                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                               | ate tax reductions under section 123.4.           |
| *** Large corporation tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                               |                                                   |
| <ul> <li>The large corporation tax to be entered at line 415 is the gross Part<br/>reflect a full-year tax liability if the taxation year is less than 51 wee<br/>to 0.225% x (taxable capital employed in Canada minus \$10,000,00</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | ks. For the purpose of the business limit red |                                                   |
| <ul> <li>If the corporation is not associated with any corporation in both the<br/>tax for its preceding taxation year.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -                                             | nter the corporation's gross Part I.3             |
| <ul> <li>If the corporation is not associated with any corporation in the curre<br/>current taxation year;</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ent taxation year, but was associated in the  | preceding taxation year, and its                  |
| <ul> <li>starts before December 21, 2002, enter the corporation's gross</li> <li>starts after December 20, 2002, enter the corporation's gross P</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                               | or                                                |
| <ul> <li>For corporations associated in the current taxation year, see Sched</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | dule 23 for the special rules that apply.     |                                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                               |                                                   |
| Accelerated tax reduction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                               |                                                   |
| Canadian-controlled private corporations throughout the taxation ye                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                               |                                                   |
| Reduced business limit (amount from line 425)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 191 x                                         | $\frac{10,000}{4 \text{ above}} = 565^{\text{A}}$ |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                               | 4 above                                           |
| Net active business income (amount from line 400) *                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                               | в                                                 |
| Taxable income from line 360 on page 3 minus 3 times the amount at line                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | e 636** on page 7,                            | 0 c                                               |
| and minus any amount that, because of federal law, is exempt for Part I<br>Deduct:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | ax                                            | <u> </u>                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                               | 0 D                                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | · · · · · · · · · · · · · · · · · · ·         | 0 0 E                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ·····                                         |                                                   |
| Amount A, B, or E above, whichever is less                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                               | 0 F                                               |
| Amount Z from Part 9 of Schedule 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | x 100/7 =                                     | <u>    0</u>                                      |
| Amount QQ from Part 13 of Schedule 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                               | 0 н                                               |
| Taxable resource income from line 435 of page 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ·····                                         | 0 1                                               |
| Amount used to calculate the credit union deduction (amount E in Part 3 d                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                               |                                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                               | L 0                                               |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | of Schedule 17)                               | <u>О</u> у                                        |
| Amount on line 400, 405, 410, or 425 of the small business deduction, where                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | of Schedule 17)                               |                                                   |
| Amount on line 400, 405, 410, or 425 of the small business deduction, whe Total of amounts G, H, I, J, and K                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | of Schedule 17)                               | <u> </u>                                          |
| Amount on line 400, 405, 410, or 425 of the small business deduction, where the small business deduction is the small business deduction. The small business deduction is the small business deduction, where the small business deduction is the small business deduction. The small business deduction is the small business deduction, where the small business deduction is the small business deduction. The small business deduction is the small business deduction is the small business deduction. The small business deduction is the small business deduction is the small business deduction is the small business deduction. The small business deduction is the small business deducting deducting deducting deduction is the small business deducting de | of Schedule 17)                               | <u>     0                               </u>      |
| Amount on line 400, 405, 410, or 425 of the small business deduction, whe Total of amounts G, H, I, J, and K                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | of Schedule 17)                               | 0 K<br>0 0 L<br>0 M<br>0 N                        |

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| — Resource deduction —                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                      |
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| axable resource income                                                                                                                                                                                                                                                                                                                                                                                                                                                    | • • • • • • • • • • • • • • •                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                      |
| Amount A                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <u>     0                               </u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of days in the taxation year in 2003                                                                                                                                                                                                                   | $365 \times 1\% =$                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <u>О</u> в                           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of days in the taxation year                                                                                                                                                                                                                           | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |
| Amount A                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0 .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number of days in the taxation year in 2004                                                                                                                                                                                                                   | <u> </u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0 0                                  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ^                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of days in the taxation year                                                                                                                                                                                                                           | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |
| Amount A                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0 🗸                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number of days in the taxation year in 2005                                                                                                                                                                                                                   | <u>    0                                </u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0 C.1                                |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | X                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of days in the taxation year                                                                                                                                                                                                                           | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |
| source deduction - total of amour                                                                                                                                                                                                                                                                                                                                                                                                                                         | nts B. C. and C.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0 D                                  |
| nter amount D on line 10 of page 7)                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                      |
| General tax reduction f                                                                                                                                                                                                                                                                                                                                                                                                                                                   | or Canadian-contr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | olled private corporations                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                      |
| anadian-controlled private corpo                                                                                                                                                                                                                                                                                                                                                                                                                                          | rations throughout th                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | e taxation year                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                      |
| axable income from line 360 on pag                                                                                                                                                                                                                                                                                                                                                                                                                                        | e3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0 E                                  |
| anable meente ment mie eee en pag                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                      |
| mount Z from Part 9 of Schedule 27                                                                                                                                                                                                                                                                                                                                                                                                                                        | ,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>0</u> x 100/7                                                                                                                                                                                                                                              | <u> </u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                      |
| mount QQ from Part 13 of Schedule                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                               | <u> </u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                      |
| axable resource income from line 43                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                               | 0.11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                      |
| mount used to calculate the credit u                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                               | 0 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |
| mount on line 400, 405, 410, or 425                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                      |
| Aggregate investment income from lin                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | IS IPSS                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                      |
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| mount used to calculate the acceler                                                                                                                                                                                                                                                                                                                                                                                                                                       | •                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 0                                    |
| otal of amounts F, G, H, I, J, K, and                                                                                                                                                                                                                                                                                                                                                                                                                                     | L                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | ·····                                                                                                                                                                                                                                                         | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Ом                                   |
| mount E minus amount M (if negativ                                                                                                                                                                                                                                                                                                                                                                                                                                        | /e, enter "0")                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | »                                                                                                                                                                                                                                                             | ······································                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0 N                                  |
| 6 B                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of days in the taxation year in 2001                                                                                                                                                                                                                   | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0                                    |
| Amount N                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | ×                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of days in the taxation year                                                                                                                                                                                                                           | $\frac{0}{2.5}$ x 1% =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | N =4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                               | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |
| Amount N                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <u> </u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of days in the taxation year in 2002                                                                                                                                                                                                                   | <u> </u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>     0  0  </u> 0                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of days in the taxation year                                                                                                                                                                                                                           | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |
| Amount N                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0 .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number of days in the taxation year in 2003                                                                                                                                                                                                                   | <u>365</u> x 5% =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u> 0 P</u>                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | X                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of days in the taxation year                                                                                                                                                                                                                           | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of days in the taxation year after 2003                                                                                                                                                                                                                | _                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0 0                                  |
| Amount N                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                      |
| Amount N                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <u> </u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                               | $\frac{0}{365}$ x 7% =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | ×                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Number of days in the taxation year                                                                                                                                                                                                                           | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | n-controlled private c                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                               | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>0</u> r                           |
| General tax reduction for Canadia                                                                                                                                                                                                                                                                                                                                                                                                                                         | n-controlled private c                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Number of days in the taxation year                                                                                                                                                                                                                           | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |
| General tax reduction for Canadia<br>enter amount R on line 638 of page<br>General tax reduction                                                                                                                                                                                                                                                                                                                                                                          | n-controlled private c<br>7)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of days in the taxation year<br>orporations - total of amounts year 2001, O, P, and Q                                                                                                                                                                  | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |
| General tax reduction for Canadia<br>enter amount R on line 638 of page<br>General tax reduction<br>Corporations other than a Canadia                                                                                                                                                                                                                                                                                                                                     | n-controlled private c<br>7)<br>an-controlled private o                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Number of days in the taxation year<br>orporations - total of amounts year 2001, O, P, and Q<br>corporation, an investment corporation, a mortgag                                                                                                             | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |
| General tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>Corporations other than a Canadian<br>a mutual fund corporation, or a no                                                                                                                                                                                                                                                                                             | n-controlled private c<br>7)<br>an-controlled private o<br>n-resident-owned inv                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of days in the taxation year<br>orporations - total of amounts year 2001, O, P, and Q<br>corporation, an investment corporation, a mortgag                                                                                                             | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0 R                                  |
| General tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>Corporations other than a Canadian<br>mutual fund corporation, or a no                                                                                                                                                                                                                                                                                               | n-controlled private c<br>7)<br>an-controlled private o<br>n-resident-owned inv                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of days in the taxation year<br>orporations - total of amounts year 2001, O, P, and Q<br>corporation, an investment corporation, a mortgag                                                                                                             | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                      |
| eneral tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>corporations other than a Canadia<br>mutual fund corporation, or a no<br>axable income from line 360 of page                                                                                                                                                                                                                                                          | an-controlled private c<br>7)<br>an-controlled private o<br>on-resident-owned inv<br>e 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of days in the taxation year<br>orporations - total of amounts year 2001, O, P, and Q<br>corporation, an investment corporation, a mortgag<br>vestment corporation                                                                                     | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0 R                                  |
| eneral tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>corporations other than a Canadia<br>mutual fund corporation, or a no<br>axable income from line 360 of page<br>mount Z from Part 9 of Schedule 27                                                                                                                                                                                                                    | an-controlled private c<br>7)<br>an-controlled private o<br>on-resident-owned inv<br>e 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an investment corporation, a mortgage         vestment corporation        0_x 100/7                                                    | 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 0 R                                  |
| eneral tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>orporations other than a Canadia<br>mutual fund corporation, or a no<br>axable income from line 360 of page<br>mount Z from Part 9 of Schedule 27<br>mount QQ from Part 13 of Schedule                                                                                                                                                                                | an-controlled private c<br>7)<br>an-controlled private c<br>n-resident-owned inv<br>e 3<br>7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an investment corporation, a mortgag         vestment corporation        0_x 100/7                                                     | 365<br>e investment corporation,<br>0 T<br>0 U                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0 R                                  |
| General tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>corporations other than a Canadia<br>mutual fund corporation, or a no<br>axable income from line 360 of page<br>mount Z from Part 9 of Schedule 27<br>mount QQ from Part 13 of Schedule<br>axable resource income from line 43                                                                                                                                       | an-controlled private c<br>7)<br>an-controlled private c<br>n-resident-owned Inv<br>e 3<br>7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an investment corporation, a mortgage         vestment corporation        0_x 100/7                                                    | 365<br>e investment corporation,<br>0_T<br>0_U<br>0_V                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 0 R                                  |
| General tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>corporations other than a Canadia<br>mutual fund corporation, or a no<br>axable income from line 360 of page<br>mount Z from Part 9 of Schedule 27<br>mount QQ from Part 13 of Schedule<br>axable resource income from line 43<br>mount used to calculate the credit u                                                                                               | an-controlled private c<br>7)<br>an-controlled private o<br>on-resident-owned inv<br>e 3<br>2 27<br>35 above                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an investment corporation, a mortgagneric corporation         vestment corporation         0       x 100/7                             | 365<br>e investment corporation,<br>0 T<br>0 U<br>0 v<br>0 w                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>    0</u> R<br><u>    0 </u> s    |
| General tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>corporations other than a Canadia<br>mutual fund corporation, or a no<br>faxable income from line 360 of page<br>smount Z from Part 9 of Schedule 27<br>mount QQ from Part 13 of Schedule<br>faxable resource income from line 43<br>mount used to calculate the credit u                                                                                            | an-controlled private c<br>7)<br>an-controlled private o<br>on-resident-owned inv<br>e 3<br>2 27<br>35 above                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an investment corporation, a mortgage         vestment corporation        0_x 100/7                                                    | 365<br>e investment corporation,<br>0_T<br>0_U<br>0_V                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <u>    0</u> R<br><u>    0 </u> s    |
| General tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>corporations other than a Canadia<br>mutual fund corporation, or a no<br>axable income from line 360 of page<br>amount Z from Part 9 of Schedule 27<br>mount QQ from Part 13 of Schedule<br>axable resource income from line 4<br>mount used to calculate the credit u<br>total of amounts T, U, V, and W                                                            | an-controlled private c<br>7)<br>an-controlled private o<br>on-resident-owned inv<br>e 3<br>2<br>2<br>35 above<br>union deduction (amour                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an investment corporation, a mortgagneric corporation         vestment corporation         0       x 100/7                             | 365<br>e investment corporation,<br>0 T<br>0 U<br>0 v<br>0 w                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0 R<br>0 s<br>0 x                    |
| General tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>corporations other than a Canadia<br>mutual fund corporation, or a no<br>axable income from line 360 of page<br>amount Z from Part 9 of Schedule 27<br>mount QQ from Part 13 of Schedule<br>axable resource income from line 4<br>mount used to calculate the credit u<br>total of amounts T, U, V, and W                                                            | an-controlled private c<br>7)<br>an-controlled private o<br>on-resident-owned inv<br>e 3<br>2<br>2<br>35 above<br>union deduction (amour                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an investment corporation, a mortgagnerity         vestment corporation         0       x 100/7         nt E in Part 3 of Schedule 17) | 365<br>e investment corporation,<br>0 T<br>0 U<br>0 v<br>0 w                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0 R<br>0 s<br>0 x<br>0 x             |
| General tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>Corporations other than a Canadia<br>mutual fund corporation, or a no<br>faxable income from line 360 of page<br>amount Z from Part 9 of Schedule 27<br>amount QQ from Part 13 of Schedule<br>faxable resource income from line 4<br>amount used to calculate the credit u<br>fotal of amounts T, U, V, and W                                                        | an-controlled private c<br>7)<br>an-controlled private o<br>on-resident-owned inv<br>e 3<br>2<br>2<br>35 above<br>union deduction (amour                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an investment corporation, a mortgagnerit corporation                                                                                  | 365<br>e investment corporation,<br>0 T<br>0 U<br>0 v<br>0 w                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <u>    0</u> R<br><u>    0</u> S     |
| General tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>Corporations other than a Canadia<br>mutual fund corporation, or a no<br>faxable income from line 360 of page<br>amount Z from Part 9 of Schedule 27<br>amount QQ from Part 13 of Schedule<br>faxable resource income from line 43<br>amount used to calculate the credit u<br>fotal of amounts T, U, V, and W<br>amount S minus amount X (if negative               | an-controlled private c<br>7)<br>an-controlled private of<br>an-controlled p | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an investment corporation, a mortgagnerity         vestment corporation         0       x 100/7         nt E in Part 3 of Schedule 17) | 365<br>e investment corporation,<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 0 R<br>0 s<br>0 x<br>0 x             |
| General tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>corporations other than a Canadia<br>mutual fund corporation, or a no<br>axable income from line 360 of page<br>mount Z from Part 9 of Schedule 27<br>mount QQ from Part 13 of Schedule<br>axable resource income from line 43<br>mount used to calculate the credit u<br>total of amounts T, U, V, and W<br>mount S minus amount X (if negative<br>Amount Y         | an-controlled private c<br>7)<br>an-controlled private c<br>on-resident-owned inv<br>e 3<br>2 27<br>35 above<br>union deduction (amour<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an investment corporation, a mortgagnerit corporation                                                                                  | $365$ e investment corporation, $ \begin{array}{c} 0 \\ \hline \\ 0 \\ \hline \hline \\ 0 \\ \hline \\ 0 \\ \hline \hline \hline \hline$                | 0 R<br>0 s<br>0 s<br>0 x<br>0 y      |
| eneral tax reduction for Canadian<br>onter amount R on line 638 of page<br>General tax reduction<br>orporations other than a Canadia<br>mutual fund corporation, or a no<br>axable income from line 360 of page<br>mount Z from Part 9 of Schedule 27<br>mount QQ from Part 13 of Schedule 27<br>mount QQ from Part 13 of Schedule 27<br>mount used to calculate the credit u<br>otal of amounts T, U, V, and W<br>mount S minus amount X (if negative                    | an-controlled private c<br>7)<br>an-controlled private of<br>an-controlled p | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an investment corporation, a mortgag         vestment corporation         0       x 100/7                                              | $365$ e investment corporation, $ \begin{array}{c} 0 \\ \hline \\ 0 \\ \hline \hline \hline \hline$ | 0 R<br>0 s<br>0 s<br>0 x<br>0        |
| eneral tax reduction for Canadian<br>onter amount R on line 638 of page<br>— General tax reduction<br>orporations other than a Canadia<br>mutual fund corporation, or a no<br>axable income from line 360 of page<br>mount Z from Part 9 of Schedule 27<br>mount QQ from Part 13 of Schedule<br>axable resource income from line 43<br>mount used to calculate the credit u<br>otal of amounts T, U, V, and W<br>mount S minus amount X (if negative<br>Amount Y          | an-controlled private c<br>7)<br>an-controlled private c<br>on-resident-owned inv<br>e 3<br>2 27<br>35 above<br>union deduction (amour<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an Investment corporation, a mortgagnerit corporation                                                                                  | $365$ e investment corporation, $ \begin{array}{c}                                     $                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0 R<br>0 s<br>0 s<br>0 y<br>0 z      |
| General tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>corporations other than a Canadia<br>mutual fund corporation, or a no<br>axable income from line 360 of page<br>mount Z from Part 9 of Schedule 27<br>mount QQ from Part 13 of Schedule<br>axable resource income from line 43<br>mount used to calculate the credit u<br>total of amounts T, U, V, and W<br>mount S minus amount X (if negative<br>Amount Y         | an-controlled private c<br>7)<br>an-controlled private c<br>on-resident-owned inv<br>e 3<br>2 27<br>35 above<br>union deduction (amour<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an investment corporation, a mortgag         vestment corporation         0       x 100/7                                              | $365$ e investment corporation, $ \begin{array}{c}                                     $                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0 R<br>0 s<br>0 s<br>0 y<br>0 z      |
| General tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>Corporations other than a Canadia<br>a mutual fund corporation, or a no<br>faxable income from line 360 of page<br>Amount Z from Part 9 of Schedule 27<br>Amount QQ from Part 13 of Schedule<br>faxable resource income from line 43<br>Amount used to calculate the credit u<br>fotal of amounts T, U, V, and W<br>Amount S minus amount X (if negative<br>Amount Y | an-controlled private c<br>7)<br>an-controlled private c<br>on-resident-owned inv<br>e 3<br>27<br>35 above<br>union deduction (amour<br><br>/e, enter "0")<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an Investment corporation, a mortgagnerit corporation                                                                                  | $365$ e investment corporation, $ \begin{array}{c}                                     $                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0 R<br>0 s<br>0 s<br>0 y<br>0<br>0 z |
| General tax reduction for Canadian<br>enter amount R on line 638 of page<br>General tax reduction<br>Corporations other than a Canadia<br>a mutual fund corporation, or a no<br>faxable income from line 360 of page<br>Amount Z from Part 9 of Schedule 27<br>Amount QQ from Part 13 of Schedule<br>faxable resource income from line 43<br>Amount used to calculate the credit u<br>fotal of amounts T, U, V, and W<br>Amount S minus amount X (if negative<br>Amount Y | an-controlled private c<br>7)<br>an-controlled private c<br>on-resident-owned inv<br>e 3<br>27<br>35 above<br>union deduction (amour<br><br>/e, enter "0")<br>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Number of days in the taxation year         orporations - total of amounts year 2001, O, P, and Q         corporation, an investment corporation, a mortgag         vestment corporation         0       x 100/7                                              | $365$ e investment corporation, $ \begin{array}{c}                                     $                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0 R<br>0 s<br>0 x<br>0 y<br>0        |

Эř

| AGARA-ON-THE-LAKE HYDRO INC.                                                                                       | 863605929RC0001    | 2003-12 |
|--------------------------------------------------------------------------------------------------------------------|--------------------|---------|
| Refundable portion of Part I tax                                                                                   |                    |         |
| Canadian-controlled private corporations throughout the taxation year                                              |                    |         |
| Aggregate investment income 440 X 26 2/3% =<br>amount P from Part 1 of Schedule 7)                                 |                    | 0       |
| oreign non-business income tax credit from line 632 on page 7                                                      | 0                  |         |
| Peduct:                                                                                                            |                    |         |
| oreign investment income 445 0 x 9 1/3% =                                                                          | 0                  |         |
| amount O from Part 1 of Schedule 7) (if negative, enter "0")                                                       | 0                  | 0       |
| mount A minus amount B (if negative, enter "0")                                                                    |                    | C       |
| axable income from line 360 on page 3                                                                              | 0                  |         |
| educt:                                                                                                             |                    |         |
| Amount on line 400, 405, 410, or 425 on page 4, whichever is less                                                  |                    |         |
| Foreign non-business                                                                                               |                    |         |
| income tax credit from<br>line 632 of page 7                                                                       |                    |         |
|                                                                                                                    |                    |         |
| Foreign business income                                                                                            |                    |         |
| tax credit from line 636                                                                                           |                    |         |
| of page 7 $0 \times 3 = 0$                                                                                         | 0                  |         |
|                                                                                                                    | 0 x 26 2/3% =      |         |
|                                                                                                                    | <u></u> X 28 23% = |         |
|                                                                                                                    |                    |         |
| 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                                                                   | - <u>- 0</u>       |         |
| Net amount                                                                                                         | 0                  | (       |
| Refundable portion of Part I tax – Amount C, D, or E, whichever is less                                            | 450                | (       |
| Refundable portion of Part I tax - Amount C, D, or E, whichever is less                                            |                    |         |
|                                                                                                                    |                    |         |
|                                                                                                                    |                    |         |
| Refundable dividend tax on hand                                                                                    |                    |         |
| Refundable dividend tax on hand at the end of the preceding taxation year                                          | 0                  |         |
| educt: Dividend refund for the previous taxation year                                                              | 0                  |         |
| :                                                                                                                  |                    |         |
| dd 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                                                 | 2                  |         |
| corporation on amalgamation, or from a wound-up subsidiary corporation 480                                         | 0                  |         |
|                                                                                                                    | 0                  |         |
| Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B                           | 485                |         |
|                                                                                                                    |                    | -       |
|                                                                                                                    |                    |         |
| Dividend actional                                                                                                  |                    |         |
| Dividend refund     Dividend refund     refund     refund the time taxable dividends were paid in the taxation yea | r                  |         |
| The state and subject opportations at the time taxable dividende were baid in the taxation yea                     | _                  |         |
| Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3                                  | <u>0 x 1/3</u>     |         |

| Refundable dividend tax on hand at the end of the taxation year from line 485 above          | : | = |
|----------------------------------------------------------------------------------------------|---|---|
| Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8) |   |   |

<u>0</u>в

0

NIAGARA-ON-THE-LAKE HYDRO INC.

\*

| Part I tax                                                                                                                                           |                       |                          |    |                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------|----|----------------------------------------------|
| Base amount of Part I tax - 38.00% of taxable income (line 360 or amount Z, whichever applies) f                                                     | rom page 3            | 550                      |    | <u>    0                                </u> |
| Corporate surtax calculation                                                                                                                         |                       |                          |    |                                              |
| Base amount from line A above                                                                                                                        |                       | 0 1                      |    |                                              |
| Deduct:                                                                                                                                              |                       |                          |    |                                              |
| 10% of taxable income (line 360 or amount Z, whichever applies) from page 3                                                                          |                       | 0 2                      |    |                                              |
| Investment corporation deduction from line 620 below                                                                                                 |                       | <u>О</u> з               |    |                                              |
| Federal logging tax credit from line 640 below                                                                                                       |                       | 0 4                      |    |                                              |
| Federal qualifying environmental trust tax credit from line 648 below                                                                                |                       | 0 5                      |    | 1                                            |
|                                                                                                                                                      |                       |                          |    |                                              |
| 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                                                                                                     | 7                     |                          | 31 |                                              |
| 28.00% of taxed capital gains                                                                                                                        |                       | <u> </u>                 |    |                                              |
| Part I tax otherwise payable                                                                                                                         |                       |                          |    | 55                                           |
| (line A plus lines C and D minus line F)                                                                                                             |                       |                          |    |                                              |
| Total of lines 2 to 6                                                                                                                                |                       | 7                        |    |                                              |
|                                                                                                                                                      |                       | 08                       |    |                                              |
| Net amount (line 1 minus line 7)                                                                                                                     | •••                   | <u> </u>                 |    |                                              |
|                                                                                                                                                      |                       |                          |    |                                              |
| Corporate surtax – 4.00% of the amount on line 8                                                                                                     |                       | 600                      |    | <u>О</u> В                                   |
|                                                                                                                                                      |                       |                          |    |                                              |
| Recapture of investment tax credit from line PPP in Part 21 of Schedule 31                                                                           |                       |                          |    | <u> </u>                                     |
|                                                                                                                                                      |                       |                          |    |                                              |
| 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> </u>                 |    |                                              |
| Taxable income from line 360 on page 3                                                                                                               | 0                     |                          |    |                                              |
| Deduct:                                                                                                                                              |                       |                          |    |                                              |
| Amount on line 400, 405, 410, or 425 of page 4, whichever is less                                                                                    | 0                     |                          | 40 |                                              |
| Net amount                                                                                                                                           |                       | <u> </u>                 |    |                                              |
|                                                                                                                                                      |                       |                          |    | 0.0                                          |
| Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii                                                                 | •••••                 | 604                      |    | <u>    0   </u>                              |
|                                                                                                                                                      | Subtotal (add lines / | B C and D)               |    | ΟE                                           |
|                                                                                                                                                      |                       | (, 0, 0, und 0) <u> </u> |    |                                              |
| Deduct:                                                                                                                                              |                       | 09                       |    |                                              |
| Small business deduction from line 430 of page 4                                                                                                     |                       | 0 9                      |    |                                              |
| Federal tax abatement                                                                                                                                | . 608                 |                          |    |                                              |
| Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27                                                            | 616                   | 0                        |    |                                              |
| Investment corporation deduction                                                                                                                     | 620                   | 0                        |    |                                              |
| (taxed capital gains 624 0)                                                                                                                          |                       |                          |    |                                              |
| Additional deduction – credit unions from Schedule 17                                                                                                | . 628                 | 0                        |    |                                              |
| Federal foreign non-business income tax credit from Schedule 21                                                                                      | . 632                 | 0                        |    |                                              |
| Federal foreign business income tax credit from Schedule 21                                                                                          | . 636                 | 0                        |    |                                              |
| Accelerated tax reduction from amount N of page 4                                                                                                    | . 637                 | 0                        |    |                                              |
| Resource deduction from line 438 of page 5                                                                                                           | ·                     | 0 10                     |    |                                              |
| General tax reduction for CCPCs from amount R of page 5                                                                                              | . 638                 | 0_                       |    |                                              |
| General tax reduction from amount CC of page 5                                                                                                       | . 639                 | 0                        |    |                                              |
| Federal logging tax credit from Schedule 21                                                                                                          | . 640                 | 0                        |    |                                              |
| Federal political contribution tax credit                                                                                                            | . 644                 | 0_                       |    |                                              |
| Federal political contributions 646                                                                                                                  | (]                    | 0                        |    |                                              |
| Federal qualifying environmental trust tax credit                                                                                                    | . 648                 | 0                        |    |                                              |
| Investment tax credit from Schedule 31                                                                                                               | . 652                 | 0                        | 4  | 0                                            |
| s                                                                                                                                                    | Subtotal              | 0                        | -  | <u> </u>                                     |
| Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8)                                                                      |                       |                          |    | 0_G/                                         |
|                                                                                                                                                      |                       |                          | 1  |                                              |
|                                                                                                                                                      | ····                  |                          | (  | page 7                                       |

| IAGARA-ON-THE-LAKE HYDRO INC.                                                                                    |                                                  | 863605929RC0001                                                           | 2003-12-31                               |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------|
| Summary of tax and credits                                                                                       |                                                  |                                                                           |                                          |
| Federal tax                                                                                                      |                                                  |                                                                           |                                          |
| Part I tax payable from page 7                                                                                   |                                                  |                                                                           | 7000                                     |
| Part I.3 tax payable from Schedule 33, 34, or 35                                                                 |                                                  |                                                                           | 704 19,018                               |
|                                                                                                                  |                                                  |                                                                           | 708 0                                    |
| Part II surtax payable from Schedule 46                                                                          |                                                  |                                                                           | 712 0                                    |
| Part IV tax payable from Schedule 3                                                                              |                                                  | • • • • • • • • • • • • • • • • • • • •                                   | 716 0                                    |
| Part IV.1 tax payable from Schedule 43                                                                           |                                                  |                                                                           |                                          |
| Part VI tax payable from Schedule 38                                                                             | • • • • • • • • • • • • • • • • • • • •          |                                                                           |                                          |
| Part VI.1 tax payable from Schedule 43                                                                           |                                                  | • • • • • • • • • • • • • • • • • • • •                                   | 7240                                     |
| Part XIII.1 tax payable from Schedule 92                                                                         |                                                  |                                                                           | 7270                                     |
| Part XIV tax payable from Schedule 20                                                                            |                                                  |                                                                           | 7280                                     |
|                                                                                                                  |                                                  | Total fede                                                                | ral tax <u>19,018</u>                    |
| Add provincial and territorial tax:                                                                              |                                                  |                                                                           |                                          |
| Provincial or territorial jurisdiction 750 ON                                                                    |                                                  |                                                                           |                                          |
| (if more than one jurisdiction, enter "multiple"                                                                 |                                                  |                                                                           |                                          |
| Net provincial and territorial tax payable (except                                                               | Quebec, Ontario, and Alberta)                    | . 760 0                                                                   |                                          |
| Provincial tax on large corporations (New Bruns)                                                                 | wick and Nova Scotia)                            | 765 0                                                                     |                                          |
|                                                                                                                  |                                                  | 0                                                                         | 0                                        |
|                                                                                                                  |                                                  | Total tax payable                                                         | 770 <u>19,018</u> A                      |
| Deduct other credits:                                                                                            |                                                  |                                                                           |                                          |
| Investment tax credit refund from Schedule 31                                                                    |                                                  | 780 0                                                                     |                                          |
|                                                                                                                  |                                                  | 784 0                                                                     |                                          |
|                                                                                                                  |                                                  | 788 0                                                                     |                                          |
| Federal capital gains refund from Schedule 18                                                                    |                                                  | 792 0                                                                     |                                          |
| Federal qualifying environmental trust tax credit                                                                |                                                  | ·                                                                         |                                          |
| Canadian film or video production tax credit refu                                                                | nd from Form T1131                               | . 796 0                                                                   |                                          |
| Film or video production services tax credit refur                                                               | id from Form T1177                               | . 7970                                                                    |                                          |
| Tax withheld at source                                                                                           |                                                  | 800 0                                                                     |                                          |
| Total payments on which tax has been withhe                                                                      | eld 801                                          | 0                                                                         |                                          |
| Allowable refund for non-resident-owned investo                                                                  |                                                  |                                                                           |                                          |
|                                                                                                                  |                                                  | . 804 0                                                                   |                                          |
|                                                                                                                  |                                                  | 808 0                                                                     |                                          |
| Provincial and territorial capital gains refund from<br>Provincial and territorial refundable tax credits fr     |                                                  |                                                                           |                                          |
|                                                                                                                  |                                                  | 0                                                                         |                                          |
| Royalties deductible under Syncrude Remissi                                                                      | on Order                                         |                                                                           |                                          |
| Tax remitted under Syncrude Remission Order                                                                      |                                                  | . 8160                                                                    |                                          |
| Tax instalments paid                                                                                             |                                                  | . 8400                                                                    |                                          |
|                                                                                                                  | Total credits                                    | 890 0                                                                     | <u> </u>                                 |
| Refund code 894 0 Overpayment                                                                                    | 0                                                | Balance (line A minus line                                                | е B) <u>19,018</u>                       |
|                                                                                                                  |                                                  | (                                                                         |                                          |
| Direct deposit request                                                                                           |                                                  | If the result is negative, y                                              | ou have an <b>overpay</b> m <b>e</b> nt. |
| To have the corporation's refund deposited direct                                                                | ly into the comporation's bank                   |                                                                           | ou have a balance unpaid.                |
| account at a financial institution in Canada, or to                                                              |                                                  | Enter the amount on which                                                 | chever line applies.                     |
| you already gave us, complete the information be                                                                 |                                                  | We do not charge or refu                                                  |                                          |
|                                                                                                                  |                                                  | than \$2.                                                                 |                                          |
| Start Change information                                                                                         | 910                                              |                                                                           | 10 010                                   |
|                                                                                                                  | Branch number                                    | Balance unpaid                                                            | <u>    19,018 </u>                       |
| 914 918                                                                                                          |                                                  |                                                                           |                                          |
| Institution number                                                                                               | Account number                                   | Enclosed payment                                                          | <b>898</b> <u>19,018</u>                 |
| If the corporation is a Canadian-controlled private                                                              | comoration throughout the taxation               |                                                                           |                                          |
| year, does it qualify for the one-month extension of                                                             | • •                                              |                                                                           | Yes 2 No X                               |
|                                                                                                                  |                                                  | ····                                                                      |                                          |
| Certification                                                                                                    |                                                  |                                                                           |                                          |
| I 950 MURPHY                                                                                                     | 951 ROSE                                         | 954 Mor of Finance                                                        | ce and Administrat                       |
| Last name in block letters                                                                                       | First name in block letters                      |                                                                           | sition, office or rank                   |
|                                                                                                                  |                                                  |                                                                           | ·                                        |
| am an authorized signing officer of the corporation.<br>and that the information given on this return is, to the | I CERTILY THAT I HAVE EXAMINED THIS RETURN, INC  | auoning accompanying schedules a<br>etc. I further certify that the metho | and statements,<br>d of calculating      |
| income for this taxation year is consistent with that                                                            | of the previous year except as specifically d    | isclosed in a statement attached to                                       | o this return.                           |
|                                                                                                                  |                                                  |                                                                           |                                          |
| 955 2004-03-31                                                                                                   |                                                  | 956 9                                                                     | 05-468-4235                              |
|                                                                                                                  | ture of the authorized signing officer of the co | prporation                                                                | Telephone number                         |
| Is the contact person the same as the authorized s                                                               | ioning officer? If No. complete the informatic   | n below 957                                                               | 1 Yes X 2 No                             |
|                                                                                                                  | .gg enteer in 110, complete the merinate         |                                                                           |                                          |
| 958                                                                                                              |                                                  | 959                                                                       |                                          |
|                                                                                                                  | in block letters                                 |                                                                           | Telephone number                         |
| Name                                                                                                             |                                                  |                                                                           |                                          |
| Language of correspondence - La                                                                                  | ngue de correspondance ———                       |                                                                           |                                          |
| Indicate the language of your choice.                                                                            |                                                  |                                                                           |                                          |
| 990 Indicate the language of your choice.                                                                        | le votre choix.                                  | 1 English/Anglais X 2                                                     | Français/French                          |
|                                                                                                                  |                                                  |                                                                           | page 8                                   |
|                                                                                                                  |                                                  | Corporate Tax                                                             | prep / Taxprep des sociétés - TP-08      |

#### NIAGARA-ON-THE-LAKE HYDRO INC. Account/Business No.:863605929RC0001 Year Ended:

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 an 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                                                                                                                                                |            |                                       | 426,513 A |  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------------------------------------|-----------|--|
| Provision for income taxes - current<br>Interest and penalties on taxes<br>Amortization of tangible assets<br>Loss on disposal of assets                                                                                      | 103<br>104 | 10,173<br>1,980<br>1,000,229<br>1,909 |           |  |
| Subtotal of additions                                                                                                                                                                                                         |            | 1,014,291                             | 1,014,291 |  |
| Other Additions:                                                                                                                                                                                                              |            |                                       |           |  |
| Miscellaneous Other Additions:<br>600 Change in employee future benefits                                                                                                                                                      | 290        | 34,777                                |           |  |
| Subtotal of Other Additions                                                                                                                                                                                                   | 199        | 34,777                                | 34,777    |  |
| Total Additions                                                                                                                                                                                                               | 500        | 1,049,068                             | 1,049,068 |  |
| Deductions:         Gain on disposal of assets per financial statements.         Capital cost allowance from Schedule 8.         Cumulative eligible capital deduction from Schedule 10.                                      | 403<br>405 | 1,232,370<br>1,528                    |           |  |
| Subtotal of Deductions                                                                                                                                                                                                        |            | 1,291,016                             | 1,291,016 |  |
| Miscellaneous Other Deductions:         700       Change in regulatory assets         701       Prior year S.1 addback included in current year F/S         Subtotal of Other Deductions.       Subtotal of Other Deductions. |            | 289,182<br>2,174<br><br>291,356       | 291,356   |  |
| Total Deductions                                                                                                                                                                                                              | 510        | 1,582,372                             | 1,582,372 |  |
| Net income (loss) for income tax purposes                                                                                                                                                                                     |            |                                       | -106,791  |  |

T2 SCH 1 E (01)

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                                   | -106,79    | 1 |
| Deduct: (increase a loss)                                                   |            |   |
| Net capital losses deducted in the year                                     |            |   |
| (enter as a positive amount)                                                |            |   |
| Taxable dividends deductible under sections 112, 113, or subsection 138(6)0 |            |   |
| Amount of Part VI.1 tax deductible                                          |            |   |
| Amount deductible as prospector's and grubstaker's shares                   |            |   |
| - Paragraph 110(1)(d.2)                                                     |            | 0 |
|                                                                             |            | - |
| Subtotal (if positive, enter *0                                             | *) -106,79 | 1 |
| Deduct: (increase a loss)                                                   |            |   |
| Section 110.5 - Addition for foreign tax deductions                         |            | 0 |
|                                                                             | *          | - |
| Subtota                                                                     | al -106,79 | 1 |
| Add: (decrease a loss)                                                      |            |   |
| Current-year farm loss                                                      |            | 0 |
|                                                                             |            | - |
| Current-year non-capital loss (if positive, enter "0")                      | -106,79    | 1 |
|                                                                             |            | = |

| Continuity of non-capital losses and request for a carryback |         |         | <br> |
|--------------------------------------------------------------|---------|---------|------|
| Non-capital loss at the end of preceding taxation year       | 0       |         |      |
| Deduct: Non-capital loss expired after seven taxation years  | 0       |         |      |
| Non-capital losses at beginning of                           |         |         |      |
| taxation year                                                | 0       |         |      |
| Add: Non-capital losses transferred on amalgamation or       |         |         |      |
| wind-up of subsidiary corporation                            | 0       |         |      |
| Current-year non-capital loss (from calculation above)       | 106,791 | 106,791 |      |
|                                                              |         |         |      |

T2 SCH 4 E (01)

(Ce formulaire existe en français.)

Page 1 of (4 or 6)

| NIAGARA-ON-THE-LAKE HYDH<br>Account/Business No.:863                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                 | Year Ended                                                                   | 1:                                                                                                                     | 2003-12-3                 | Sch. (<br>1 |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------|----|
| <ul> <li>Continuity of non-capital losses and</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | I request for a carryback (                                                     | cont'd)                                                                      |                                                                                                                        |                           |             |    |
| Peduct:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                 |                                                                              |                                                                                                                        |                           |             |    |
| Amount applied against taxable income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                 |                                                                              |                                                                                                                        |                           |             |    |
| (enter on line 331 of the T2 return)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                 |                                                                              | 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                                                                                                               | 106,791                   |             |    |
| Peduct - Request to carry back non-capital loss to                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                 |                                                                              |                                                                                                                        |                           |             |    |
| First preceding taxation year to reduce taxable incor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                 |                                                                              | 106,791                                                                                                                |                           |             |    |
| Second preceding taxation year to reduce taxable in                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                 |                                                                              | 0                                                                                                                      |                           |             |    |
| Third preceding taxation year to reduce taxable inco                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ome                                                                             | 903                                                                          | 0                                                                                                                      |                           |             |    |
| First preceding taxation year to reduce taxable divid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                 |                                                                              |                                                                                                                        |                           |             |    |
| subject to Part IV tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                 | 911                                                                          | 0                                                                                                                      |                           |             |    |
| Second preceding taxation year to reduce taxable di                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                 |                                                                              |                                                                                                                        |                           |             |    |
| subject to Part IV tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                 | 912                                                                          | 0                                                                                                                      |                           |             |    |
| Third preceding taxation year to reduce taxable divid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                 |                                                                              |                                                                                                                        |                           |             |    |
| subject to Part IV tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                 | 913                                                                          | 0                                                                                                                      | 106,791                   |             |    |
| Ion-capital losses - Closing balance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                 |                                                                              | 180                                                                                                                    |                           |             | 85 |
| ion-capital losses - Closing Dalance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | • • • • • • • • • • • • • • • • • • • •                                         |                                                                              |                                                                                                                        | 0                         |             |    |
| ••••••••••••••••••••••••••••••••••••••                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | ч                                                                               | ·····                                                                        | ж <sup>.</sup>                                                                                                         | · <u>····</u> ····        |             |    |
| Election under paragraph 88(1.1)(f) Paragraph 88(1.1)(f) election indicator      oss from a wholly owned subsidiary deemed to be a reacting traction under                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                 |                                                                              | 190 Ye                                                                                                                 | 3                         |             |    |
| Paragraph 88(1.1)(f) election indicator<br>oss from a wholly owned subsidiary deemed to be a<br>receding taxation year.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                 |                                                                              | 190 Ye                                                                                                                 | N                         |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>receding taxation year.<br>Part 2 - Capital losses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | loss of the parent from its immediat                                            | tely                                                                         | 190 Ye                                                                                                                 | 3                         |             |    |
| Paragraph 88(1.1)(f) election indicator<br>oss from a wholly owned subsidiary deemed to be a<br>receding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and requ                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | loss of the parent from its immediat                                            | tely                                                                         | 190 Ye                                                                                                                 | N                         |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>preceding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and reques<br>Capital losses at end of preceding taxation year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | loss of the parent from its immediat                                            | tely                                                                         | 190 Ye                                                                                                                 |                           |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>receding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and request<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | loss of the parent from its immediat                                            | tely<br>200                                                                  | 190 Ye                                                                                                                 |                           |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>preceding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and req<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u<br>ubsidiary corporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | loss of the parent from its immediat                                            | tely<br>200<br>205                                                           | 190 Ye                                                                                                                 | *<br>**.<br>**.1          |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>receding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and request<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | loss of the parent from its immediat                                            | tely<br>200<br>205                                                           | 190 Ye                                                                                                                 |                           |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>receding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and req<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u<br>ubsidiary corporation<br>Current-year capital loss (from Schedule 6 calculation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | loss of the parent from its immediat                                            | tely<br>200<br>205                                                           | 190 Ye                                                                                                                 | *<br>**.<br>**.1          |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>preceding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and request<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u<br>ubsidiary corporation<br>Current-year capital loss (from Schedule 6 calculation<br>Add:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | loss of the parent from its immediat                                            | 200<br>205<br>210                                                            | 190 Ye                                                                                                                 | 23,386                    |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>irreceding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and required<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u<br>ubsidiary corporation<br>Current-year capital loss (from Schedule 6 calculation<br>Add:<br>Allowable business investment loss expired as non-                                                                                                                                                                                                                                                                                                                                                                                                                                    | loss of the parent from its immediat                                            | 200<br>205<br>210                                                            | 190 Ye                                                                                                                 | 23,386                    |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>ireceding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and requination of preceding taxation year<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u<br>ubsidiary corporation<br>Current-year capital loss (from Schedule 6 calculation<br>Current-year capital loss investment loss expired as non-<br>Deduct:                                                                                                                                                                                                                                                                                                                                                                                             | loss of the parent from its immediat                                            | 200<br>205<br>210                                                            | 190 Ye<br>0<br>23,386<br>220                                                                                           | 23,386                    |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>irreceding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and requestion of preceding taxation year<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-uubsidiary corporation<br>Current-year capital loss (from Schedule 6 calculation<br>Add:<br>Allowable business investment loss expired as non-<br>Deduct:<br>Amount applied against current-year capital gain                                                                                                                                                                                                                                                                                                                                            | loss of the parent from its immediat uest for a carryback up of n)              | 200<br>205<br>210<br>0x 4/3                                                  | 190 Ye<br>0<br>23,386<br>220                                                                                           | 23,386                    |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>ireceding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and requination of preceding taxation year<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u<br>ubsidiary corporation<br>Current-year capital loss (from Schedule 6 calculation<br>current-year capital loss investment loss expired as non-<br>Deduct:<br>Amount applied against current-year capital gain<br>(see note 1)                                                                                                                                                                                                                                                                                                                         | loss of the parent from its immediat uest for a carryback up of n)              | tely<br>200<br>205<br>205<br>210<br>0x 4/3                                   | 190 Ye<br>0<br>23,386<br>220                                                                                           | 23,386                    | ·····       |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>receding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and request<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u<br>ubsidiary corporation<br>Current-year capital loss (from Schedule 6 calculation<br>Add:<br>Allowable business investment loss expired as non-<br>Deduct:<br>Amount applied against current-year capital gain<br>(see note 1)<br>Section 80 - Adjustments for forgiven amounts                                                                                                                                                                                                                                                                                                       | loss of the parent from its immediat uest for a carryback                       | 200<br>205<br>205<br>210<br>0x 4/3<br>225<br>240                             | 190 Ye<br>0<br>23,386<br>220<br>Subtotal                                                                               | 23,386                    |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>ireceding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and requination of preceding taxation year<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u<br>ubsidiary corporation<br>Current-year capital loss (from Schedule 6 calculation<br>current-year capital loss investment loss expired as non-<br>Deduct:<br>Amount applied against current-year capital gain<br>(see note 1)                                                                                                                                                                                                                                                                                                                         | loss of the parent from its immediat uest for a carryback                       | 200<br>205<br>205<br>210<br>0x 4/3<br>225<br>240                             | 190 Ye<br>0<br>23,386<br>220<br>Subtotal<br>0                                                                          | 23,386                    |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>receding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and request<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u<br>ubsidiary corporation<br>Current-year capital loss (from Schedule 6 calculation<br>Add:<br>Allowable business investment loss expired as non-<br>Deduct:<br>Amount applied against current-year capital gain<br>(see note 1)<br>Section 80 - Adjustments for forgiven amounts                                                                                                                                                                                                                                                                                                       | loss of the parent from its immediat uest for a carryback                       | 200<br>205<br>205<br>210<br>0x 4/3<br>225<br>240                             | 190 Ye<br>0<br>23,386<br>220<br>Subtotal<br>0<br>0<br>0<br>0<br>0                                                      | 23,386<br>0<br>           |             |    |
| Aragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>preceding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and req<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u<br>ubsidiary corporation<br>Current-year capital loss (from Schedule 6 calculation<br>Add:<br>Allowable business investment loss expired as non-<br>Deduct:<br>Amount applied against current-year capital gain<br>(see note 1)<br>Section 80 - Adjustments for forgiven amounts<br>Other adjustments                                                                                                                                                                                                                                                                                      | loss of the parent from its immediat                                            | 200<br>205<br>205<br>210<br>0x 4/3<br>225<br>240                             | 190 Ye<br>0<br>23,386<br>220<br>Subtotal<br>0<br>0                                                                     | 23,386<br>0<br><br>23,386 |             |    |
| Paragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>receding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and request<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u<br>ubsidiary corporation<br>Current-year capital loss (from Schedule 6 calculation<br>Add:<br>Allowable business investment loss expired as non-<br>Deduct:<br>Amount applied against current-year capital gain<br>(see note 1)<br>Section 80 - Adjustments for forgiven amounts                                                                                                                                                                                                                                                                                                       | loss of the parent from its immediat                                            | 200<br>205<br>205<br>210<br>0x 4/3<br>225<br>240                             | 190 Ye<br>0<br>23,386<br>220<br>Subtotal<br>0<br>0<br>0<br>0<br>0                                                      | 23,386<br>0<br>           |             |    |
| Aragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>preceding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and req<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u<br>ubsidiary corporation<br>Current-year capital loss (from Schedule 6 calculation<br>Add:<br>Allowable business investment loss expired as non-<br>Deduct:<br>Amount applied against current-year capital gain<br>(see note 1)<br>Section 80 - Adjustments for forgiven amounts<br>Other adjustments                                                                                                                                                                                                                                                                                      | loss of the parent from its immediat                                            | 200<br>205<br>205<br>210<br>0x 4/3<br>225<br>240                             | 190 Ye<br>0<br>23,386<br>220<br>Subtotal<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0                                  | 23,386<br>0<br>           |             |    |
| Aragraph 88(1.1)(f) election indicator<br>coss from a wholly owned subsidiary deemed to be a<br>preceding taxation year.<br>Part 2 - Capital losses<br>— Continuity of capital losses and req<br>Capital losses at end of preceding taxation year<br>Capital losses transferred on amalgamation or wind-u<br>ubsidiary corporation<br>Current-year capital loss (from Schedule 6 calculation<br>Add:<br>Allowable business investment loss expired as non-<br>Deduct:<br>Amount applied against current-year capital gain<br>(see note 1)<br>Section 80 - Adjustments for forgiven amounts<br>Other adjustments                                                                                                                                                                                                                                                                                      | loss of the parent from its immediat uest for a carryback up of n)              | 200<br>205<br>205<br>210<br>0x 4/3<br>225<br>240                             | 190 Ye<br>0<br>0<br>23,386<br>220<br>Subtotal<br>0<br>0<br>0<br>Subtotal<br>Amount<br>carried back                     | 23,386<br>0<br>           |             |    |
| Paragraph 88(1.1)(f) election indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | loss of the parent from its immediat uest for a carryback up of n)              | ely<br>200<br>205<br>210<br>0x 4/3<br>225<br>240<br>250                      | 190 Ye<br>0<br>0<br>23,386<br>220<br>Subtotal<br>0<br>0<br>0<br>0<br>Subtotal<br>Amount                                | 23,386<br>0<br>           |             |    |
| Paragraph 88(1.1)(f) election indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | loss of the parent from its immediat uest for a carryback up of n)              | ely<br>200<br>205<br>210<br>0x 4/3<br>225<br>240<br>250                      | 190 Ye<br>0<br>0<br>23,386<br>220<br>Subtotal<br>0<br>0<br>0<br>Subtotal<br>Amount<br>carried back<br>(100%)<br>0      | 23,386<br>0<br>           |             |    |
| Paragraph 88(1.1)(f) election indicator         coss from a wholly owned subsidiary deemed to be a receding taxation year.         Part 2 - Capital losses         — Continuity of capital losses and requestion of preceding taxation year.         Capital losses at end of preceding taxation year.         Capital losses transferred on amalgamation or wind-uusidiary corporation         Current-year capital loss (from Schedule 6 calculation and)         Current-year capital loss (from Schedule 6 calculation and)         Allowable business investment loss expired as non-         Deduct:         Amount applied against current-year capital gain (see note 1)         Section 80 - Adjustments for forgiven amounts         Other adjustments.         Ordict - Request to carry back capital loss to: (set first preceding taxation year.         First preceding taxation year. | loss of the parent from its immediat uest for a carryback up of n)              | ely<br>200<br>205<br>210<br>0x 4/3<br>225<br>240<br>250<br>951<br>952        | 190 Ye<br>0<br>0<br>23,386<br>220<br>Subtotal<br>0<br>0<br>0<br>Subtotal<br>Amount<br>carried back<br>(100%)<br>0<br>0 | 23,386<br>0<br>           |             |    |
| Paragraph 88(1.1)(f) election indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | loss of the parent from its immediat uest for a carryback up of n) capital loss | ely<br>200<br>205<br>210<br>0x 4/3<br>225<br>240<br>250<br>951<br>952        | 190 Ye<br>0<br>0<br>23,386<br>220<br>Subtotal<br>0<br>0<br>0<br>Subtotal<br>Amount<br>carried back<br>(100%)<br>0      | 23,386<br>0<br>           |             |    |
| Paragraph 88(1.1)(f) election indicator         coss from a wholly owned subsidiary deemed to be a receding taxation year.         Part 2 - Capital losses         — Continuity of capital losses and requestion of preceding taxation year.         Capital losses at end of preceding taxation year.         Capital losses transferred on amalgamation or wind-uusidiary corporation         Current-year capital loss (from Schedule 6 calculation and)         Current-year capital loss (from Schedule 6 calculation and)         Allowable business investment loss expired as non-         Deduct:         Amount applied against current-year capital gain (see note 1)         Section 80 - Adjustments for forgiven amounts         Other adjustments.         Orduct - Request to carry back capital loss to: (set first preceding taxation year.         First preceding taxation year. | loss of the parent from its immediat uest for a carryback up of n) capital loss | ely<br>200<br>205<br>210<br>0x 4/3<br>225<br>240<br>250<br>951<br>952<br>933 | 190 Ye<br>0<br>0<br>23,386<br>220<br>Subtotal<br>0<br>0<br>0<br>Subtotal<br>Amount<br>carried back<br>(100%)<br>0<br>0 | 23,386<br>0<br>           |             |    |

Page 2 of (4 or 6)

| NIAGARA-ON-THE-LAKE HYDRO INC.<br>Account/Business No.:863605929RC0001                                                                                                                                                                                                                                                                                                                                                                              | Year Ended:                               | Sch<br>2003-12-31 | . 004   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------|---------|
| Part 2 - Capital losses<br>— Continuity of capital losses and request for a carryback (co<br>Capital losses carried back to taxation years ending before February 28, 2000, the inclu<br>Capital losses carried back to taxation years starting after October 17, 2000, the inclu<br>For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion<br>by dividing the total taxable capital gain by the total capital gain. | clusion rate is 3/4.<br>sion rate is 2/3. |                   | 2<br>16 |
| Note 1<br>On line 332 of the T2 return, enter the amount from line 225 multiplied by the current (see Schedule 6.)<br>Note 2<br>Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of the the application of the loss carryback, the net capital loss amount will be calculated at of the year to which the net capital loss it is applied.                                                                           | e loss. At the time of                    |                   |         |

#### 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               | 0        |                |   |
| Farm losses at beginning of taxation year                       | 0        | 120            |   |
| Add: Farm losses transferred on amalgamation or                 |          |                |   |
| wind-up of subsidiary corporation                               | 0        |                |   |
| Current-year farm loss                                          | 0        | 0              |   |
| Deduct:                                                         | 6        |                |   |
| Amount applied against taxable income                           |          |                | - |
| (enter on line 334 of the T2 return)                            | •        | A. 1997        |   |
| Amount applied against taxable dividends subject to Part IV tax | 0        | 1.0            |   |
| Section 80 - Adjustment forgiven amount                         | 0        | Sec. 9. 1      |   |
| Other adjustments                                               | 0        |                |   |
|                                                                 |          |                |   |
| a ba                                                            | Subtotal | 0              |   |
| Deduct - Request to carry back farm loss to:                    |          | 1997 - 18 J. 1 |   |
| First preceding taxation year to reduce taxable income          | 0        | al a file      |   |
| Second preceding taxation year to reduce taxable income         | 0        |                |   |
| Third preceding taxation year to reduce taxable income          | 0        |                |   |
| First preceding taxation year to reduce taxable dividends       |          |                |   |
| subject to Part IV tax                                          | 0        |                |   |
| Second preceding taxation year to reduce taxable dividends      |          |                |   |
| subject to Part IV tax                                          | 0        |                |   |
| Third preceding taxation year to reduce taxable dividends       |          |                |   |
| subject to Part IV tax                                          | 0        | 0              |   |
|                                                                 | _        |                |   |
| Farm losses - Closing balance                                   | 380      | 0              |   |
|                                                                 |          | 222222222222   |   |
|                                                                 |          |                |   |

| Restricted Farm Loss Determination:                            |  |
|----------------------------------------------------------------|--|
| Is the corporation exempt from the restricted farm loss rules? |  |
| (A reply of "NO" triggers the restricted farm loss rules.)     |  |

Page 3 of (4 or 6)

| NIAGARA-ON-THE-LAKE HYDRO INC.<br>Account/Business No.:863605929RC0001 Year Ended:           | Sch. 004<br>2003-12-31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |
|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Part 4 - Restricted farm losses                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| Total losses for the year from farming business                                              | <b>A</b> 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |  |
| Minus the deductible farm loss;                                                              | •                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| \$2,500 plus B or C, whichever is less                                                       | 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |
| (Amount A above 0 - \$2,500) divided by 2 = 0 B                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| 6,250 <b>C</b> 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                                     | i                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Deduct: Restricted farm loss expired after 10 taxation years                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| Restricted farm losses at beginning of taxation year                                         | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Add: Restricted farm losses transferred on amalgamation or wind-up                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| of subsidiary corporation                                                                    | l de la construcción de la constru                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |  |
| Current-year restricted farm loss                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| (enter on line 233 of Schedule 1)                                                            | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Deduct:                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| Amount applied against farming income                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| (enter on line 333 of the T2 return)00                                                       | i de la constante de |  |
| Section 80 - Adjustments for forgiven amounts                                                | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Other adjustments                                                                            | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
|                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| Subtotal                                                                                     | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Deduct - Request to carry back restricted farm loss to:                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| First preceding taxation year to reduce farming income                                       | 12 · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |  |
| Second preceding taxation year to reduce farming income                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| Third preceding taxation year to reduce farming income                                       | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Restricted farm losses - Closing balance                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| Restricted farm losses - Closing balance.                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| 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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Listed personal property losses at beginning of taxation year.                               | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Add: Current-year listed personal property loss (from Schedule 6)                            | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
|                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| Subtot                                                                                       | al 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| Deduct:                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| Amount applied against listed personal property gains                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| (enter on line 655 of Schedule 6)                                                            | )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Other adjustments                                                                            | ) 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |
|                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| Subtot                                                                                       | al 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |  |
| Deduct - Request to carry back listed personal property loss to:                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| First preceding taxation year to reduce listed                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| personal property gains                                                                      | )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Second preceding taxation year to reduce listed                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| personal property gains                                                                      | )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
| Third preceding taxation year to reduce listed                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| personal property gains                                                                      | 0 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |
| Listed personal property losses - Closing balance.                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| Listed personal property losses - Closing balance                                            | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
|                                                                                              | *******                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |

Sch. 004-Non. 2003-12-31

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

| Year of<br>origin | Balance at           |   | Loss<br>Incurred   | Adjustments<br>and              | Loss<br>Carried     | Applied to Re     | duce           |                           |     |  |
|-------------------|----------------------|---|--------------------|---------------------------------|---------------------|-------------------|----------------|---------------------------|-----|--|
|                   | Beginning<br>of year |   | in Current<br>Year | Transfers<br><f1> for help</f1> | Back<br>Parts I & 4 | Taxable<br>Income | Part IV<br>Tax | Balance at<br>End of Year |     |  |
| Current           | N/A                  |   | 106,791            | 0                               | 106,791             | N/A               |                | 0                         | 0   |  |
| 2002              |                      | 0 | N/A                | 0                               | N/A                 |                   | 0              | 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 * |  |
| Total             |                      | 0 | 106,791            | 0                               | 106,791             |                   | <br>0          | 0                         | 0   |  |

|         | Balance at |   | Loss<br>Incurred |   | Adjustments<br>and | Loss<br>Carried |   | Applied to F | Reduc | æ<br>   |   |         |      |     |  |
|---------|------------|---|------------------|---|--------------------|-----------------|---|--------------|-------|---------|---|---------|------|-----|--|
| Year of | Beginning  |   | in Current       |   | Transfers          | Back            |   | Taxable      |       | Part IV |   | Balanc  | e at |     |  |
| origin  | of year    |   | Year             |   | <f1> for help</f1> | Parts I & 4     |   | Income       |       | Tax     |   | End of  | Year |     |  |
|         |            |   |                  |   | •                  |                 |   |              |       | 100     |   |         |      |     |  |
| Current | N/A        |   |                  | 0 | 0                  |                 | 0 | N/A          |       |         | 0 | 2020    |      | 0   |  |
| 2002    |            | 0 | N/A              |   | 0                  | N/A             |   |              | 0     |         | 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 * |  |
|         |            |   |                  |   |                    |                 |   |              |       |         |   |         |      |     |  |
| Total   |            | 0 |                  | 0 | 0                  |                 | 0 |              | 0     |         | 0 |         |      | 0   |  |

|         | Balance at | Loss<br>Incurred |   | Adjustments<br>and | Loss    |   | Applied to R | leduc | e<br>   |             |
|---------|------------|------------------|---|--------------------|---------|---|--------------|-------|---------|-------------|
| Year of | Beginning  | in Current       |   | Transfers          | Carried |   | Taxable      |       | Part IV | Balance at  |
| origin  | of year    | Year             |   | <f1> for help</f1> | Back    |   | Income       |       | Tax     | End of Year |
| Current | N/A        |                  | 0 | 0                  |         | 0 | N/A          |       | N/A     | 0           |
| 2002    | 0          | N/A              |   | 0                  | N/A     |   |              | 0     | N/A     | 0           |
| 2001    | 0          | N/A              |   | 0                  | N/A     |   |              | 0     | N/A     | 0           |
| 2001    | 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 *         |
| Total   | 0          |                  | 0 | 0                  | ~~~     | 0 |              | 0     | <br>N/A | 0           |

#### NIAGARA-ON-THE-LAKE HYDRO INC. Account/Business No.:863605929RC0001 Year Ended:

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

# SUMMARY OF DISPOSITIONS OF CAPITAL PROPERTY (2000 and later taxation years)

- For use by corporations that have disposed of capital property or claimed an allowable business investment loss, or both, in the taxation year.
- Use this schedule to make a designation under paragraph 111(4)(e) of the federal "Income Tax Act", if control of the corporation has been acquired by a person or group of persons.
- If more space is needed, attach additional schedules.

For more information, see the section called "Schedule 6, Summary of Dispositions of Capital Property" in the "T2 Corporation Income Tax Guide".

Designation under paragraph 111(4)(e) of the "Income Tax Act" Are any dispositions shown on this schedule related to deemed dispositions designated under paragraph 111(4)(e)?

[50] [Y/N] [N] If "yes", attach a statement specifying which properties are subject to such a designation.

| 1                         | 2           | 3           | 4        | 5              | 6         | 7     |
|---------------------------|-------------|-------------|----------|----------------|-----------|-------|
| Types of capital property | Date of     | Proceeds    | Adjusted | Outlays and    | Gain      | Date  |
|                           | acquisition | of          | cost     | expenses       | (or loss) | of    |
|                           | YYYY/MM/DD  | disposition | base     | (dispositions) | (col. 3   | disp. |
|                           |             |             |          |                | less      |       |
|                           |             |             |          |                | cols. 4   |       |
|                           |             |             |          |                | and 5)    |       |

#### Part 1 - Shares

| No. of | Name of     | Class of |        |                   |                  |                 |                |    |  |
|--------|-------------|----------|--------|-------------------|------------------|-----------------|----------------|----|--|
| shares | corporation | shares   |        |                   |                  |                 | Gain (or loss) |    |  |
| 100    | 105         | 106      | 110    | 120               | 130              | 140             | 150            |    |  |
| 0      |             |          |        | 0                 | 0                | 0               | 0              | 3  |  |
| 0      |             |          |        | 0                 | 0                | 0               | 0              | 3  |  |
| 0      |             |          |        | 0                 | 0                | 0               | 0              | 3  |  |
| 0      |             |          |        | 0                 | 0                | 0               | 0              | 3  |  |
| 0      |             |          |        | 0                 | 0                | 0               | 0              | 3  |  |
| 0      |             |          |        | 0                 | 0                | 0               | 0              | 3  |  |
| 0      |             |          |        | 0                 | 0                | 0               | 0              | 3  |  |
|        |             |          |        | 0                 | 0                | 0               | 0              |    |  |
|        |             |          | Totals | 0                 | 0                | 0               | 0              | A  |  |
|        |             |          |        |                   | ==========       | =========       | ===========    |    |  |
|        |             |          | Gain   | (loss) on dispos  | itions before Fe | bruary 28, 2000 | 0              | A1 |  |
|        |             |          |        |                   |                  | ry 27, 2000 and |                |    |  |
|        |             |          |        |                   |                  | ctober 18, 2000 | 0              | A2 |  |
|        |             |          | Ga     | in (loss) on disc |                  | ctober 17, 2000 |                | A3 |  |
|        |             |          |        | 、 , <u></u>       |                  |                 | ·              |    |  |

T2 SCH 6 E (01)

(Ce formulaire existe en français.)

Page 1 of 6

| NIAGARA-ON-THE-LAKE H<br>Account/Business No.: 8 |                                           | C0001              | Year E                             | nded:                                                    | 2003                                                           | 006                      |      |
|--------------------------------------------------|-------------------------------------------|--------------------|------------------------------------|----------------------------------------------------------|----------------------------------------------------------------|--------------------------|------|
| 1<br>Types of capital property                   | 2<br>Date of<br>acquisition<br>YYYY/MM/DE | •                  | 4<br>Adjusted<br>cost<br>base      | 5<br>Outlays and<br>expenses<br>(dispositions)           | 6<br>Gain<br>(or loss)<br>(col. 3<br>less<br>cols. 4<br>and 5) | 7<br>Date<br>of<br>disp. |      |
| Part 2 - Real estate - Do not include losse      | s on depreciable prop                     | erty.              |                                    | · ·                                                      |                                                                |                          | <br> |
| Municipal address                                |                                           |                    |                                    |                                                          |                                                                |                          |      |
| 1 = Address 1                                    |                                           |                    |                                    |                                                          |                                                                |                          |      |
| 2 = Address  2                                   |                                           |                    |                                    |                                                          |                                                                |                          |      |
| 3 = City                                         |                                           |                    |                                    |                                                          |                                                                |                          |      |
| •                                                |                                           |                    | 1.5                                |                                                          |                                                                |                          |      |
| 4 = Province, Country, Postal Code and           |                                           |                    |                                    |                                                          |                                                                |                          |      |
| Zip Code or Foreign Postal Code<br>200           | 210                                       | 220                | 230                                | 240                                                      | Gain (or loss)                                                 |                          |      |
| Part Lot 200, Plan TP 86                         | استعا                                     | 100,000            | 798                                |                                                          |                                                                | 2                        |      |
|                                                  |                                           | 100,000            | 198                                | 122,588                                                  | -23,386                                                        | 3                        |      |
| Centre Street                                    |                                           |                    |                                    |                                                          |                                                                |                          |      |
| Niagara-on-the-Lake                              |                                           |                    |                                    |                                                          |                                                                |                          |      |
| ON -                                             |                                           |                    |                                    |                                                          |                                                                |                          |      |
|                                                  |                                           | 0                  | 0                                  | 0                                                        | 0                                                              | 3                        |      |
|                                                  |                                           |                    |                                    |                                                          |                                                                |                          |      |
|                                                  |                                           |                    |                                    |                                                          |                                                                |                          |      |
| -                                                |                                           |                    |                                    |                                                          |                                                                |                          |      |
|                                                  |                                           | 0                  | 0                                  | 0                                                        | 0                                                              | 3                        |      |
|                                                  |                                           |                    |                                    | 5                                                        |                                                                |                          |      |
|                                                  |                                           |                    |                                    |                                                          |                                                                |                          |      |
|                                                  |                                           |                    |                                    | e 15                                                     |                                                                |                          |      |
| g.                                               |                                           | 0                  | 0                                  | 0                                                        | 0                                                              | 3                        |      |
|                                                  |                                           | Ŭ                  | U                                  | 0                                                        | U                                                              | -                        |      |
|                                                  |                                           |                    |                                    |                                                          |                                                                |                          |      |
|                                                  |                                           |                    |                                    |                                                          |                                                                |                          |      |
| -                                                |                                           | •                  | •                                  |                                                          | •                                                              |                          |      |
|                                                  |                                           | 0                  | 0                                  | 0                                                        | 0                                                              | -                        |      |
|                                                  | Totais                                    | 100,000            | 798                                | 122,588                                                  | -23,386                                                        | в                        |      |
|                                                  | Ga                                        | in (loss) on dispo | sitions before Feition after Febru | ebruary 28, 2000<br>ary 27, 2000 and<br>October 18, 2000 | 0                                                              | B1<br>B2                 |      |
|                                                  |                                           | Gain (loss) on dis | spositions after (                 | October 17, 2000                                         | -23,386                                                        | B3                       |      |

### Part 3 - Bonds

.

| ace Maturity Name of<br>alue date issuer<br>300 305 307 310 | 320                    | 330                | 340            | Gain (or loss)<br>350 |    |
|-------------------------------------------------------------|------------------------|--------------------|----------------|-----------------------|----|
| 0                                                           | 0                      | 0                  | 0              | 0                     | 3  |
| 0                                                           | 0                      | 0                  | 0              | 0                     | 3  |
| 0                                                           | 0                      | 0                  | 0              | 0                     | 3  |
| 0                                                           | 0                      | 0                  | 0              | 0                     | 3  |
|                                                             | 0                      | 0                  | 0              | 0                     |    |
| Totals                                                      | <b>\$</b> 0            | 0                  | 0              | 0                     | с  |
|                                                             |                        | =========          |                |                       |    |
|                                                             | Gain (loss) on dispo   | sitions before Fet | ruary 28, 2000 | 0                     | C1 |
| G                                                           | ain (loss) on disposit | tions after Februa | y 27, 2000 and |                       |    |
|                                                             |                        | before O           | tober 18, 2000 | 0                     | C2 |
|                                                             | Gain (loss) on di      | spositions after O | tober 17, 2000 | 0                     | C3 |

Page 2 of 6

#### NIAGARA-ON-THE-LAKE HYDRO INC. Account/Business No.: 863605929RC0001 Year Ended:

#### Sch. 006 2003-12-31

| 1                         | 2           | 3           | 4        | 5              | 6         | 7     |  |
|---------------------------|-------------|-------------|----------|----------------|-----------|-------|--|
| Types of capital property | Date of     | Proceeds    | Adjusted | Outlays and    | Gain      | Date  |  |
|                           | acquisition | of          | cost     | expenses       | (or loss) | of    |  |
|                           | YYYY/MM/DD  | disposition | base     | (dispositions) | (col. 3   | disp. |  |
|                           |             |             |          |                | less      |       |  |
|                           |             |             |          |                | cols. 4   |       |  |
|                           |             |             |          |                | and 5)    |       |  |

# Part 4 - Other properties - Do not include losses on depreciable property.

| Description<br>400             | 410    | 420                | 430                 | 440              | Gain (or loss)<br>450 |    |
|--------------------------------|--------|--------------------|---------------------|------------------|-----------------------|----|
| ×.                             |        | 0                  | 0                   | 0                | 0                     | 3  |
|                                |        | 0                  | 0                   | 0                | 0                     | 3  |
|                                |        | 0                  | 0                   | 0                | 0                     | 3  |
|                                |        | 0                  | 0                   | 0                | 0                     |    |
| Disposition from a partnership |        |                    |                     |                  |                       |    |
|                                |        | 0                  | 0                   | 0                | 0                     |    |
|                                | Totals | 0                  | 0                   | 0                | 0                     | D  |
|                                |        |                    | ===========         | ===========      |                       |    |
|                                | G      | ain (loss) on disp | ositions before Fe  | bruary 28, 2000  | 0                     | D1 |
|                                | Gair   | (loss) on dispos   | itions after Februa | ary 27, 2000 and |                       |    |
|                                |        |                    | before C            | october 18, 2000 | 0                     | D2 |
|                                |        | Gain (loss) on d   | ispositions after C | october 17, 2000 | 0                     | D3 |

### Part 5 - Personal-use property

| Description<br>500         | 510    | 520            | 530                 | 540              | Gain only<br>550 |    |    |
|----------------------------|--------|----------------|---------------------|------------------|------------------|----|----|
|                            |        | 0              | 0                   | 0                |                  | 0  | 3  |
|                            |        | 0              | 0                   | 0                |                  | 0  | 3  |
|                            |        | 0              | 0                   | 0                |                  | 0  | 3  |
|                            |        | 0              | 0                   | 0                |                  | 0  | 3  |
| Note:                      | Totals | 0              | 0                   | 0                |                  | 0  | Е  |
| Losses are not deductible. |        | ==========     |                     |                  |                  | == |    |
|                            |        | Gain on disp   | ositions before F   | ebruary 28, 2000 |                  | 0  | E1 |
|                            |        | Gain on dispos | itions after Febru  | ary 27, 2000 and |                  |    |    |
|                            |        |                | before (            | October 18, 2000 |                  | 0  | E2 |
|                            |        | Gain on d      | ispositions after ( | October 17, 2000 |                  | 0  | E3 |
|                            |        |                |                     |                  |                  |    |    |

# Part 6 - Listed personal property

| Description                                        | 610    | 620        |    | 630               | 640        | (   | Gain (or loss)<br>650 |   |
|----------------------------------------------------|--------|------------|----|-------------------|------------|-----|-----------------------|---|
|                                                    |        |            | 0  | 0                 | 0          | )   | 0                     | 3 |
|                                                    |        |            | 0  | 0                 | C          | )   | 0                     | 3 |
|                                                    |        |            | 0  | 0                 | C          | )   | 0                     | 3 |
|                                                    |        |            | 0  | 0                 | C          | )   | 0                     | 3 |
| Note:                                              | Totals |            | 0  | 0                 | C          | )   | 0                     |   |
| Net listed personal property losses may only       |        | =========  | == | ================= |            | = : |                       |   |
| be applied against listed personal property gains. |        |            |    | After             |            |     |                       |   |
| - Amount from line 655 is from line 530 in         |        |            |    | 2000/02/27        |            |     |                       |   |
| Part 5 of Schedule 4.                              |        | Before     |    | and before        | After      |     |                       |   |
|                                                    |        | 2000/02/28 |    | 2000/10/18        | 2000/10/17 |     |                       |   |
| Gains or losses on dispositions                    |        |            | 0  | 0                 | C          | 0   | 0                     |   |
| Subtract: Unapplied listed personal property       |        |            |    |                   |            |     | 655                   |   |
| losses from other years                            |        |            | 0  | 0                 | C          | 0   | 0                     |   |
|                                                    |        | 657        |    | 658               | 659        |     |                       |   |
| Net gains (or loss)                                |        |            | 0  | 0                 | C          | )   | 0 F                   | : |

#### NIAGARA-ON-THE-LAKE HYDRO INC. Account/Business No.: 863605929RC0001 Year Ended:

#### Sch. 006 2003-12-31

#### Part 7 - Property qualifying for and resulting in an allowable business investment loss

| Name of small business | Shares,  | Date of     | Proceeds    | Adjusted          | Ou        | itlays and    | Loss            |     | Date  |  |
|------------------------|----------|-------------|-------------|-------------------|-----------|---------------|-----------------|-----|-------|--|
| corporation            | enter 1; | acquisition | of          | cost base         | exp       | penses        | (col. 920       |     | of    |  |
|                        | debt,    | YYYY/MM/DD  | disposition |                   | (di       | spositions)   | less            |     | disp. |  |
|                        | enter 2  |             |             |                   |           |               | cols. 930       |     |       |  |
| 000                    | 905      | 910         | 920         | 930               |           | 940           | and 940)<br>950 |     |       |  |
|                        | 0        |             |             | 0                 | 0         | 0             |                 | 0   | 3     |  |
|                        | 0        |             |             | 0                 | 0         | 0             |                 | 0   | 3     |  |
|                        | 0        |             |             | 0                 | 0         | 0             |                 | 0   | 3     |  |
|                        | 0        |             |             | 0                 | 0         | 0             |                 | 0   | 3     |  |
|                        |          | Totals      |             | 0                 | 0         | 0             |                 | 0   | G     |  |
|                        |          |             |             |                   | === =     |               | ========        | === |       |  |
|                        |          |             | Loss on     | dispositions befo | ore Feb   | ruary 28 2000 |                 | 0   | G1    |  |
| 74                     |          |             | Loss on dis | ositions after F  | ebruary   | 27, 2000 and  |                 |     |       |  |
|                        |          |             |             | bef               | ore Octo  | ober 18, 2000 |                 | 0   | G2    |  |
|                        |          |             | Loss o      | n dispositions a  | fter Octo | ober 17, 2000 |                 | 0   | G3    |  |

#### Determining capital gains or losses

|                                                          | Before<br>2000/02/28 |    | 2000/02/27<br>and before<br>2000/10/18 |    | After<br>2000/10/17 | Total    |  |
|----------------------------------------------------------|----------------------|----|----------------------------------------|----|---------------------|----------|--|
| Sum of the Total amounts A to F (do not                  |                      |    |                                        |    |                     | 5 x      |  |
| include F, if the amount is a loss)                      |                      | 0  |                                        | 0  | -23,386             | -23,386  |  |
| Allowable business investment losses (G1, G2, G3)        | 770                  | 0  | 670                                    | 0  | 0<br>570            |          |  |
| Gains or losses on dispositions (including ABIL)<br>Add: |                      | 0  |                                        | 0  | -23,386             |          |  |
| Gain or loss from a partnership                          | 775                  |    | 675                                    |    | 575                 | 0<br>875 |  |
| Capital gains dividend received in the year              |                      | 0  |                                        | 0  | 0                   | 0        |  |
| Capital gains reserve opening balance                    |                      |    |                                        |    |                     | 880      |  |
| (from Schedule 13)                                       |                      | 0  |                                        | 0  | 0                   | 0        |  |
| Subtotal                                                 |                      | 0  |                                        | 0  | -23,386             | -23,386  |  |
| Deduct:                                                  |                      |    |                                        |    |                     |          |  |
| Capital gains reserve closing balance                    | 785                  |    | 685                                    |    | 585                 | 885      |  |
| (from Schedule 13) (note 1)                              |                      | 0  |                                        | 0  | 0                   | 0        |  |
| Deductible portion of gain on donations                  |                      |    |                                        |    |                     |          |  |
| (including ecologically sensitive land)                  | 790                  | 0  | 690                                    | 0  | 0<br>590            | 890      |  |
| Gains (or losses)                                        |                      | 0  |                                        | 0  | -23,386             | -23,386  |  |
|                                                          |                      | == |                                        | == |                     |          |  |

Note 1: Applicable to dispositions made in the period. Closing balance reserves from dispositions made in a previous taxation year need to be deducted in the period during which the taxation year begins.

#### Inclusion rate

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                               |                    |      | Inclusion      |   | Net capital<br>gain or Net        |        |    |                      |                       |  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------|----------------|---|-----------------------------------|--------|----|----------------------|-----------------------|--|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Gain/loss                                                                                                                                                                                                                                     |                    |      | rate           |   | capital loss                      |        | 14 |                      |                       |  |
| Amount from line 790                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 0                                                                                                                                                                                                                                             | J                  | х    | 75.0000%       | = | 0                                 | JJ     |    |                      |                       |  |
| Amount from line 690                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 0                                                                                                                                                                                                                                             | к                  | х    | 66.6667%       | = | 0                                 | KK     |    |                      |                       |  |
| Subtotal (note 2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 0                                                                                                                                                                                                                                             | а                  | х    | .0000%         | = | 0                                 | aa     |    |                      |                       |  |
| Amount from line 590                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -23,386                                                                                                                                                                                                                                       | L                  | х    | 50.0000%       | = | -11,693                           | LL     |    |                      |                       |  |
| Total (note 3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | -23,386                                                                                                                                                                                                                                       | b                  |      |                | = | -11,693                           | bb     |    |                      |                       |  |
| Inclusion rate for the year expressed as a decimal fraction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                               |                    |      |                |   |                                   |        |    |                      |                       |  |
| (bb divided by b)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                               |                    |      |                |   | 50.0000%                          | М      |    |                      |                       |  |
| Note 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                               |                    |      |                |   |                                   |        |    |                      |                       |  |
| f one of either line J or line K is positive, and the other is negativ                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | e, enter the difference                                                                                                                                                                                                                       |                    |      |                |   |                                   |        |    |                      |                       |  |
| gain or loss) on the subtotal line. On the inclusion rate line, en                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | ter the inclusion rate application                                                                                                                                                                                                            | able               |      |                |   |                                   |        |    |                      |                       |  |
| o the period from which the larger amount originates, and calcula                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                               |                    |      |                |   |                                   |        |    |                      |                       |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                                                                                                                                                                                                                             |                    |      |                |   |                                   |        |    |                      |                       |  |
| It line aa based on that rate. In this case, it would not be necessa                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | arv to calculate an amount a                                                                                                                                                                                                                  | at JJ              | and  | KK.            |   |                                   |        |    |                      |                       |  |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                               |                    | and  | KK.            |   |                                   |        |    |                      |                       |  |
| at line <b>aa</b> based on that rate. In this case, it would not be necessa<br>Otherwise, add lines <b>J</b> and <b>K</b> , and lines <b>JJ</b> and <b>KK</b> for the subtot<br>between <b>a</b> and <b>aa</b> , enter the result of <b>aa</b> divided by <b>a</b> . This rate m                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | als. At the Inclusion rate li                                                                                                                                                                                                                 | ne                 |      |                |   |                                   |        |    |                      |                       |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | als. At the Inclusion rate li                                                                                                                                                                                                                 | ne                 |      |                |   |                                   |        |    |                      |                       |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate m<br>Note 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | als. At the Inclusion rate li<br>ay be required in further ca                                                                                                                                                                                 | ne                 |      |                |   |                                   |        |    |                      |                       |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate m<br>Note 3<br>If one of either line a or line L is positive, and the other is negative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | als. At the Inclusion rate li<br>hay be required in further ca<br>e, enter the difference                                                                                                                                                     | ne<br>Ilcula       |      |                |   |                                   |        |    |                      |                       |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate m<br>Note 3<br>If one of either line a or line L is positive, and the other is negative<br>(gain or loss) on the total line. On the inclusion rate line, enter t                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | als. At the Inclusion rate li<br>hay be required in further ca<br>e, enter the difference<br>he inclusion rate applicable                                                                                                                     | ne<br>Ilcula       |      |                |   |                                   |        |    |                      |                       |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate m<br>Note 3<br>If one of either line a or line L is positive, and the other is negative<br>(gain or loss) on the total line. On the inclusion rate line, enter t<br>to the period from which the larger amount originates, and calcula                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | als. At the Inclusion rate li<br>ay be required in further ca<br>e, enter the difference<br>he inclusion rate applicable<br>ate the net gain or net loss                                                                                      | ne<br>Ilcula       |      |                |   | S <sub>a</sub> Sac?               |        |    |                      |                       |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate m<br>Note 3<br>If one of either line a or line L is positive, and the other is negative<br>(gain or loss) on the total line. On the inclusion rate line, enter t<br>to the period from which the larger amount originates, and calcula<br>at line bb based on that rate. This could be the rate referred to at                                                                                                                                                                                                                                                                                                                                                                                              | als. At the Inclusion rate lines and the required in further cates, enter the difference the inclusion rate applicable to the net gain or net loss the end of the note 2 above                                                                | ne<br>Ilcula       |      |                |   | 1003                              |        |    |                      |                       |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate m<br>Note 3<br>f one of either line a or line L is positive, and the other is negative<br>gain or loss) on the total line. On the inclusion rate line, enter t<br>o the period from which the larger amount originates, and calcula<br>at line <b>bb</b> based on that rate. This could be the rate referred to at                                                                                                                                                                                                                                                                                                                                                                                          | als. At the Inclusion rate lines and the required in further cates, enter the difference the inclusion rate applicable to the net gain or net loss the end of the note 2 above                                                                | ne<br>Ilcula       |      |                |   | 1003                              | 8<br>1 |    | T<br>T<br>B          |                       |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate m<br>Note 3<br>If one of either line a or line L is positive, and the other is negative<br>gain or loss) on the total line. On the inclusion rate line, enter t<br>o the period from which the larger amount originates, and calcula<br>at line bb based on that rate. This could be the rate referred to at<br>n this case, it would not be necessary to calculate an amount at l                                                                                                                                                                                                                                                                                                                          | als. At the Inclusion rate lines and the required in further cates, enter the difference the inclusion rate applicable to the net gain or net loss the end of the note 2 above                                                                | ne<br>Ilcula       |      |                |   | 1003                              | 2 . s  |    | i<br>B<br>B          |                       |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate m<br>Note 3<br>f one of either line a or line L is positive, and the other is negative<br>gain or loss) on the total line. On the inclusion rate line, enter t<br>o the period from which the larger amount originates, and calcula<br>at line bb based on that rate. This could be the rate referred to at<br>n this case, it would not be necessary to calculate an amount at l                                                                                                                                                                                                                                                                                                                           | als. At the Inclusion rate lines and the required in further cates, enter the difference the inclusion rate applicable to the net gain or net loss the end of the note 2 above                                                                | ne<br>Ilcula       |      |                |   | 1963).<br><sup>10</sup> 13 (4     | 2 . s  |    | i<br>B               |                       |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate m<br>Note 3<br>If one of either line a or line L is positive, and the other is negative<br>gain or loss) on the total line. On the inclusion rate line, enter t<br>to the period from which the larger amount originates, and calcula<br>at line bb based on that rate. This could be the rate referred to at<br>in this case, it would not be necessary to calculate an amount at lines<br>a and L, and lines aa and LL for the totals.                                                                                                                                                                                                                                                                    | als. At the Inclusion rate line<br>hay be required in further can<br>be, enter the difference<br>he inclusion rate applicable<br>the the net gain or net loss<br>the end of the note 2 above<br>ine LL. Otherwise, add                        | ne<br>Ilcula       |      |                |   | 1963).<br><sup>10</sup> 13 (4     | 1.<br> |    | i<br>E               |                       |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate m<br>Note 3<br>If one of either line a or line L is positive, and the other is negative<br>gain or loss) on the total line. On the inclusion rate line, enter t<br>to the period from which the larger amount originates, and calcula<br>at line bb based on that rate. This could be the rate referred to at<br>in this case, it would not be necessary to calculate an amount at lines<br>a and L, and lines aa and LL for the totals.<br>Time Weighted Method for investment corporation or mutua                                                                                                                                                                                                        | als. At the Inclusion rate line<br>hay be required in further can<br>be, enter the difference<br>he inclusion rate applicable<br>the the net gain or net loss<br>the end of the note 2 above<br>ine LL. Otherwise, add                        | ne<br>Ilcula<br>e. | tion | S.             |   | nen oo oo<br>Oo oo<br>Alwayya oo  | 1.<br> |    | 2<br>18<br>19<br>19  | D<br>X<br>K BBB<br>ST |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate m<br>Note 3<br>f one of either line a or line L is positive, and the other is negative<br>gain or loss) on the total line. On the inclusion rate line, enter t<br>o the period from which the larger amount originates, and calcula<br>at line bb based on that rate. This could be the rate referred to at<br>n this case, it would not be necessary to calculate an amount at lines a and L, and lines aa and LL for the totals.<br>Fime Weighted Method for investment corporation or mutua<br>s the corporation a mutual fund corporation that wishes to use th                                                                                                                                         | als. At the Inclusion rate line<br>hay be required in further can<br>be, enter the difference<br>he inclusion rate applicable<br>the the net gain or net loss<br>the end of the note 2 above<br>ine LL. Otherwise, add                        | ne<br>Ilcula<br>e. | tion | S.             |   | тал<br>1 ж.с.<br>1 ж.с.<br>1 ж.с. | 1.<br> |    | 20<br>18<br>19<br>19 | D<br>X<br>K KRM<br>ST |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate m<br>Note 3<br>If one of either line a or line L is positive, and the other is negative<br>gain or loss) on the total line. On the inclusion rate line, enter t<br>to the period from which the larger amount originates, and calcula<br>at line bb based on that rate. This could be the rate referred to at<br>in this case, it would not be necessary to calculate an amount at lines a and L, and lines aa and LL for the totals.<br>Fime Weighted Method for investment corporation or mutua<br>is the corporation a mutual fund corporation that wishes to use th<br>Number of days be                                                                                                                | als. At the Inclusion rate line<br>aay be required in further can<br>be inclusion rate applicable<br>the inclusion rate applicable<br>the end of the note 2 above<br>ine LL. Otherwise, add<br>I fund corporation<br>e time weighted method?  | ne<br>Ilcula<br>e. | tion | S.             |   | [Y/N] N                           | 1.<br> |    | 12<br>18<br>19       | n<br>s<br>t tix<br>a  |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate m<br>Note 3<br>f one of either line a or line L is positive, and the other is negative<br>gain or loss) on the <b>total</b> line. On the <b>inclusion rate</b> line, enter t<br>o the period from which the larger amount originates, and calcula<br>at line <b>bb</b> based on that rate. This could be the rate referred to at<br>n this case, it would not be necessary to calculate an amount at l<br>ines a and L, and lines <b>aa</b> and LL for the totals.<br>Fime Weighted Method for investment corporation or mutua<br>s the corporation a mutual fund corporation that wishes to use th<br>Number of days be<br>Number of days after                                                            | als. At the Inclusion rate lines are prequired in further cates, enter the difference he inclusion rate applicable to the net gain or net loss the end of the note 2 above ine LL. Otherwise, add                                             | ne<br>Ilcula<br>e. | tion | S.             | : | [Y/N] N                           | 1.<br> |    | 12<br>13<br>13       | а<br>к пж<br>а        |  |
| Otherwise, add lines J and K, and lines JJ and KK for the subtot<br>between a and aa, enter the result of aa divided by a. This rate monoto-<br>between a and aa, enter the result of aa divided by a. This rate monoto-<br>Note 3<br>if one of either line a or line L is positive, and the other is negative<br>(gain or loss) on the total line. On the inclusion rate line, enter t<br>to the period from which the larger amount originates, and calcula<br>at line bb based on that rate. This could be the rate referred to at<br>in this case, it would not be necessary to calculate an amount at l<br>ines a and L, and lines aa and LL for the totals.<br>Time Weighted Method for investment corporation or mutua<br>is the corporation a mutual fund corporation that wishes to use th<br>Number of days be<br>Number of days after | als. At the Inclusion rate lines are prequired in further cates, enter the difference he inclusion rate applicable the the net gain or net loss the end of the note 2 above ine LL. Otherwise, add I fund corporation e time weighted method? | ne<br>Ilcula<br>e. | x    | s.<br>75.0000% | : | [Y/N] N<br>= .0000%               | 1.<br> |    | 10<br>10<br>10<br>10 | а<br>н ож<br>н а      |  |

# Determining taxable capital gains, total capital losses and allowable business investment losses

| Amount from line 890                                                              |   |   |     |       | -23,386 | 0 |
|-----------------------------------------------------------------------------------|---|---|-----|-------|---------|---|
| Gain on donations of a share, debt obligation, or right                           |   |   |     |       |         |   |
| (included in amounts A to F) (note 4)                                             |   |   |     |       |         |   |
| Before February 28, 2000                                                          | 0 |   |     |       |         |   |
| After February 27, 2000 and before October 18, 2000                               | 0 |   |     |       |         |   |
| After October 17, 2000                                                            | 0 |   |     |       |         |   |
|                                                                                   |   |   |     |       |         |   |
|                                                                                   | 0 | x | 1/2 | = 895 | 0       | P |
| Amount on line O mInus line 895                                                   |   |   |     |       | -23,386 | Q |
| Amount of gain on donation of ecologically sensitive land after February 27, 2000 |   |   |     |       |         |   |
| After February 27, 2000 and before October 18, 2000                               | 0 |   |     |       |         |   |
| After October 17, 2000                                                            | 0 |   |     |       |         |   |
|                                                                                   |   |   |     |       |         |   |
|                                                                                   | 0 | x | 1/2 | = 896 | 0       | R |
| Amount on line Q minus line 896                                                   |   |   |     |       | -23,386 | S |
| If this amount is a loss, enter on line 210 of Schedule 4.                        |   |   |     |       |         |   |
| Taxable capital gains (line S x line M or N)                                      |   |   |     |       | 0       | т |
| Enter the amount on line 113 of Schedule 1.                                       |   |   |     |       |         |   |

| NIAGARA-ON-THE-LAKE HYDRO INC.<br>Account/Business No.: 863605929RC0001           | Year Ended:                           | Sch. 006<br>2003-12-31 |
|-----------------------------------------------------------------------------------|---------------------------------------|------------------------|
| Determining taxable capital gains and allowable business in                       | vestment losses (cont'd)              |                        |
| Allowable business investment loss                                                |                                       |                        |
| (line G x rate M or N)                                                            |                                       | 0 U                    |
| Enter the amount on line 406 of Schedule 1.                                       |                                       |                        |
| Note 4: Gain on donations of a share, debt obligation, or right listed on a presc | ribed stock exchange and              |                        |
| amounts under paragraph 38(a.1) of the Act (for donations made after              | February 18, 1997, and                |                        |
| before the year 2002 to charities other than private foundations)                 |                                       |                        |
|                                                                                   |                                       |                        |
|                                                                                   |                                       |                        |
|                                                                                   | · · · · · · · · · · · · · · · · · · · |                        |

Portion of Gain or Loss from Foreign sources (100%) .....

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Page 6 of 6

0

#### NIAGARA-ON-THE-LAKE HYDRO INC. Account/Business No.: 863605929RC0001 Year Ended:

#### Summary of Capital Cost Allowance

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

|       | UCC at     | Cost of     |             | Lesser of |               |       | Recapture of |          |              | Undepreciated |
|-------|------------|-------------|-------------|-----------|---------------|-------|--------------|----------|--------------|---------------|
| Class | <b>,</b>   | Additions   |             | Cost or   | 1/2 of        | Rate  | Capital Cost | Terminal | Capital Cost | Capital Cost  |
| No.   | of Year    |             | Adjustments | Proceeds  | [203] - [207] | £     | Allowance    | Loss     | Allowance    | end of year   |
| [200] | [201]      | [203]       | [205]       | [207]     | [211]         | [212] | [213]        | [215]    | [217]        | [220]         |
|       |            |             |             |           |               |       |              |          |              |               |
| 1     | 7,558,168  | 767,326     | 0           | 0         | 383,663       | 4     | 0            | 0        | 317,673      | 8,007,821     |
| 2     | 4,679,839  | 0           | 0           | 0         | 0             | 6     | 0            | 0        | 280,790      | 4,399,049     |
| 1     | 1,516,881  | 2,727,796   | 0           | 0         | 1,363,898     | 4     | 0            | 0        | 115,231      | 4,129,446     |
| 2     | 898,936    | 0           | 0           | 0         | 0             | 6     | 0            | 0        | 53,936       | 845,000       |
| 1     | 260,141    | 35,045      | 0           | 0         | 17,522        | 4     | 0            | 0        | 11,107       | 284,079       |
| 2     | 152,755    | 0           | 0           | 0         | 0             | 6     | 0            | 0        | 9,165        | 143,590       |
| 1     | 728,620    | 0           | 0           | 0         | 0             | 4     | 0            | 0        | 29,145       | 699,475       |
| 2     | 399,536    | 12,813      | 0           | 0         | 6,406         | 6     | 0            | 0        | 24,357       | 387,992       |
| 8     | 19,745     | 5,159       | 0           | 0         | 2,579         | 20    | 0            | 0        | 4,465        | 20,439        |
| 8     | 181,013    | 29,822      | 0           | 0         | 14,911        | 20    | 0            | 0        | 39,185       | 171,650       |
| 10    | 57,960     | 24,257      | 0           | 0         | 12,128        | 30    | 0            | 0        | 21,027       | 61,190        |
| 12    | 53,219     | 177,998     | 0           | 0         | 88,999        | 100   | 0            | 0        | 142,218      | 88,999        |
| 10    | 408,226    | 40,804      | 0           | 0         | 20,402        | 30    | 0            | 0        | 128,588      | 320,442       |
| 8     | 208,150    | 0           | 0           | 0         | 0             | 20    | 0            | 0        | 41,630       | 166,520       |
| 17    | 3,605      | 0           | 0           | 0         | 0             | 8     | 0            | 0        | 288          | 3,317         |
| 8     | 4,558      | 0           | 0           | 0         | 0             | 20    | 0            | 0        | 912          | 3,646         |
| 17    | 27,043     | 0           | 0           | 0         | 0             | 8     | 0            | 0        | 2,163        | 24,880        |
| 6     | 10,528     | 0           | 0           | 0         | 0             | 10    | 0            | 0        | 1,053        | 9,475         |
| 8     | 7,597      | 0           | 0           | 0         | 0             | 20    | 0            | 0        | 1,519        | 6,078         |
| 1     | 85,529     | 33,211      | 0           | 0         | 16,605        | 4     | 0            | 0        | 4,085        | 114,655       |
| 2     | 63,879     | 0           | 0           | 0         | 0             | 6     | 0            | 0        | 3,833        | 60,046        |
| Total | 17,325,928 | 3,854,231   | 0           | 0         | 1,927,113     |       | <br>0        | 0        | 1,232,370    | 19,947,789    |
|       |            | =========== |             | ********  |               |       |              |          |              |               |

#### NIAGARA-ON-THE-LAKE HYDRO INC. Account/Business No.: 863605929RC0001 Year Ended: RELATED AND ASSOCIATED CORPORATIONS

2003-12-31

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

related corporation(s)

- associated corporation(s)

| Name                           | Ctry<br>of<br>resi-<br>dence | Business<br>Number | Rela-<br>tion-<br>ship<br>Code | Number<br>of<br>common<br>shares<br>owned | % of<br>common<br>shares<br>owned | Number<br>of<br>preferred<br>shares<br>owned | % of<br>pre-<br>ferred<br>shares<br>owned | Book<br>value of<br>capital<br>stock |
|--------------------------------|------------------------------|--------------------|--------------------------------|-------------------------------------------|-----------------------------------|----------------------------------------------|-------------------------------------------|--------------------------------------|
| [100]                          | [200]                        | (Note)<br>[300]    | [400]                          | [500]                                     | [550]                             | [600]                                        | [650]                                     | [700]                                |
| Niagara-on-the-Lake Energy Ind | c 863                        | 3761490RC00        | 01 1                           | 1,001                                     | 100.00                            |                                              | 0.00                                      | 6,901,334                            |
| Energy Services Niagara Inc.   | 86                           | 3606125RC00        | D1 3                           | 0                                         | 0.00                              | (                                            | 0.00                                      | 0                                    |
| Town of Niagara-on-the-Lake    | NR                           |                    | 4                              | C                                         | 0.00                              | a (                                          | 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".

Schedule 9

| NIAGARA-ON-THE-LAKE HYDRO INC.<br>Account/Business No.:863605929RC0001 Year Ended:                                                                                                                                                                 | 2003-12-31         | Sch. | 010 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------|-----|
| 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."                                                                                                                    |                    |      |     |
| <ul> <li>A separate cumulative eligible capital account must be kept for each business.</li> <li>This form applies to taxation years that end after February 27, 2000.</li> </ul>                                                                  |                    |      |     |
| Part 1 - Calculation of current year deduction and carry-forward                                                                                                                                                                                   |                    |      |     |
| Cumulative eligible capital - Balance at end of preceding taxation year<br>(if negative, enter "0")<br>Add:                                                                                                                                        | 200 21,826 A       |      |     |
| Cost of eligible capital property acquired during<br>the taxation year                                                                                                                                                                             |                    |      |     |
| Amount transferred on amalgamation or wind-up of subsidiary                                                                                                                                                                                        |                    |      |     |
| Other adjustments                                                                                                                                                                                                                                  |                    |      |     |
| (add amounts B, C, and D) 0 x 0.75                                                                                                                                                                                                                 | = 0 E              |      |     |
| Subtotal (amount A plus amount E)                                                                                                                                                                                                                  | 230 21,826 F       |      |     |
| Deduct:<br>Proceeds of sale (less outlays and expenses not otherwise deductible)                                                                                                                                                                   |                    | ş    |     |
| from the disposition of all eligible capital property during<br>the taxation year                                                                                                                                                                  |                    |      |     |
| The gross amount of a reduction in respect of a forgiven debt         obligation as provided for in subsection 80(7)                                                                                                                               |                    |      |     |
| Other adjustments                                                                                                                                                                                                                                  |                    |      |     |
| (add amounts G, H, and I) 0 x 0.75                                                                                                                                                                                                                 | . <u>-</u> 248 0 J |      |     |
| Cumulative eligible capital balance (amount F minus amount J)                                                                                                                                                                                      | 21,826 К<br>       |      |     |
| Current year deduction                                                                                                                                                                                                                             | 9% = 250 1,528 L   |      |     |
| Cumulative eligible capital - Closing balance<br>Amount K minus amount L (if negative, enter *0")                                                                                                                                                  | 300 20,298 M       |      |     |
| Note<br>You can claim any amount up to the maximum deduction of 7%. For taxation years starting after<br>December 21, 2000, the deduction may not exceed the maximum amount prorated by the number of days in<br>the taxation year divided by 365. |                    |      |     |
| T2 SCH 10 (01)                                                                                                                                                                                                                                     | Page 1 of 2        |      |     |

Corporate Taxprep / Taxprep des sociétés - TP-08

| NIAGARA-ON-THE-LAKE HYDRO INC.<br>Account/Business No.:863605929RC0001                                                          | Year              | Ended:                      |     | 2003-1:  | 2-31   | Sch. | 010 |
|---------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------------------------|-----|----------|--------|------|-----|
| Part 2 - Amount to be included in income arising from disposition (complete this part only if the amount at line K is negative) | ition –           |                             |     |          |        |      |     |
| Amount from line K above (show as a positive amount)                                                                            | • • • • • • • • • | • • • • • • • • • • • • • • | •   | 0        | N      |      |     |
| Total of cumulative eligible capital deductions from income for                                                                 |                   |                             |     |          |        |      |     |
| axation 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                                                                     |                   |                             |     |          |        |      |     |
| axation years beginning before July 1, 1988                                                                                     | 0 З               |                             |     |          |        |      |     |
| Negative balances in the cumulative eligible capital account                                                                    |                   |                             |     |          |        |      |     |
| that were included in income for taxation years beginning                                                                       |                   |                             |     |          |        |      |     |
| 408 408                                                                                                                         | 04                |                             |     |          |        |      |     |
| 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        | 0      |      |     |
|                                                                                                                                 |                   | ==========                  |     | <b>_</b> |        |      |     |
| Line N minus line O (cannot be negative)                                                                                        |                   |                             |     | 0        | Р      |      |     |
| Amount on line 5 0 x 1/2                                                                                                        | •                 |                             |     | 0        | Q      |      |     |
| Line P minus line Q                                                                                                             |                   |                             |     |          | R      |      |     |
| Amount on line R 0 x 2/3*                                                                                                       |                   |                             |     | 0        | н<br>S |      |     |
| Lesser of line N or line O                                                                                                      | •                 |                             |     | -        | ъ<br>т |      |     |
|                                                                                                                                 | •                 |                             |     |          | 1      |      |     |
| Amount to be included in income on line 108 of Schedule 1,                                                                      |                   |                             |     |          |        |      |     |
| ine S plus line T                                                                                                               |                   |                             |     |          |        |      |     |
| For taxation years ending before February 28, 2000,                                                                             |                   |                             |     |          |        |      |     |
| ine N - line Q                                                                                                                  |                   |                             | 410 | 0        |        |      |     |
|                                                                                                                                 | •                 |                             |     |          |        |      |     |
|                                                                                                                                 |                   |                             |     |          |        |      |     |

Page 2 of 2

#### NIAGARA-ON-THE-LAKE HYDRO INC. Account/Business No.:863605929RC0001 Year Ended:

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

# AGREEMENT AMONG ASSOCIATED CANADIAN-CONTROLLED PRIVATE CORPORATIONS TO ALLOCATE THE BUSINESS LIMIT (2003 and later taxation years)

- For use by a Canadian-controlled private corporation (CCPC) to identify all associated corporations and to assign a percentage for each associated corporation. This percentage will be used to allocate the business limit for purposes of the small business deduction. Information from this schedule will also be used to determine the date the balance of tax is due and to calculate the reduction to the business limit.
- 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) of the "Income Tax Act," 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 business limit for the year of each corporation in the associated group that is computed at line 4 on page 4 of each respective corporation's T2 return.
- Column 5: Assign a percentage to allocate the business limit to each corporation that has an association code 1 in column 3. The total of all percentages in column 5 cannot exceed 100%.
- Column 6: Enter the business limit allocated to each corporation by multiplying the amount in column 4 times the percentage in column 5. Add all business limits allocated in column 6 and enter the total at line A. Ensure that the total at line A is equal to an amount in one of the following ranges, whichever applies:
  - from \$200,001 to \$225,000, if the calendar year to which this agreement applies is 2003;
  - from \$225,001 to \$250,000, if the calendar year to which this agreement applies is 2004;
  - from \$250,001 to \$275,000, if the calendar year to which this agreement applies is 2005; or
  - from \$275,001 to \$300,000, if the calendar year to which this agreement applies is 2006 or after.
- **Column 7:** Complete this 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.

T2 SCH 23 (03)

Page 1 of 2 Corporate Taxprep / Taxprep des sociétés - TP-08

| NIAGARA-ON-THE-LAKE<br>Account/Business No |                       |                   | )01 Yea      | ar Ended   | 1:           | 2003-12-31   | Sch. | 023 |
|--------------------------------------------|-----------------------|-------------------|--------------|------------|--------------|--------------|------|-----|
|                                            |                       |                   |              |            |              |              |      |     |
| Allocation of the business limit           |                       |                   |              |            |              |              |      |     |
| Date filed (do not use this area)          |                       | •••••             |              |            | ar Month Day |              |      |     |
| Enter the calendar year to which the agree | ement applies         | •••••             |              | Ye         |              |              |      |     |
| Is this an amended agreement for the abo   | ve-noted calendar yea | r that            |              |            |              |              |      |     |
| is intended to replace an agreement previo | ously filed by any of |                   |              |            |              |              |      |     |
| the associated corporations listed below?  |                       |                   |              | 075 [Y/    | 'N] [N]      |              |      |     |
|                                            |                       |                   |              |            |              |              |      |     |
| · · · · · · · · · · · · · · · · · · ·      |                       |                   |              |            |              |              |      |     |
| 1                                          | 2                     | 3                 | 4            | 5          | 6            | 7            |      |     |
|                                            |                       |                   | Business     |            |              | Taxation     |      |     |
|                                            |                       |                   | limit        |            |              | year end     |      |     |
|                                            | Business              |                   | for the year | Percentage | Business     | to which     |      |     |
|                                            | Number                | Asso-             | (before      | of the     | limit        | this         |      |     |
| Names of associated                        | of associated         | ciation           | the          | business   | allocated*   | agreement    |      |     |
| corporations                               | corporations          | code              | allocation)  | limit      | \$           | applies      |      |     |
|                                            | _                     | _                 | \$           | _%         | 17           | (YYYY/MM/DD) |      |     |
| 100                                        | 200                   | 300               |              | 350        | 400          | 500          |      |     |
| NIAGARA-ON-THE-LAKE HYDRO INC.             | 863605929RC0001       | 1                 | 225,000      | .4782      | 1,076        |              |      |     |
| See attached                               |                       |                   | 450,000      | 99.5218    | 223,924      |              |      |     |
|                                            | 1925                  | 1 di <sup>a</sup> |              | 100 0000   |              |              |      |     |
|                                            |                       |                   | Total        | 100.0000   | 225,0004     | 4            |      |     |
|                                            |                       | •                 |              | *******    | =======      |              |      |     |
|                                            |                       |                   |              |            |              |              |      |     |

Business limit reduction under subsection 125(5.1)

The business limit reduction is calculated in the small business deduction area of the T2 return. One of the amounts used in this calculation is the "Large corporation tax" at line 415 of the T2 return. If the corporation is a member of an associated group of corporations in the current taxation year, the amount to be entered at line 415 of the T2 return is equal to 0.225% x (A - \$10,000,000) where, "A" is the total of taxable capital employed in Canada<sup>\*\*</sup> of each corporation in the associated group<sup>\*\*\*</sup> for its last taxation year ending in the preceding calendar year.

\* Each corporation will enter on line 410 of the T2 return, the amount allocated to it in column 6. However, if the corporation's taxation year is less than 51 weeks, prorate the amount in column 6 by the number of days in the taxation year divided by 365, and enter the result on line 410 of the T2 return.

\*\* "Taxable capital employed in Canada" has the meaning assigned by subsection 181.2(1) or 181.3(1) or section 181.4 of the "Income Tax Act."

\*\*\* The associated group includes the corporation filing this schedule and each corporation that has an "association code" of 1 or 4 in column 3.

Page 2 of 2

#### NIAGARA-ON-THE-LAKE HYDRO INC. Sch. 023-Supp. Account/Business No.: 863605929RC0001 Year Ended: 2003-12-31 AGREEMENT AMONG ASSOCIATED CCPC'S TO ALLOCATE THE BUSINESS LIMIT

| 1                              | 2              | 3       | 4        | 5         | 6         | 7            | 8      |     |
|--------------------------------|----------------|---------|----------|-----------|-----------|--------------|--------|-----|
|                                |                |         | Business |           |           |              |        |     |
|                                |                |         | limit    | Percentag | e         | Taxation yea | r      |     |
|                                | Business       |         | before   | of the    |           | end to which | L      |     |
|                                | Number of      | Asso-   | the      | business  | Business  | this         |        |     |
| Name of associated             | associated     | ciation | allo-    | limit     | limit     | agreement    | Part I | . 3 |
| corporation                    | corporation    | code    | cation   | allocated | allocated | applies      | Tax    |     |
| [100]                          | [200]          | [300]   |          | [350]     | [400]     | [500]        |        |     |
| Niagara-on-the-Lake Energy Inc | 863761490RC000 |         | 225,000  |           |           | <br>D        |        | 0   |
| Energy Services Niagara Inc.   | 863606125RC000 | 1 1     | 225,000  | 99.5218   | 223,92    | 4            |        | 454 |
| TOTALS                         |                |         | 450,000  | 99.5218   | 223,92    | 4            |        | 454 |
|                                |                |         |          |           | . –       |              |        |     |

#### Schedule 23-Supplementary

#### NIAGARA-ON-THE-LAKE HYDRO INC. Account/Business No.:863605929RC0001 Year

Year Ended:

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

# PART I.3 TAX ON LARGE CORPORATIONS (2000 and later taxation years)

- This schedule is for use by corporations (other than financial institutions and insurance corporations) that have Part I.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 I.3 for its capital, investment allowance, taxable capital, or taxable capital employed in Canada, or for a partnership in which it has an interest.
- No Part I.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;
  - 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 carrying 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 any related processing) natural products belonging to or acquired from its members or customers.
- File the completed Schedule 33 with the "T2 Corporation Income Tax Return" no later than six months from the end of the taxation year.

Complete the following areas to determine the amounts needed to calculate Part I.3 tax. If the corporation was a non-resident of Canada throughout the year and carried on a business through a permanent establishment in Canada, go to Part 4, "Taxable capital employed in Canada."

#### - Part 1 - Capital -

| Part I - 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 1,392,185 |
| Capital stock (or members' contributions if incorporated without        |               |
| share capitai)                                                          | 103 2,632,307 |
| Retained earnings                                                       | 104 675,441   |
| Contributed surplus                                                     | 105 0         |
| Any other surpluses                                                     | 106 4,269,026 |
| Deferred unrealized foreign exchange gains                              | 107 0         |
| All loans and advances to the corporation                               | 108 9,660,097 |
| All indebtedness of the corporation represented by bonds, debentures,   |               |
| notes, mortgages, hypothecary claims, bankers' acceptances, or          |               |
| similar obligations                                                     | 109 0         |
| 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         |
|                                                                         |               |

T2 SCH 33 E (02)

(Ce formulaire existe en français.)

Page 1 of 6

| NIAGARA-ON-THE-LAKE HYDRO INC.                                                                                                                |                   |            | Sch. 033 |    |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------|----------|----|
| Account/Business No.: 863605929RC0001 Year E                                                                                                  | nded:             | 2003-1     | 2-31     |    |
| Part 1 - Capital (cont'd)                                                                                                                     |                   |            |          | 22 |
| 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)                                                                       |                   |            |          |    |
|                                                                                                                                               |                   |            |          |    |
| for the partnership of which the corporation is a member at the end                                                                           |                   |            |          |    |
| of the year exceeds the amount of the partnership's deferred unrealized<br>foreign exchange losses (see note below)                           | 0                 |            |          |    |
| foreign exchange losses (see note below)                                                                                                      | 0                 |            |          |    |
| Subtotal                                                                                                                                      | 18,629,056        | 18,629,056 | ۵        |    |
|                                                                                                                                               | ================= | 10,029,090 | <b>A</b> |    |
| Deferred tax debit balance at the end of the year                                                                                             | 0                 |            |          |    |
| Any deficit deducted in computing the shareholders' equity                                                                                    | ů<br>O            |            |          |    |
| Any amount deducted under subsection 135(1) in computing income under                                                                         | 0                 |            |          |    |
| 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                                                                                   | 0                 |            |          |    |
| The amount of deferred unrealized foreign exchange losses                                                                                     | 0                 |            |          |    |
|                                                                                                                                               | •<br>•            |            |          |    |
| Subtotal                                                                                                                                      | 0                 | 0          | В        |    |
|                                                                                                                                               | ================= |            |          |    |
| Capital for the year (amount A minus amount B) (if negative, enter "0")                                                                       |                   | 18,629,056 |          |    |
|                                                                                                                                               |                   |            |          |    |
| 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 no                                             | t to be           |            |          |    |
| included.                                                                                                                                     |                   |            |          |    |
| <ul> <li>Amounts are determined as at the end of the last fiscal period of the partnership ending in the year<br/>the corporation.</li> </ul> | of                |            |          |    |
| - Amounts at these lines apply to partnerships in the same way that they apply to corporations.                                               |                   |            |          |    |
| <ul> <li>The proportion of the total amounts is determined by the corporation's share of the partnership's in</li> </ul>                      | come              |            |          |    |
| or loss for the fiscal period of the partnership.                                                                                             |                   |            |          |    |
|                                                                                                                                               | 25.               |            |          |    |

#### – 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         A loan or advance to another corporation (other than a financial institution)         A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of         another corporation (other than a financial institution)         Long-term debt of a financial institution         A dividend receivable on a share of the capital stock of another corporation.         A loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or         similar obligation of, a partnership all of the members of which, throughout the year, | 402 | 0<br>149,786<br>0<br>0<br>0 |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------------|--|
| were other corporations (other than financial institutions) that were not exempt from<br>tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))<br>An interest in a partnership (see note 1 below)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     | 0<br>36,000<br><br>185,786  |  |

- (B)-

| NIAGARA-ON-<br>Account/Bus                                                                                                                               |                                                                                    |                                                                          | RC0001                              | Year                                   | Ended:                         |     | 2003-12-3                 | Sch. | 033 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-------------------------------------|----------------------------------------|--------------------------------|-----|---------------------------|------|-----|
| Part 2 - Investm                                                                                                                                         | ent allowance (co                                                                  | ont'd)                                                                   |                                     |                                        |                                |     |                           |      |     |
| Notes:                                                                                                                                                   |                                                                                    |                                                                          |                                     |                                        |                                |     |                           |      |     |
| each asset of the part<br>at or before the end o                                                                                                         | s deemed to be equal to<br>nership described in 40<br>f the year, that the corp    | o that proportion of t<br>01 to 405 above, at t<br>oration's share of th | he total of the<br>he end of its la | carrying value of<br>ast fiscal period | of<br>ending                   |     |                           |      |     |
| the partnership's incor                                                                                                                                  | me or loss for that perio                                                          | od.                                                                      |                                     |                                        |                                |     |                           |      |     |
| <ol> <li>Lines 401 to 405 shoup<br/>payable by, or indebte<br/>reason of paragraph 1</li> </ol>                                                          | dness of, a corporation                                                            | -                                                                        | •                                   |                                        |                                |     |                           |      |     |
|                                                                                                                                                          | umstances, a trust is us<br>poration (other than a fi<br>stly from the lending con | nancial institution),                                                    | the loan will be                    | e considered to                        |                                |     |                           |      |     |
| Capital for the year (line 1<br>Deduct: Investment allow<br>Taxable capital for the y                                                                    | ance for the year (line 4<br>ear                                                   | 490)                                                                     | •••••                               |                                        |                                |     | 18,629,056 C<br>185,786 D |      |     |
| (amount C minus amount                                                                                                                                   | D) (if negative, enter "0                                                          | **)                                                                      |                                     | a <b>s</b> s                           |                                | 500 | 18,443,270                |      |     |
| Dort 4 Taxabla                                                                                                                                           |                                                                                    |                                                                          |                                     | 1 - A 1                                | ñ.                             |     |                           |      |     |
| - Part 4 - Taxable                                                                                                                                       | capital employed                                                                   | i in Canada —                                                            |                                     |                                        |                                |     | 5                         |      |     |
| To be completed by a co                                                                                                                                  | provention that was re                                                             | sident in Canada a                                                       | at any time in                      | the year                               |                                |     |                           |      |     |
| Taxable capital for the year (line 500)                                                                                                                  | 18,443,270 X                                                                       | Taxable income<br>earned<br>in Canada                                    | 610                                 | 1,000                                  | Taxable<br>capital<br>employed |     |                           |      |     |
|                                                                                                                                                          |                                                                                    | Taxable income                                                           |                                     | 1,000                                  | in Canada                      | 690 | 18,443,270                |      |     |
| Noton                                                                                                                                                    |                                                                                    |                                                                          |                                     |                                        |                                |     |                           |      |     |
| <ol> <li>Notes:</li> <li>1) Regulation 8601 give</li> <li>2) Where a corporation<br/>the above calculation</li> <li>3) In the case of an aird</li> </ol> | 's taxable income for a<br>n, be deemed to have a                                  | taxation year is "0,"<br>taxable income for                              | it shall, for the that year of \$   | e purposes of<br>1,000.                |                                |     |                           |      |     |
| the above calculation                                                                                                                                    |                                                                                    |                                                                          |                                     |                                        |                                |     |                           |      |     |

Page 3 of 6

| NIAGARA-ON-THE-LA                                                              |                      |                                         | 01          | Vec                     | 171aa                   |            | 0000 1                                  |          | Sch. | 033 |
|--------------------------------------------------------------------------------|----------------------|-----------------------------------------|-------------|-------------------------|-------------------------|------------|-----------------------------------------|----------|------|-----|
| Account/Business                                                               | NO": 2036            | 000000000000000000000000000000000000000 | 01          | rear                    | Ended:                  |            | 2003-1                                  | 2-31     |      |     |
| Part 4 - Taxable capital e                                                     | mploved in C         | anada (cont'd)                          |             |                         |                         |            |                                         |          |      |     |
| To be completed by a corporation the                                           |                      | • •                                     |             | ut the year an          | d carried on            |            |                                         |          |      |     |
| a business through a permanent es                                              |                      |                                         |             | no yoar ar              | a vanica un             |            |                                         |          |      |     |
|                                                                                |                      |                                         |             |                         |                         |            |                                         |          |      |     |
| Total of all amounts each of which is th                                       | ne carrving value    | at the end of the vea                   | r           |                         |                         |            |                                         |          |      |     |
| of an asset of the corporation used in t                                       | • -                  |                                         |             |                         |                         |            |                                         |          |      |     |
| of carrying on any business it carried o                                       | •                    |                                         |             |                         |                         |            |                                         |          |      |     |
| establishment in Canada                                                        |                      |                                         |             |                         |                         | 701        | 0                                       |          |      |     |
| Deduct the following amounts:                                                  |                      |                                         |             |                         |                         |            |                                         |          |      |     |
| Corporation's indebtedness at the end                                          | of the year [othe    | r than indebtedness                     |             |                         |                         |            |                                         |          |      |     |
| described in any of paragraphs 181.2(                                          | 3)(c) to (f)] that m | nay reasonably                          |             |                         |                         |            |                                         |          |      |     |
| be regarded as relating to a business i                                        | t carried on durin   | g the year                              |             |                         |                         |            |                                         |          |      |     |
| through a permanent establishment in                                           | Canada               |                                         |             |                         |                         | 0          |                                         |          |      |     |
| Total of all amounts each of which is the                                      |                      |                                         |             |                         |                         |            |                                         |          |      |     |
| of year of an asset described in subse                                         |                      |                                         |             |                         |                         |            |                                         |          |      |     |
| that it used in the year, or held in the y                                     | ear, in the course   | e of carrying                           |             |                         |                         |            |                                         |          |      |     |
| on any business it carried on during th                                        |                      | •                                       |             |                         |                         |            |                                         |          |      |     |
| establishment in Canada                                                        |                      |                                         | •••••       | 712                     |                         | 0          |                                         |          |      |     |
| Total of all amounts each of which is th                                       |                      |                                         |             |                         |                         |            |                                         |          |      |     |
| of an asset of the corporation that is a                                       | •                    | •                                       |             |                         |                         |            |                                         |          |      |     |
| operated in international traffic, or pers                                     |                      |                                         |             |                         |                         |            |                                         |          |      |     |
| the corporation in carrying on any busi<br>a permanent establishment in Canada | • •                  | •                                       |             | 713                     |                         |            |                                         |          |      |     |
| a permanent establishment in Canada                                            | (see note below)     |                                         |             |                         |                         | 0          |                                         |          |      |     |
|                                                                                | -                    | otal deductions (add                    | lines 71    | 1 710 and 71            | 2)                      | 0          | 0                                       | E        |      |     |
| Taxable capital employed in Canada                                             |                      | oral deductions (add                    | 1116571     | i, / iz, anu / is       | , (s<br>                |            | 0                                       | <b>-</b> |      |     |
| (line 701 minus amount E) (if negative,                                        |                      |                                         |             |                         |                         |            | 0                                       |          |      |     |
|                                                                                | ,                    |                                         |             |                         |                         | •          |                                         |          |      |     |
| Note:                                                                          |                      |                                         |             |                         |                         |            | 252-                                    |          |      |     |
| Complete line 713 only if the country ir                                       | which the corpo      | ration is resident imp                  | osed nei    | ther a capital ta       | ах                      |            |                                         |          |      |     |
| for the year on similar assets, nor a tax                                      | -                    |                                         |             | •                       | 21                      |            |                                         |          |      |     |
| aircraft in international traffic, of any co                                   | •                    |                                         | •           |                         |                         |            |                                         |          |      |     |
|                                                                                |                      |                                         |             |                         |                         |            |                                         |          |      |     |
| <b>B. 1 B. A. 1</b> 2000                                                       | - <b>-</b>           |                                         |             |                         |                         |            |                                         |          |      |     |
| Part 5 - Calculation of gro                                                    |                      |                                         |             |                         |                         |            |                                         |          |      |     |
| Taxable capital employed in Canada (I                                          |                      |                                         | • • • • • • | ••••••                  |                         |            | 18,443,270                              |          |      |     |
| Deduct: Capital deduction claimed for                                          |                      |                                         |             |                         |                         |            |                                         |          |      |     |
| enter the amount allocated                                                     | on Schedule 36)      | • • • • • • • • • • • • • • • • •       | • • • • • • | • • • • • • • • • • • • | •••••                   | 801        | 9,990,669                               |          |      |     |
| Evenes of tayable assite Landley, the                                          | Canada               | ital daduction                          |             |                         |                         | 811        |                                         |          |      |     |
| Excess of taxable capital employed in                                          | Canada over cap      |                                         |             | •••••                   | • • • • • • • • • • • • | 811        | 8,452,601                               |          |      |     |
| Gross Part I.3 Tax                                                             |                      |                                         |             |                         |                         |            | ===========                             |          |      |     |
| and a start to rea                                                             | Number of            | Number of days in                       |             |                         |                         |            |                                         |          |      |     |
| Year Line 811                                                                  | days                 | the taxation year                       |             |                         |                         |            |                                         |          |      |     |
| Before 2004 8,452,601 x                                                        | -                    | 365)                                    | x           | .2250% =                | . 1                     | 9,018      | 1                                       |          |      |     |
| 2004 8,452,601 x                                                               | •                    | 365)                                    |             | .2230% =                |                         | 9,018<br>0 |                                         |          |      |     |
| 2005 8,452,601 x                                                               | •                    | 365)                                    | x           | .1750% =                |                         | 0          |                                         |          |      |     |
| -,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,                                        |                      | ,                                       |             | ,50/0 =                 |                         |            | -                                       |          |      |     |
| Total Gross Part I.3 tax (add lines 1,                                         | 2, and 3)            |                                         |             |                         | 1                       | 9,018      | 19,018                                  | F        |      |     |
|                                                                                |                      |                                         |             |                         | =========               |            | 19,010                                  | •        |      |     |
|                                                                                |                      |                                         |             |                         |                         |            |                                         |          |      |     |
| Where the taxation year of a corporati                                         | on is less than 5    | 1 weeks, calculate the                  | amount      | tof                     |                         |            |                                         |          |      |     |
| tax payable as follows:                                                        |                      | ,                                       |             |                         |                         |            |                                         |          |      |     |
|                                                                                | Numbe                | r of days in the year                   |             |                         |                         |            |                                         |          |      |     |
| Amount F 19,018 x                                                              |                      | 365                                     |             | =                       |                         |            | 0                                       | G        |      |     |
|                                                                                |                      |                                         |             |                         |                         |            | •                                       | -        |      |     |
|                                                                                |                      | 365                                     |             |                         |                         |            |                                         |          |      |     |
| Gross Part I.3 tax (amount F or G, wi                                          | hichever applies)    |                                         |             |                         |                         | 820        | 19,018                                  |          |      |     |
|                                                                                |                      |                                         |             |                         |                         |            | ======================================= |          |      |     |
|                                                                                |                      |                                         |             |                         |                         |            |                                         |          |      |     |

| NIAGARA-ON-THE-LAKE HYDRO INC.<br>Account/Business No.:863605929RC0001 | Year Ended: | 2003-12-31 | ch. | 033 |
|------------------------------------------------------------------------|-------------|------------|-----|-----|
| Part 6 - Calculation of current-year surtax credit available           |             |            |     |     |

| <ul> <li>Corporations can claim a credit against their Part I.3 tax f for the year. This is called the surtax credit.</li> <li>Any unused surtax credit can be carried back three years credits must be applied in order of the oldest first.</li> <li>Refer to subsection 181.1(7) when calculating the amoun credits where control of the corporation has been acquire and the year in which you want to claim them.</li> </ul> | or carried forward seven years. Unused surtax<br>t deductible for a corporation's unused surtax |        |         | a<br>B |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|--------|---------|--------|
| For a corporation that was a non-resident of Canada throughout<br>a) line 600 from the T2 return                                                                                                                                                                                                                                                                                                                                  | • • • • • • • • • • • • • • • • • • • •                                                         | 0<br>0 | 0 Н     |        |
| c) line 600 from the T2 return 0                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                 | 0      |         |        |
| d) line 700 from the T2 return                                                                                                                                                                                                                                                                                                                                                                                                    | 18 , 443 , 270<br>line 500 of this schedule                                                     | 0      | 0 I     |        |
| Current-year surtax credit available (amount H or I, whichev                                                                                                                                                                                                                                                                                                                                                                      | er applies)                                                                                     | 830    | 0<br>== |        |

| —– Part 7 - Ca     | alculation of                          | current-      | year unused surtax          | credit                        |            |     |                  |   |  |
|--------------------|----------------------------------------|---------------|-----------------------------|-------------------------------|------------|-----|------------------|---|--|
|                    |                                        |               | -                           |                               |            |     |                  |   |  |
| Current-year surta | ax credit available                    | e (line 830)  |                             |                               |            |     | 0                |   |  |
| Taxable capital er |                                        |               |                             |                               | •          |     |                  |   |  |
|                    |                                        |               |                             |                               | 18,443,270 |     |                  |   |  |
|                    |                                        |               | ear                         |                               |            |     |                  |   |  |
|                    |                                        |               |                             |                               |            |     |                  |   |  |
| Excess of taxable  | capital employed                       | d in Canada   | a over capital deduction    |                               | 8,452,601  | а   |                  |   |  |
|                    |                                        |               | -                           |                               |            |     |                  |   |  |
| Less: Gross Pa     | art I.3 tax                            |               |                             |                               |            |     |                  |   |  |
| Line a             | 8,452,60                               | 1 x           | .2250%                      | =                             | 19,018     |     | 19,018           | b |  |
|                    |                                        |               |                             |                               |            |     |                  |   |  |
|                    |                                        |               |                             |                               |            |     |                  |   |  |
| Where the taxatic  | on year of a corpo                     | pration is le | ss than 51 weeks, calculate | e the amount of               |            |     |                  |   |  |
| tax payable as fol | llows:                                 |               |                             |                               |            |     |                  |   |  |
|                    |                                        |               | Number of days in the       | ne year                       |            |     |                  |   |  |
| Amount b           | 19,018                                 | ×             | 365                         | =                             |            |     | 0                | с |  |
|                    |                                        |               |                             |                               |            |     |                  |   |  |
|                    |                                        |               | 365                         |                               |            |     |                  |   |  |
|                    |                                        |               |                             |                               |            | _   |                  |   |  |
| Current-year uni   | used surtax crea                       | dit (if negat | ive, enter "0")             |                               | •••••      | 850 | 0                |   |  |
| Enter this amount  | t at line 600 on S                     | chedule 37    |                             |                               |            |     | ================ |   |  |
|                    |                                        |               |                             |                               |            |     |                  |   |  |
| * For the purpos   | es of the calculat                     | tion of curre | ent-year unused surtax cree | dit, the calculation is perfe | ormed      |     |                  |   |  |
| on a capital de    | duction based or                       | 1\$10 million | ns and a specified percenta | age of 0.225%.                |            |     |                  |   |  |
| L                  | ······································ |               |                             |                               |            |     | ···-·            |   |  |
|                    |                                        |               |                             |                               |            |     | Deco F e         |   |  |

# NIAGARA-ON-THE-LAKE HYDRO INC. Account/Business No.:863605929RC0001 Year Ended: 2003

16

|            | Sch. | 033 |
|------------|------|-----|
| 2003-12-31 |      |     |

| Part 8 - Calculation of net Part I.3 tax payable   |                  |   |
|----------------------------------------------------|------------------|---|
| Gross Part I.3 tax (line 820)                      | 19,018           | J |
| Deduct:                                            |                  |   |
| Current-year surtax credit applied                 |                  |   |
| (the lesser of lines 820 and 830)                  | 0                |   |
| (the lesser of lines 820 and 830)                  | 0                |   |
|                                                    | -                |   |
| Subtotal (cannot exceed amount on line 820)        | 0 0              | к |
|                                                    | =                |   |
| Net Part I.3 tax payable (amount J minus amount K) | 19,018           |   |
| Enter this amount at line 704 of the T2 return     | ================ |   |
|                                                    |                  |   |

Page 6 of 6

| NIAGARA-ON-THE-LAKE L<br>Account/Business No.:                                                                                                                    |                                                                                                                                                                                                              | Year                                                             | Ended:                             | 2003-12-3          | Sch.<br>31 | 036 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------|--------------------|------------|-----|
| Canada Customs and Revenue Agency/Agence                                                                                                                          | ce des douanes et du revenu du Car                                                                                                                                                                           | nada                                                             |                                    |                    |            |     |
| AGREEMENT AMONG RELATED (<br>(1998 and later taxation years)                                                                                                      | CORPORATIONS - PART I.S                                                                                                                                                                                      | 3 TAX                                                            | 11<br>02                           |                    |            |     |
| <ul> <li>Members of a related group of corporations<br/>of \$10,000,000 or \$50,000,000 among the<br/>Do not file this agreement if no members</li> </ul>         | members of the related group.                                                                                                                                                                                | ·                                                                |                                    |                    |            |     |
| Are any members of the related group liable to                                                                                                                    | pay Part I.3 tax?                                                                                                                                                                                            | • • • • • • • • • • • • •                                        |                                    | [Y/N] [ Y ]        |            |     |
| <ul> <li>In cases where a related corporation has m<br/>it is required to file an agreement for each t</li> </ul>                                                 |                                                                                                                                                                                                              | -                                                                |                                    |                    |            |     |
| - A corporation that is related to any other co<br>the corporation ending in a calendar year m                                                                    |                                                                                                                                                                                                              | ar of                                                            |                                    |                    |            | ÷   |
| <ul> <li>In accordance with subsection 181.5(7) of t<br/>private corporation is not considered to be<br/>the capital deduction unless it is also assoc</li> </ul> | related to another corporation for pur                                                                                                                                                                       |                                                                  |                                    |                    |            |     |
| - Attach additional schedules if space for agr                                                                                                                    | eement is not sufficient.                                                                                                                                                                                    |                                                                  |                                    |                    |            |     |
| Agreement                                                                                                                                                         |                                                                                                                                                                                                              | 0                                                                |                                    | Year Month Day     |            |     |
| Date filed (for departmental use only)                                                                                                                            |                                                                                                                                                                                                              |                                                                  |                                    | 010                |            |     |
| Is this an amended agreement?                                                                                                                                     |                                                                                                                                                                                                              |                                                                  | 1.632                              | 020 [Y/N] [ N ]    |            |     |
| Enter the calendar year to which the agreeme                                                                                                                      | nt applies                                                                                                                                                                                                   |                                                                  |                                    | Vear<br>2003       |            |     |
| Note: This agreement must include all the ir<br>including members to which no amoun<br>member which is exempt from Part I.3                                       | nt of capital deduction is allocated fo                                                                                                                                                                      | r the year. Howe                                                 | ver, any                           | 8-02. <sup>1</sup> |            | ii  |
|                                                                                                                                                                   |                                                                                                                                                                                                              | ocation of                                                       | Taxation                           |                    |            |     |
| Names of all corporations which<br>are members of the related group                                                                                               |                                                                                                                                                                                                              | bital deduction<br>the year<br>\$                                | to which t<br>agreemer<br>(Note 2) |                    |            |     |
| 200<br>NIAGARA-ON-THE-LAKE HYDRO INC.<br>See attached                                                                                                             | 300<br>863605929RC0001                                                                                                                                                                                       | <b>400</b><br>9,990,669<br>9,331                                 | 500                                | 2                  |            |     |
| Total (Before 2004 must not exceed \$10,00<br>After 2003 must not exceed \$50,000,                                                                                |                                                                                                                                                                                                              | 10,000,000                                                       |                                    |                    |            |     |
| Note 1: If a corporation is not registered er                                                                                                                     | ter, "NR".                                                                                                                                                                                                   |                                                                  |                                    |                    |            |     |
| calendar year and is related in two<br>a taxation year ending in that caler<br>each such taxation year at the end                                                 | oration that has more than one taxat<br>or more of those taxation years to a<br>ndar year. The capital deduction of th<br>of which it is related to the other cor<br>e first such taxation year. Enter the t | nother corporation<br>the first corporation<br>poration is an ar | on that has<br>on for<br>nount     |                    |            |     |

#### NIAGARA-ON-THE-LAKE HYDRO INC. Account/Business No.: 863605929RC0001 Year Ended: AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

Sch. 036-Supp. 2003-12-31

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 or \$50,000,000 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      | Business Number   | Allocation of     | Taxation year end to |
|--------------------------------|-------------------|-------------------|----------------------|
| which are members of the       |                   | capital deduction | which this agreement |
| related group                  |                   | for the year      | applies              |
| [200]                          | (Note 1)<br>[300] | [400]             | (Note 2)<br>[500]    |
| Niagara-on-the-Lake Energy Inc | 863761490RC0001   | 9,331             | 2                    |
| Energy Services Niagara Inc.   | 863606125RC0001   | 0                 |                      |

#### TOTAL

9,331

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

#### NIAGARA-ON-THE-LAKE HYDRO INC. Account/Business No.:863605929RC0001 Year Ended:

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<br>Number | Social<br>Insurance<br>Number | Percentage<br>common<br>shares | Percentage<br>preferred<br>shares |
|---------------------------------|--------------------|-------------------------------|--------------------------------|-----------------------------------|
| 100                             | (note 1)<br>200    | (note 2)<br>300               | 400                            | 500                               |
| Niagara-on-the-Lake Energy Inc. | 863761490RC0001    |                               | 100.00                         | 0.00                              |
|                                 |                    | 90                            | 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                              |
|                                 |                    |                               | 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.

T2 SCH 50 (99)
| (P) Ontario                                                                    | Ministry of Finance<br>Corporations Tax Branch                        | 2                                                                                   | 003      | CT23 Corpora<br>Annual Retur                                        | tions Tax                    | and                                                    |
|--------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------|---------------------------------------------------------------------|------------------------------|--------------------------------------------------------|
| $\odot$                                                                        | PO Box 620<br>33 King Street West                                     |                                                                                     |          | Corporations Tax Act - Ministry                                     | commencing                   | after September 30, 2001                               |
|                                                                                | Oshawa ON L1H 8E9                                                     |                                                                                     |          | Corporations Information Act -                                      | Ministry of Consumer         | · · ·                                                  |
| This return is a combination of the                                            |                                                                       |                                                                                     |          | The Annual Return (common )                                         | page 1 and MCBS Sch          |                                                        |
| Corporations Tax Return and the M<br>Services (MCBS) Annual Return. P          |                                                                       |                                                                                     |          | and Schedule K on page 24) co<br>authority of the Corporations In   |                              |                                                        |
| returns. For tax purposes, depending<br>must complete either the Exempt from   | on which criteria the corporation                                     | n satisfies, it                                                                     |          | database of corporate informati<br>share-capital corporations or Fo | ion. This return must b      | e completed by Ontario                                 |
| the CT23 Return on pages 3-17, tog                                             | ether with the applicable sched                                       | ules on pages                                                                       |          | have an extra-provincial licence                                    |                              |                                                        |
| 18-21. Corporations that do not me<br>Form criteria, may request and file      |                                                                       |                                                                                     |          |                                                                     | <b></b>                      | - Ministry Use                                         |
| MCBS Annual Return Required?                                                   | (Not required if already filed of Annual Return exempt, Reference     |                                                                                     | es 📃 No  | Page 1 of 24                                                        |                              |                                                        |
| Corporation's Legal Name (inclu                                                | ding punctuation)                                                     |                                                                                     |          |                                                                     |                              | ons Tax Account No. (MOF)<br>800140                    |
| NIAGARA-ON-THE-LAKE                                                            | HYDRO INC.                                                            |                                                                                     |          |                                                                     | This CT23 Return             | n covers the Taxation Year                             |
| Mailing Address                                                                |                                                                       |                                                                                     |          |                                                                     | Start                        | year month day<br>2003-01-01                           |
| P.O. Box 460                                                                   |                                                                       |                                                                                     |          |                                                                     |                              | year month day                                         |
| 8 Henegan Road                                                                 |                                                                       |                                                                                     |          |                                                                     | End                          | 2003-12-31                                             |
| Virgil                                                                         |                                                                       |                                                                                     |          |                                                                     |                              |                                                        |
| ON CA                                                                          | LOS-1TO                                                               | ····                                                                                |          | ······································                              |                              |                                                        |
| Has the mailing address change since last filed CT23 Return?                   | ed Yes                                                                | Date of Change                                                                      | yea      | ar month day                                                        | Date of Incorpora            | ation or Amalgamation                                  |
| Registered/Head Office Address                                                 | ;                                                                     |                                                                                     |          |                                                                     |                              | 2000-07-01                                             |
| P.O. Box 460                                                                   |                                                                       |                                                                                     |          |                                                                     |                              |                                                        |
| 8 Henegan Road                                                                 | ar 1                                                                  |                                                                                     |          |                                                                     | Ontario                      | r                                                      |
| Virgil                                                                         | •                                                                     |                                                                                     |          |                                                                     | Corporation No.              |                                                        |
| ON CA                                                                          | LOS-1TO                                                               |                                                                                     |          |                                                                     | (MCBS)                       |                                                        |
| Location of Books and Records                                                  |                                                                       |                                                                                     |          |                                                                     |                              |                                                        |
| P.O. BOX 460, 8 HENEG                                                          | AN ROAD                                                               |                                                                                     |          |                                                                     | (formerly Revenu             | s and Revenue Agency<br>ue Canada) Business No.        |
| Virgil                                                                         |                                                                       |                                                                                     |          |                                                                     | If applicable, ente          | 3605929RC0001                                          |
| ON CA                                                                          | LOS-1TO                                                               |                                                                                     |          |                                                                     |                              |                                                        |
| Name of person to contact regar                                                | aing this C123 Return                                                 | Telephone No.                                                                       | Fax No   | ).                                                                  | Jurisdiction<br>Incorporated | Ontario                                                |
| ROSE MURPHY<br>Address of Principal Office in Or                               | torio (Eutro Brovingial Come                                          | 905-468-423                                                                         | 5        | (MCBS)                                                              |                              |                                                        |
| Address of Principal Office in Of                                              | Itario (Extra-Provincial Corpor                                       | ations only)                                                                        |          | (MCBS)                                                              |                              | d in Ontario, indicate the<br>iness activity commenced |
|                                                                                |                                                                       |                                                                                     |          |                                                                     |                              | year month day                                         |
|                                                                                |                                                                       |                                                                                     |          |                                                                     | Commenced                    |                                                        |
| ON CA                                                                          | -                                                                     |                                                                                     |          |                                                                     | J                            | year month day                                         |
| Former Corporation Name (Extra                                                 | -Provincial Corporations only)                                        | X Not Applic                                                                        | able     | (MCBS)                                                              | Ceased                       |                                                        |
|                                                                                |                                                                       |                                                                                     | <u></u>  | NINT NOTIFIC AND A 11                                               | X Not Applica                | ble<br>age/Langue de préférence                        |
| Information on Directors/Officers/Adm                                          | inistrators must be completed.                                        | on MCBS                                                                             | -        | No. of Schedule(s)                                                  |                              | French                                                 |
| Schedule A or K as appropriate. If add<br>only this schedule may be photocopie | ditional space is required for Sc                                     | hedule A,                                                                           |          | 0                                                                   | X anglais<br>Ministry use    | français                                               |
| If there is no change to the Directors' submitted to MCBS, please X th         | '/Officers'/Administrators' inform<br>is box. Schedule(s) A and K are |                                                                                     |          | X No<br>change                                                      |                              |                                                        |
|                                                                                |                                                                       | Certifica                                                                           | ation (I | MCBS)                                                               |                              |                                                        |
| I certify that all information set o                                           | ut in the Annual Return is                                            |                                                                                     |          |                                                                     |                              | annan an a               |
| Name of Authorized Person (P                                                   | rint clearly or type in full)                                         |                                                                                     |          |                                                                     |                              |                                                        |
| ROSE MURPHY                                                                    |                                                                       |                                                                                     |          | ATT.                                                                |                              | 'ADTT'                                                 |
| D C                                                                            | ) P                                                                   |                                                                                     |          | ULT                                                                 | FICE C                       | JULI                                                   |
|                                                                                |                                                                       | individual having knowled<br>affairs of the Corporation<br>ion Act provide penaltie |          | ng false or misleading sta                                          | atements or omiss            | sions.                                                 |

CCH Canadian Ltd - Corporate Taxpren, 2003 CT23, ver. 3-2003, 0103

| ь з                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | à la c                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2                                                                                                    |                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporation's Legal Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Ontario Corporations Tax Account No. (MOF)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Taxation Year End                                                                                    | CT23 Page 3 of 24                                                                                                                                |
| NIAGARA-ON-THE-LAKE HYDRO INC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 1800140                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 2003-12-31                                                                                           |                                                                                                                                                  |
| CT23 Corporations Tax Return                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | L                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                      |                                                                                                                                                  |
| Identification continued (for CT23 filers only)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                      |                                                                                                                                                  |
| Type of Corporation – Please "X" box(es) if applicable         1       Image: Canadian-controlled Private (CCPC) all year (Generally a private corporation of which 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))         2       Other Private         3       Public         4       Non-share Capital         5       Other (specify)                                                                                                                                                                                                                                                                     | e in sections 1 & 2<br>Share Capital with full voting rights<br>owned by Canadian Residents                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (Use Head Office<br>if applicable, ento<br>Ontario Employ<br>(Use Head Office<br>if applicable, ento | ver Health Tax Account No.                                                                                                                       |
| 1       Family Farm Corporation s.1 (2)         2       Family Fishing Corporation s.1 (2)         3       Mortgage Investment Corporation s.47         4       Credit Union s.51         5       Bank Mortgage Subsidiary s.61 (4)         6       Bank s.1 (2)         7       Loan and Trust Corporation s.61 (4)         8       Non-resident Corporation s.61 (4)         9       Non-resident Corporation s.2(2)(c)         10       Mutual Fund Corporation s.48         11       Non-resident owned investment Corporation s.49         12       Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b) | <ul> <li>14 Bare Trustee Corporation</li> <li>15 Branch of Non-resident s.63(1)</li> <li>16 Financial institution prescribed by<br/>Regulation only</li> <li>17 Gamma Investment Dealer</li> <li>18 Generator of electrical energy for sale or<br/>producer of steam for use in the generation<br/>of electrical energy for sale</li> <li>19 K Hydro successor, Municipal Electrical Utility<br/>or subsidiary of either</li> <li>20 Producer and seller of steam for uses other<br/>than for the generation of electricity</li> <li>21 Insurance Exchange s.74.4</li> <li>22 Farm Feeder Finance Co-operative<br/>Corporation</li> <li>23 Professional Corporation<br/>(incorporated professionals only)</li> </ul> |                                                                                                      |                                                                                                                                                  |
| Please "X" box(es) if applicable:         First Year of Filing         Amended Return         Taxation Year End has changed - Canada Customs and Revenue Agency (formerly Revenue Canada) approval required                                                                                                                                                                                                                                                                                                                                                                                                                           | Final Taxation Year up to Dissolution (wind-up)<br>(Note: For discontinued businesses, see Guide.)<br>Final Taxation Year before Amalgamation<br>Floating Fiscal Year End                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | corporation<br>establishm                                                                            | Receipt of Asset(s) involving a<br>having a Canadian permanent<br>ent outside Ontario<br>of Control fed s.249(4)<br>ol was acquired<br>month day |

|                                                |                                                                   | Yes | No |
|------------------------------------------------|-------------------------------------------------------------------|-----|----|
| Was the corporation inactive through           | out the taxation year?                                            |     | X  |
| Has the corporation's Federal T2 Ret           | urn been filed with the Canada Customs and Revenue Agency (CCRA)? | X   |    |
| Are you requesting a refund due to:            | the Carry-back of a Loss?                                         | X   |    |
| <u>an ann an ann an ann an ann an ann ann </u> | an Overpayment?                                                   | X   |    |
| <u>, , , , , , , , , , , , , , , , , , , </u>  | a Specified Refundable Tax Credit?                                |     | x  |
| Are you a Member of a Partnership o            | r Joint Venture?                                                  |     | x  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | $\frown$                           |                                                                                                                  | C                                               | <u> </u>                                          |            |              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------------|------------|--------------|
| Corporation's Legal Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Ontari                             | o Corporations Tax Account N                                                                                     | No. (MOF)                                       | xation Year End                                   | CT23       | Page 4 of 24 |
| NIAGARA-ON-THE-LAKE HYDRO INC.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                    | 1800140                                                                                                          |                                                 | 2003-12-31                                        |            |              |
| Income Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                    | outoido Ontorio, you may alic                                                                                    | ocate that                                      |                                                   |            | DOLLARS ONLY |
| Allocation – If you carry on a business through a permanent of portion of taxable income deemed earned in that jurisdiction, the second | o that jurisdiction (s.39) (Int.   | 3. 3008).                                                                                                        |                                                 |                                                   |            |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | odulo, page 15)                    |                                                                                                                  |                                                 | ± Frc                                             | m 690      | -106,791.    |
| Net Income (loss) for Ontario purposes (per reconciliation sch                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | edule, page 13)                    |                                                                                                                  |                                                 |                                                   |            | 0.           |
| Subtract: Charitable donations<br>Subtract: Gifts to Her Majesty in right of Canada or a province                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | and diffs of cultural property     | (Attach schedule 2)                                                                                              |                                                 |                                                   | 2          | 0.           |
| Subtract: Girls to Her Majesty in right of Canada of a province<br>Subtract: Taxable dividends deductible, per federal T2 SCH 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    | (math sonedare L)                                                                                                |                                                 |                                                   | 3          | 0.           |
| Subtract: Ontario political contributions (Attach schedule 2A) (                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    |                                                                                                                  |                                                 |                                                   | 4          | 0.           |
| Subtract: Federal Part VI.1 tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                  |                                                 |                                                   | 5          | 0.           |
| Subtract: Prior years' losses applied - Non-capital loss                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                    |                                                                                                                  |                                                 | Fro                                               | 88533      | 0.           |
| Subtract Filor years losses applied - Horr-capital los.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | From 715                           | o <sup>inc</sup>                                                                                                 | clusion                                         |                                                   |            | <b>0</b> .   |
| Net capital loss                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                    | O, X rai                                                                                                         | te <u>50.0</u>                                  | <u>00000</u> % = -                                | 714        | 0.           |
| Farm losses                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                    |                                                                                                                  |                                                 | Fro                                               |            | 0.           |
| Restricted farm                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    | • • • • • • • • • • • • • • • • • • •                                                                            |                                                 | Fro                                               |            | 0.           |
| Limited partner                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | snip losses .                      |                                                                                                                  |                                                 | Fro                                               | 10         | -106.791.    |
| Taxable Income (Non-capital loss) Addition to taxable income for unused foreign tax deduction for                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | r federal ourposes                 |                                                                                                                  | + 11                                            |                                                   |            |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | s negative, enter 11)              |                                                                                                                  | = 20                                            | 0.                                                |            |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | s negative, enter                  |                                                                                                                  |                                                 |                                                   |            |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                  | Number of Days in                               | Taxation Year                                     |            |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    | F                                                                                                                | Days after Sept. 30, 2                          |                                                   |            |              |
| Taxable Income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                    |                                                                                                                  | and before Jan. 1, 20                           | 04 Total Days                                     |            |              |
| From 10 (or 20 if applicable) 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | × 30 100.000                       | ) <u>0</u> %x <u>12.5000</u> %x <u>3</u>                                                                         | <u>365</u>                                      | ÷ 73 365                                          | = + 29     | 0.           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Ontario Allocati                   |                                                                                                                  | Days after Dec. 31, 20<br>and before Jan. 1, 20 | 03<br>Total Days                                  |            |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                  |                                                 | <u>.</u> 73 365                                   | = + 32     | 0.           |
| From 10 (or 20 if applicable) 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | • x 30 100.000<br>Ontario Allocati | 14.0000 ~ NL                                                                                                     | <u>94 [0</u>                                    | <u>+ //3 _ 505 ]</u>                              | =+[02]     |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                  |                                                 |                                                   |            | a            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                  |                                                 |                                                   |            |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                  |                                                 |                                                   | = 40       | . O.         |
| <b>Income Tax Payable</b> (before deduction of tax credits)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 29 + 32                            | ••••••                                                                                                           |                                                 |                                                   |            |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    | and a second state of the second |                                                 |                                                   |            |              |
| In a setting Deduction for Cmall Pupipop                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | a Corporations //F                 | SBC) (c /11)                                                                                                     | /If this section                                | s not completed, the                              | DSBC wil   | be denied.)  |
| Incentive Deduction for Small Busines                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | s corporations (in                 | (3.41)                                                                                                           | (in this section i                              | s non completed, un                               |            |              |
| Did you claim the federal Small Business Deduct                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | tion (fed.s.125(1)) in the         | e taxation year or would                                                                                         | d you have claime                               | d r                                               |            | XNO          |
| the federal Small Business Deduction had the pr                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ovisions of fed.s.125(5            | .1) not been applicable                                                                                          | in the taxation ye                              | ar?                                               | ~)         |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                  |                                                 | ana ara da ina ina ina ina ina ina ina ina ina in |            |              |
| Income from active business carried on in Canada for federa                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | l purposes (fed.s.125(1)(a))       |                                                                                                                  | 50                                              |                                                   |            |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                  |                                                 |                                                   |            |              |
| Federal taxable income, less adjustment for foreign tax credit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                    | + 51                                                                                                             | <u>    0.</u>                                   |                                                   |            |              |
| Add: Losses of other years deducted for federal purpo                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                    | + 52                                                                                                             | <u> </u>                                        |                                                   |            |              |
| Subtract: Losses of other years deducted for Ontario purpo                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | oses (s.34)                        | - 53                                                                                                             | <u> </u>                                        |                                                   |            |              |
| Federal Business limit for the year before the application of f                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                  | 0. 54                                           |                                                   | ) <u>.</u> |              |
| (not exceeding \$ 200,000)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                    | + 55                                                                                                             | 956.                                            |                                                   |            |              |
| Add: Ontario enhancement of federal business limit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                    |                                                                                                                  |                                                 |                                                   |            |              |
| Number of Days in Taxation Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                  |                                                 |                                                   |            |              |
| Days after                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                    |                                                                                                                  |                                                 |                                                   |            |              |
| Days after<br>Sept. 30, 2001 and<br>before Jan. 1, 2003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                    |                                                                                                                  |                                                 |                                                   |            |              |
| 80,000 x 28 0 ÷ 73 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                    |                                                                                                                  |                                                 |                                                   |            |              |
| X From 55 956 ÷ 200,000 ==                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | + 43                               | <u>0.</u>                                                                                                        |                                                 |                                                   |            |              |
| Days after<br>Dec. 31, 2002 and Total Days                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                    |                                                                                                                  |                                                 |                                                   |            |              |
| before Jan 1, 2004                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                    |                                                                                                                  |                                                 |                                                   |            |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + 46 5                             | 74.                                                                                                              |                                                 |                                                   |            |              |
| Days after<br>Dec 31, 2003 and Total Days                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                    |                                                                                                                  |                                                 |                                                   |            |              |
| Dec 31, 2003 and Total Days<br>before Jan 1, 2005                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                    |                                                                                                                  |                                                 |                                                   |            |              |
| 200,000 x 31 0 ÷ 73 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                    |                                                                                                                  |                                                 |                                                   |            |              |
| X From 55 956 ÷ 200,000 =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | + 47                               | 0.                                                                                                               |                                                 |                                                   |            |              |
| Ontario enhancement of federal business limit 43 + 46 + 47 -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | = 5                                | 74.+ 44                                                                                                          | 574.                                            | an and a second second second                     |            |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 14                                 | =                                                                                                                | 1,530.45                                        | 1,53                                              |            | 0            |
| Income eligible for the IDSBC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                    | 30 100.00                                                                                                        | 000 % x 56                                      |                                                   | 0. = 60    | 0.           |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    |                                                                                                                  |                                                 |                                                   |            |              |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                    | * Ontario Allocation                                                                                             |                                                 | east of 50, 54 or                                 | 45         |              |
| *Note: Ontario Allocation for IDSBC purposes may differ fi<br>continued on Page 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                    |                                                                                                                  |                                                 | east of 50, 54 or                                 |            |              |

| Te s                                                                                                   | ~                                     |                                               |                                       | and the second sec                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |                      |
|--------------------------------------------------------------------------------------------------------|---------------------------------------|-----------------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------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| Corporation's Legal Name                                                                               | Ontario Cor                           | porations Tax Account No                      | o. (MOF)                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | СТ23                       | Page 5 of 24         |
| NIAGARA-ON-THE-LAKE HYDRO INC.                                                                         |                                       | 1800140                                       |                                       | 2003-12-31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                            | DOLLARS ONLY         |
| Income Tax continued from Pa                                                                           | age 4                                 |                                               |                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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|                                                                                                        |                                       |                                               |                                       | of Days in Taxation Year<br>after                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             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| Calculation of IDSBC Rate                                                                              |                                       |                                               | Days<br>Sept. 30, 2<br>before Jar     | 11,2003                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       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| IDSBC Rate for Taxation Year 79 +                                                                      | 89 + 90 .                             |                                               | •••••                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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| Corporations claiming the IDSBC must complete the greater than the amount in 114 below.                | e Surtax section below if the co      | rporation's taxable incom                     | e (or if associated, th               | e associated group's taxable inc                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              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| Applies if you have claimed the Incentive Deduction                                                    | -                                     | • •                                           |                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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| ** Short Taxation Years - Special rules apply when<br>Associated Corporation - The taxable income of a |                                       |                                               |                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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| ** Taxable Income of the corporation                                                                   |                                       | ••••••                                        | From                                  | 10 (or 20 if applicable)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      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| If you are a member of an associated group (X)                                                         |                                       | Ontario Corporatio                            |                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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| See attached                                                                                           | ·····                                 | <u>, , , , , , , , , , , , , , , , , , , </u> |                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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| Aggregate Taxable Income 80 +                                                                          | 82 + 83 + 84 , etc                    | · · · · · · · · · · · · · · · · · · ·         |                                       | ····                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          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| Sept. 30, 2001 a<br>before Jan. 1, 2                                                                   | 003                                   |                                               | 0                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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| Subtract: 280,000 x 28 0<br>Days after                                                                 | ÷ 73 365                              | = + 113                                       | 0.                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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| <u>320,000</u> x <u>31</u> <u>365</u><br>Days after                                                    | ÷ 73 365                              | = + 115                                       | 320.000.                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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| (If negative, enter nil)                                                                               |                                       |                                               | · · · · · · · · · · · · · · · · · · · |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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|                                                                                                        |                                       |                                               | Numbe                                 | r of Days in Taxation Year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    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|                                                                                                        |                                       |                                               | Days<br>Sept. 30, 1                   | after<br>2001 and Total Days                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  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| Calculation of Specified Rate for Surtax                                                               |                                       | 4.3330%                                       | before Ja<br>X 28                     | n 1, 2003<br>0 ÷ 73 365                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | = + 95                     | .0000                |
|                                                                                                        |                                       |                                               | Days<br>Dec. 31, 2                    | after                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         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|                                                                                                        |                                       | 4.6670%                                       | x 31 36                               | n. 1, 2004                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    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|                                                                                                        | · · · · · · · · · · · · · · · · · · · | //                                            | Days Dec. 31, 2                       | after                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         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|                                                                                                        |                                       | 4.6670%                                       | before Ja                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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| Specified rate of surtax for Taxation Year                                                             | 95 + 96 + 97                          | <u> </u>                                      | ^ <u>[[ 977 ]</u>                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | = 94                       | 4.6670               |
|                                                                                                        |                                       |                                               | C C = 0                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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| From 86                                                                                                | <u> </u>                              |                                               | <u>.6670</u> %<br>0.÷ From            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | = <u>87</u>                | <u> </u>             |
|                                                                                                        |                                       |                                               | ÷ ⊢rom                                | $\underline{1}, \underline{1}, \underline{1}$ |                            |                      |
| Surtax Lesser of 70 or 88<br>Continued on Page 6                                                       |                                       |                                               | •••••                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               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CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver. 3-2003, 0103

| Corporation's Legal Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Ditario Corporations Tax Account No. (MC                                                         |                                                                | New Field                             |                                                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Sun 2                                                                                            | /r)                                                            | Year End                              | CT23 Page 6 of 24                                                                                                                         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1800140                                                                                          | 2003                                                           | 3-12-31                               | DOLLARS ONLY                                                                                                                              |
| Income Tax continued from Page 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                  |                                                                |                                       |                                                                                                                                           |
| Additional Deduction for Credi                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | t Unions (s.51(4)) (Attach schedule                                                              | ÷17)                                                           |                                       | 110 0.                                                                                                                                    |
| Manufacturing and Processing<br>Applies to Eligible Canadian Profits from manufacturing and<br>Eligible Canadian Profits from mining are the "resource profi<br>and resource allowances but excluding amounts from sale o                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | processing, farming, mining, logging and fishing carri                                           | ario depletion purposes, after dedu                            | ucting depletion                      |                                                                                                                                           |
| schedule 27.<br>The whole of the active business income qualifies as Eligible<br>mining, farming, logging or fishing is 20% or less of the total i                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Canadian Profits if: a) your active business income fi                                           | rom sources other than manufactu                               |                                       | 1                                                                                                                                         |
| Eligible Canadian Profits                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                  |                                                                |                                       | 120                                                                                                                                       |
| Subtract: Income eligible for the Incentive Deduction for Sn                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | nall Business Corporations (IDSBC)                                                               |                                                                | +<br>From                             | n 56 0.                                                                                                                                   |
| Add: Adjustment for Surtax on Canadian-controlled pri                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                  |                                                                |                                       |                                                                                                                                           |
| From 100 0 • ÷ From 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 100.0000 % ÷ From 78 7.0                                                                         | 000 % = [121]                                                  | 0                                     | •                                                                                                                                         |
| Lesser of 56 or 121                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | * Ontario Allocation                                                                             | ·····                                                          | ····· +<br>····· =                    | 122 <u>0.</u><br>130 <u>0</u>                                                                                                             |
| Taxable Income                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                  |                                                                | + From                                | 10 -106,791.                                                                                                                              |
| Subtract: Income eligible for the Incentive Deduction for Sn                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                  | •••••                                                          | ····· - From                          |                                                                                                                                           |
| Add: Adjustments for Surtax on Canadian-controlled p.<br>Subtract: Taxable Income 10 -106,79                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 1. X Allocation % to jurisdictions outside Canada                                                | .0000%                                                         | + From                                | 0. <u>122</u> 0. <u>140</u> 0.                                                                                                            |
| Subtract: Amount by which Canadian and foreign investme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                  |                                                                | ······ -<br>····· -                   | 140         0.           141         0.           142         0.                                                                          |
| Claim                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                  |                                                                |                                       | <u></u>                                                                                                                                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ·                                                                                                | Number of Days in Taxation                                     | Year                                  |                                                                                                                                           |
| ···                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                  | Days after<br>Sept 30, 2001 and Tota<br>before Jan 1, 2004     | al Days                               |                                                                                                                                           |
| 143         O <sub>●</sub> X         From         30           Lesser of         130         or         142                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 100.0000 % x1.5000 % x [                                                                         |                                                                | 365 =+                                | <u>154</u> 0.                                                                                                                             |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                  | Days after<br>Dec 31, 2003 and Tota                            | al Days                               |                                                                                                                                           |
| 143         O.         X         From         30         I           Lesser of         130         or         142         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I         I | 100.0000 % x2.0000 % x                                                                           | before Jan 1, 2005                                             | 365 =+                                | 156 0.                                                                                                                                    |
| M&P claim for taxation year 154 + 156                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                  |                                                                | =                                     | 160                                                                                                                                       |
| * Note: Ontario Allocation for M&P Credit purposes may diffe                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | er from 30 if Taxable Income is allocated to for                                                 | reign jurisdictions. See special rul                           | es (s.43(1))                          |                                                                                                                                           |
| Manufacturing and Processing Profits Cree                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | dit for Electrical Generating Corporati                                                          | ons                                                            | =                                     | 161                                                                                                                                       |
| Manufacturing and Processing Profits Cree<br>and Sell Steam for uses other than the Ger                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                  | •••••••••••••••••••••••••••••••••••••••                        | =                                     | 1620.                                                                                                                                     |
| Credit for Foreign Taxes Paid (                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 5.40)                                                                                            |                                                                |                                       |                                                                                                                                           |
| Applies if you paid tax to a jurisdiction outside Cana                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                  | (Attach schedule).                                             |                                       | 170                                                                                                                                       |
| Credit for Investment in Small I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Business Development Cor                                                                         | porations (SBDC)                                               | · · · · · · · · · · · · · · · · · · · |                                                                                                                                           |
| <b>Applies</b> if you have an unapplied, previously approv<br>Any unused portion may be carried forward indefinite<br>Corporations Act)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | ed credit from prior years' investments in new<br>ely and applied to reduce subsequent years' in | issues of equity shares in Sn<br>come taxes. (Refer to the for | nall Business Dev<br>mer Small Busine | elopment Corporations.<br>Provide the second s |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Eligible Credit 175                                                                              | O Cre                                                          | edit Claimed 18                       | 0 <u>.</u>                                                                                                                                |
| Subtotal of Income Tax 40 -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 70 + 100 - 110 - 160 - 161 -                                                                     | 162 - 170 - 180                                                | = 19                                  | 0 <u>.</u>                                                                                                                                |

| 4) b                                                                                                                                                                    | A-re-                                                                                                     |                                                                                                                 |                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------|
| Corporation's Legal Name                                                                                                                                                | Ontario Corporations Tax Account No                                                                       | o. (MOF)                                                                                                        | CT23 Page 7 of 24 |
| NIAGARA-ON-THE-LAKE HYDRO INC.                                                                                                                                          | 1800140                                                                                                   | 2003-12-31                                                                                                      | DOLLARS ONLY      |
| Income Tax continued from Page 6<br>Specified Tax Credits (Refer to Guide)                                                                                              |                                                                                                           |                                                                                                                 |                   |
| Ontario Innovation Tax Credit (OITC) (s.43.3) A<br>Eligible Credit From 5620 OITC Claim Form (Attach of                                                                 |                                                                                                           |                                                                                                                 | <u>[191]</u>      |
| Co-operative Education Tax Credit (CETC) (s.<br>Eligible Credit From 5798 Summary Schedule F                                                                            | 43.4) Applies to employment of eligible students                                                          | 3.                                                                                                              | 192               |
| Ontario Film & Television Tax Credit (OFTTC)                                                                                                                            | (s.43.5)                                                                                                  |                                                                                                                 |                   |
| Applies to qualifying Ontario labour expenditures for el<br>Eligible Credit From 5899 either Claim Form from On<br>or Ministry of Finance (MOF) CT Schedule 193/199, as | tario Media Development Corporation (OMDC)                                                                | ctions.                                                                                                         |                   |
| (Attach the original Certification/Claim Form received fra<br>received from the OMDC along with a completed MOF                                                         |                                                                                                           | +                                                                                                               | 193               |
| Graduate Transitions Tax Credit (GTTC) (s.43.6                                                                                                                          | 6)                                                                                                        | No. of Graduates From 6596                                                                                      |                   |
| Applies to employment of eligible unemployed post sec<br>Eligible Credit From 6598 Summary Schedule G                                                                   | xondary graduate.                                                                                         | <u>[194]</u> <u>0</u> +                                                                                         | [195]             |
| Ontario Book Publishing Tax Credit (OBPTC)                                                                                                                              |                                                                                                           | • .                                                                                                             |                   |
| Applies to qualifying expenditures in respect of eligible                                                                                                               |                                                                                                           |                                                                                                                 |                   |
| Eligible Credit From 6900 OBPTC Claim Form (Attack                                                                                                                      | h <b>both</b> the original Claim Form and the Certificat                                                  | tion Form) +                                                                                                    | 196               |
| Ontario Computer Animation and Special Effe                                                                                                                             |                                                                                                           |                                                                                                                 |                   |
| Applies to labour relating to computer animation and sp                                                                                                                 |                                                                                                           |                                                                                                                 |                   |
| Eligible Credit From 6700 Claim Form Certified by Or                                                                                                                    |                                                                                                           |                                                                                                                 |                   |
| (Attach the original Claim/Certification Form with the CT                                                                                                               | <sup>23</sup> Tax Return.)                                                                                |                                                                                                                 | 197               |
| Ontario Business-Research Institute Tax Cred                                                                                                                            | dit (OBRITC) (s.43.9)                                                                                     |                                                                                                                 |                   |
| Applies to qualifying R&D expenditures under an eligible                                                                                                                | le research institute contract.                                                                           | ter and the second s |                   |
| Eligible Credit From 7100 OBRITC Claim Form (Attac                                                                                                                      | ch original Claim Form)                                                                                   | ····· +                                                                                                         | 198 0.            |
| Ontario Production Services Tax Credit (OPS                                                                                                                             | TC) (s.43.10)                                                                                             |                                                                                                                 |                   |
| Applies to qualifying Ontario labour expenditures for eli                                                                                                               | igible productions where the OFTTC has not bee                                                            | an claimed.                                                                                                     |                   |
| Eligible Credit From 7300 either Claim Form from Oni<br>or Ministry of Finance (MOF) CT Schedule 193/199, as                                                            | applicable.                                                                                               |                                                                                                                 |                   |
| (Attach the original Certification/Claim Form received fro<br>received from the OMDC along with a completed MOF (                                                       |                                                                                                           | +                                                                                                               | 199               |
| Ontario Interactive Digital Media Tax Credit (C                                                                                                                         | DIDMTC) (s.43.11)                                                                                         |                                                                                                                 |                   |
| Applies to qualifying labour expenditures of eligible pro                                                                                                               | ducts for the taxation year.                                                                              |                                                                                                                 |                   |
| Eligible Credit From 7400 Claim Form certified by On                                                                                                                    | tario Media Development Corporation                                                                       |                                                                                                                 |                   |
| (Attach original Claim/Certification Form.)                                                                                                                             |                                                                                                           | •••••••••••••••••                                                                                               | 200               |
| Ontario Sound Recording Tax Credit (OSRTC)                                                                                                                              |                                                                                                           |                                                                                                                 |                   |
| Applies to qualifying expenditures in respect of eligible                                                                                                               |                                                                                                           |                                                                                                                 |                   |
| Eligible Credit From 7500 OSRTC Claim Form (Attack                                                                                                                      | h <b>both</b> the original Claim Form and the Certificat                                                  | ion Form) +                                                                                                     | 201               |
| Other (specify)                                                                                                                                                         |                                                                                                           | +                                                                                                               | 201.1             |
| Total Specified Tax Credits                                                                                                                                             | 193 + 195 + 196 + 197 + 198 + 19                                                                          | 99 + 200 + 201 + 201.1 =                                                                                        | [220]             |
| Specified Tax Credits Applied to reduce Income                                                                                                                          | Тах                                                                                                       | =                                                                                                               | 225               |
| Income Tax 190 - 225 OR Enter NIL if repor                                                                                                                              | ting Non-Capital Loss (amount cannot be nega                                                              | ative) =                                                                                                        | 230               |
| To determine if the Corporate Minimum Tax (CMT)<br>CMT on <b>Page 8</b> . If CMT is not applicable, transfer a<br><b>OR</b>                                             | is applicable to your Corporation, see <i>Determin</i> amount in [230] to Income Tax in <i>Summary</i> se | ation of Applicability section for the action on Page 17.                                                       | 9                 |
| If CMT is not applicable for the current taxation yea<br>income tax otherwise payable, then proceed to and                                                              | r but your corporation has CMT Credit Carryover<br>complete the Application of CMT Credit Carry           | rs that you want to apply to reduce<br>vovers section part B, on Page 8.                                        |                   |

| t: p                                                                                                                                                                              | pm.                                                          |                                         |                                         |                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------|-----------------------------------------|----------------------------------|
| Corporation's Legal Name                                                                                                                                                          | ( ) Ontario                                                  | Corporations Tax Account No. (MOF       | r) ( ) axation Year End                 | CT23 Page 8 of 24                |
| NIAGARA-ON-THE-LAKE HYDRO INC.                                                                                                                                                    | ······································                       | 1800140                                 | 2003-12-31                              | DOLLARS ONLY                     |
| Corporate Minimum Tax (CMT)                                                                                                                                                       |                                                              |                                         |                                         |                                  |
| Determination of Applicability                                                                                                                                                    |                                                              |                                         |                                         |                                  |
| Applies if either Total Assets 249 exceeds \$5,000,<br>* These amounts include the corporation's and associat                                                                     |                                                              |                                         | ture(s) total assets and total rev      | 700110                           |
| Short Taxation Years - Special rules apply for determi                                                                                                                            | ning total revenue wh                                        | ere the taxation vear of the corr       | poration or any associated corpo        |                                  |
| period of any partnership(s)/joint venture(s) of which the<br>Associated Corporation - The total assets or total rev<br>before the date of the claiming corporation's taxation ye | enue of associated co                                        |                                         |                                         | ear ending on or                 |
|                                                                                                                                                                                   |                                                              |                                         |                                         | -                                |
| Total Assets of the corporation     Total Revenue of the corporation                                                                                                              |                                                              |                                         |                                         | <u>+</u> 241 14.521.217•         |
| If you are a member of an associated group (x)                                                                                                                                    |                                                              |                                         | ••••••••••••••••••••••••••••••••••••••• |                                  |
| Name of associated corporation (Canadian & foreign)<br>(If insufficient space, attach schedule)                                                                                   | Ontario Corporations<br>Account No. (MOF)<br>(if applicable) | Tax<br>Taxation Year End                | * Total Assets                          | * Total Revenue                  |
| See attached                                                                                                                                                                      |                                                              |                                         | _+ 243 7.482.45                         | 53.+ 244 166,525.                |
|                                                                                                                                                                                   |                                                              |                                         | _+ 245                                  | + 246                            |
| Aggregate Total Assets 240 + 243 + 245                                                                                                                                            | 5 + 247 , etc.                                               | ·····                                   | _+ 247<br>= 249 27,716,83               | •+ 248                           |
| Aggregate Total Revenue 241 + 244 + 246                                                                                                                                           |                                                              | •••••••                                 | ·····                                   | = 250 14.687.742.                |
| If CMT is applicable to current taxation year, complete s<br>on Pages 18, 19 and 20 of CT23.<br>Calculation: CMT (Attach Schedule A: Calculation c                                |                                                              |                                         | innum rax Schedules A tinou             | 411 E                            |
| Gross CMT Payable CMT Base From 2135                                                                                                                                              | ] 436<br>If negative, enter ze                               |                                         | 0.0000 %x 4.0000                        | = 276 17,467.                    |
| Subtract: Foreign Tax Credit for CMT purposes (Attach                                                                                                                             | •                                                            | ••••••••••••••••••••••••••••••••••••••• |                                         | 277                              |
| Subtract: Income Tax                                                                                                                                                              |                                                              | •••••••••••••••••••••                   |                                         | n <u>190</u> 0.<br>[280] 17,467. |
| Net CMT Payable (If negative, enter Nil on Page 17.                                                                                                                               | )                                                            | ••••••••••••••••••••••••••••••••••••••• | · · · · · · · · · · · · · · · · · · ·   | 280 17,467.                      |
| If 280 is less than zero and you do not have a CMT c                                                                                                                              | redit carryover, transf                                      | er 230 from Page 7 to Inc.              | ome tax Summary, on Page 1              | 7.                               |
| If 280 is less than zero and you have a CMT credit ca                                                                                                                             | arryover, complete A 8                                       | B below.                                |                                         |                                  |
| If 280 is greater than or equal to zero, transfer 230                                                                                                                             | ]to <i>Page 17</i> and trans                                 | sfer 280 to Page 17, and to s           | Schedule D: Continuity of CM            | T Credit Carryovers, on Page 20. |
| CMT Credit Carryover available .                                                                                                                                                  |                                                              |                                         | Fron                                    | n 2307 17,467.                   |
| Application of CMT Credit Carryovers                                                                                                                                              |                                                              |                                         |                                         |                                  |
| A. Income Tax (before deduction of specified credits)<br>Gross CMT Payable<br>Subtract: Foreign Tax Credit for CMT purposes                                                       | ·····                                                        | + From 276                              | + Fron<br><u>17,467.</u><br>0.          | n [190]O.                        |
| If 276 – 277 is negative, enter NIL in 290<br>Income Tax eligible for CMT Credit                                                                                                  |                                                              | ······ =                                | 17,467. –                               | 290 <u>17.467</u> .<br>300 0.    |
| B. Income tax (after deduction of specified credits)<br>Subtract: CMT credit used to reduce income taxes<br>Income Tax                                                            | ·····                                                        |                                         |                                         | n 230 0.<br>310 0.<br>320 0.     |
| If A & B apply, 310 cannot exceed the lesser of                                                                                                                                   | 230, 300 and y                                               | our CMT credit carryover avai           | lable 2307                              | Transfer to page 17              |
| If only B applies, 310 cannot exceed the lesser o                                                                                                                                 | f 230 and your                                               | CMT credit carryover availabl           | e 2307                                  |                                  |

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| 1                                                                                                                                                                                            | ٠                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1 mar                                                                                                                                                                                                                                                         |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                              | and the second s |                                                                                                                                                              |                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporatio                                                                                                                                                                                   | on's Legal Name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | ()                                                                                                                                                                                                                                                            | Ontario Corporatio                                                                                                                           | ns Tax Account No. (MOF)                                                                                                                                                                                                                                                                                                                                                                                                     | Faxation Year B                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | End 1                                                                                                                                                        |                                                                                                                                                                                                                                                               |
|                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                               | -                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                              | CT23 Page 9 of 24                                                                                                                                                                                                                                             |
| _                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                               | 180                                                                                                                                          | 0140                                                                                                                                                                                                                                                                                                                                                                                                                         | 2003-12-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 31                                                                                                                                                           | DOLLARS ONLY                                                                                                                                                                                                                                                  |
| •                                                                                                                                                                                            | al Tax (Refer to Guide and Int.B. 3011)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                               |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                              |                                                                                                                                                                                                                                                               |
| and 430<br>If your ca<br>partners.<br>Page 10<br>ends on<br>as calcul<br>the taxat<br>exempt f<br>criteria s<br>calculation<br>the return<br>Capital in<br>Members<br>financial s<br>member. | orporation is a Financial Institution (s.58(2)<br>on page 10 then proceed to page 13.<br>orporation is not a member of an associate<br>hip and (1) the Gross Revenue and Total A.<br>in [480] and [430] are both \$1,500,000 or le<br>or after January 1, 2001, or (2) the Gross R<br>fated on Page 10 in [480] and [430] are bo<br>ion year commences after September 30, 2<br>rom Capital tax for the taxation year. A Cor<br>hould disregard all other Capital Tax items<br>on of Taxable Capital). Enter NIL in [550]<br>on from that point. All other corporations mu-<br>e order to determine their Capital Tax payal<br>of a partnership (limited or general) or a joint v<br>statements of each partnership or joint venture<br>The Paid-up Capital of each corporate partner<br>hat would otherwise be included if the partner | d group and/or<br>ssets as calcula<br>ss and the taxa<br>evenue and Toi<br>th \$3,000,000 o<br>001, your corpo<br>poration that n<br>(including the<br>on page 12 and<br>ust compute the<br>ole.<br>venture, must att<br>of which they ar<br>must include its | ated on<br>tition year<br>tal Assets<br>r less and<br>pration is<br>neets these<br>d complete<br>eir Taxable<br>tach all<br>re a<br>share of | Investment Allowance is<br>corporation's share of the<br>investments in the partner<br>addition to any other req<br>partnerships (inf.B. 3017<br>Any Assets and liabilities<br>must be included along of<br>calculating its Taxable P<br>Special rules and rates a<br>s.69(3)).<br>Paid-up Capital of Non<br>non-resident subject to the<br>not carried on solely in<br>Income in Canada divide<br>certain indebtedness in a | e partnership's Total <i>i</i><br>ership as it appears o<br>uired adjustments (s.f<br>').<br>s of a corporation that<br>with the corporation's<br>'aid-up Capital.<br>apply to Non-Resident<br>-resident: Paid-up ca<br>ax by virtue of s.2(a) o<br>o Canada is deemed f<br>ed by 8 percent or (2)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Assets and<br>n the corpo<br>61 (5)). Spe<br>are being<br>other Asset<br>t corporation<br>apital emplo<br>tor (b), and<br>to be the <b>g</b><br>total assets | by deducting<br>pration's balance sheet, in<br>cial rules apply to limited<br>utilized in a joint venture<br>ets and liabilities when<br>ons (s.63, s.64 and<br>pyed in Canada of a<br>whose <b>business is</b><br>reater of (1) taxable<br>s in Canada minus |
| Paid-up c<br>Retained                                                                                                                                                                        | IP Capital<br>apital stock (Int.B. 3012 and 3015)<br>earnings (if deficit, deduct) (Int.B. 3012)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                               |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + <u>350</u><br>+ <u>351</u>                                                                                                                                 | <u>2,632,307.</u><br>675,441.                                                                                                                                                                                                                                 |
|                                                                                                                                                                                              | d other surpluses, excluding appraisal surplus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | (Inf.B.3012)                                                                                                                                                                                                                                                  |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + 352                                                                                                                                                        | 4,269,026.                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                              | d advances (Attach schedule) (Int.B. 3013)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                               |                                                                                                                                              | • • • • • • • • • • • • • • • • • • • •                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + 353                                                                                                                                                        | 6,901,333.                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                              | s (Int.B. 3013)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                               | ••••••                                                                                                                                       | •••••••••••••••                                                                                                                                                                                                                                                                                                                                                                                                              | •••••                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | + 354                                                                                                                                                        | 2,758,764.                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                              | cceptances (Int.B. 3013)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | • • • • • • • • • • • •                                                                                                                                                                                                                                       | • • • • • • • • • • • • • • • • •                                                                                                            | • • • • • • • • • • • • • • • • • • • •                                                                                                                                                                                                                                                                                                                                                                                      | •••••                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | + 355                                                                                                                                                        | 0.                                                                                                                                                                                                                                                            |
|                                                                                                                                                                                              | d debentures payable (Int.B. 3013)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                               |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + 356                                                                                                                                                        | <u>0.</u>                                                                                                                                                                                                                                                     |
|                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                               |                                                                                                                                              | ••••••••••••••••••••••                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + 357                                                                                                                                                        | <u> </u>                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                               |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                              | •••••                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | + 358                                                                                                                                                        | 0.                                                                                                                                                                                                                                                            |
| Deferred o<br>be include                                                                                                                                                                     | predits (including income tax reserves, and dei<br>d in paid-up capital for the purposes of the lar                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | erred revenue w<br>ge corporations                                                                                                                                                                                                                            | vhere it would also<br>tax) (Int.B. 3013)                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + 359                                                                                                                                                        | 1,392,185.                                                                                                                                                                                                                                                    |
| -                                                                                                                                                                                            | t, investment, inventory and similar reserves (                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                               |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                              | · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | + 360                                                                                                                                                        |                                                                                                                                                                                                                                                               |
|                                                                                                                                                                                              | erves not allowed as deductions for income tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                               |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + 361                                                                                                                                                        | <u> </u>                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                              | artnership(s) or joint venture(s) paid-up capita                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                               |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                              | •••••                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | + 362                                                                                                                                                        | 0.                                                                                                                                                                                                                                                            |
| Subtotal                                                                                                                                                                                     | Amounts deducted for income tax purposes i                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                               |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                              | • • • • • • • • • • • • • •                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | = 370                                                                                                                                                        | 18,629,056.                                                                                                                                                                                                                                                   |
| Subiraci.                                                                                                                                                                                    | (Retain calculations. Do not submit.) (Int.B. 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 012)                                                                                                                                                                                                                                                          | • • • • • • • • • • • •                                                                                                                      | ••••••••••••••••••••••••                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | - 371                                                                                                                                                        | 567,670.                                                                                                                                                                                                                                                      |
|                                                                                                                                                                                              | Deductible R & D expenditures and ONTTI co<br>if not already deducted for book purposes (Ini                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                               | income tax                                                                                                                                   | • • • • • • • • • • • • • • • • • • • •                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | - 372                                                                                                                                                        | 0.                                                                                                                                                                                                                                                            |
|                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                               |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | = 380                                                                                                                                                        | 18,061,386.                                                                                                                                                                                                                                                   |
| Subtract:                                                                                                                                                                                    | Deferred mining exploration and development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                               |                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | - 381                                                                                                                                                        | 0.                                                                                                                                                                                                                                                            |
|                                                                                                                                                                                              | Electrical Generating Corporations Only - All that they have been deducted by the corpora                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | amounts with re-<br>tion in computing                                                                                                                                                                                                                         | spect to electrical<br>g its income for inc                                                                                                  | generating assets, except t<br>ome tax purposes for the c                                                                                                                                                                                                                                                                                                                                                                    | o the extent<br>surrent or any                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                              |                                                                                                                                                                                                                                                               |

## Eligible Investments (Refer to Guide and Int.B. 3015)

as prescribed by regulation

Attach computations and list of corporations' names and investment amounts. Short-term investments (bankers acceptances, commercial paper, etc.) are eligible for the illowance only if issued for a term of and held for 120 days or more prior to the year end of the investor corporation.

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prior taxation year, that are deductible by the corporation under clause 11(10)(a) of the Corporations Tax Act, and the assets are used both in generating electicity from a renewable or alternative energy source and are qualifying property

| Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped nterest coupons, applies to taxation years ending after October 30, 1998) | + 402 |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------|----------|
| Nortgages due from other corporations                                                                                                                    | + 403 | 0.       |
| Shares in other corporations (certain restrictions apply) (Refer to Guide)                                                                               | + 404 | 0.       |
| oans and advances to unrelated corporations                                                                                                              | + 405 | 0.       |
| ligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)                                                         | + 406 | 149,786. |
| Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)                                                                       | + 407 | 0.       |
| otal Eligible Investments                                                                                                                                | = 410 | <u></u>  |

continued on Page 10

- 382

= 390

18,061,386.

| τ. φ                                                                                                                  | $\frown$                                                                                                                                                                   | and the second s |                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Corporation's Legal Name                                                                                              | Ontario Corporations Tax Account No. (MOF)                                                                                                                                 | ion Year End                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | CT23 Page 10 of 24                                                                                              |
| NIAGARA-ON-THE-LAKE HYDRO INC.                                                                                        | 1800140                                                                                                                                                                    | 2003-12-31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | DOLLARS ONLY                                                                                                    |
| Capital Tax continued from Page 9                                                                                     |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| Total Assets (Int.B. 3015)                                                                                            |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| Total Assets per balance sheet                                                                                        |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + 420 20,234,378.                                                                                               |
| Mortgages or other liabilities deducted from assets                                                                   | ••••••                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + 421                                                                                                           |
| Share of partnership(s)/joint venture(s) total assets (Att<br>Subtract: Investment in partnership(s)/joint venture(s) | ach schedule)                                                                                                                                                              | • • • • • • • • • • • • • • • • • • • •                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | + 422 0.                                                                                                        |
| Total Assets as adjusted                                                                                              | • • • • • • • • • • • • • • • • • • • •                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | - 423 = 0.                                                                                                      |
| Amounts in 360 and 361 (if deducted from assets)                                                                      |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | + 440 0.                                                                                                        |
| Subtract: Amounts in 371, 372 and 381                                                                                 |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | - 441 567,670.                                                                                                  |
| Subtract: Appraisal surplus if booked                                                                                 |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | - 4420.                                                                                                         |
| Add or Subtract: Other adjustments (specify on an attact Total Assets                                                 | thed schedule)                                                                                                                                                             | • • • • • • • • • • • • • • • • • •                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | $     \pm \frac{443}{= 450} = \frac{0}{19,666,708} $                                                            |
|                                                                                                                       |                                                                                                                                                                            | •••••                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                 |
| Investment Allowance (410 ÷ 450) x [                                                                                  | 390                                                                                                                                                                        | Not to exceed 410                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | = 460 137,560.                                                                                                  |
| Taxable Capital 390 - 460                                                                                             | •••••••••••••••••••••••••••••••••••••••                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | = 470 17,923,826.                                                                                               |
|                                                                                                                       |                                                                                                                                                                            | ······                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | an e e e démonstration de la constration de la constration de la constration de la constration de la constratio |
| Gross Revenue (as adjusted to include the share of                                                                    | anv partnership(s)/ioint venture(s) Gross Revenue)                                                                                                                         | 480                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 14.521.217.                                                                                                     |
| Total Assets (as adjusted)                                                                                            |                                                                                                                                                                            | From 430                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 20.234.378.                                                                                                     |
|                                                                                                                       |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| Calculation of Canital Tax for all                                                                                    | corporations except Financial Inst                                                                                                                                         | itutione                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                 |
| -                                                                                                                     | sed for a taxation year that commenced after Septem                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| ,                                                                                                                     |                                                                                                                                                                            | idel 30, 2001.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                 |
| (Financial Institutions use calculations on page 13.,                                                                 |                                                                                                                                                                            | e".                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                 |
| Important: Financial Institution, complete o                                                                          | n corporation, family fishing corporation or a credit u<br>nly Section A below.                                                                                            | nion that is not a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                 |
| OR If the corporation is NOT a memi                                                                                   | per of an associated group and/or partnership, review                                                                                                                      | v only the capital tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                 |
| calculations in Section B below the corporation.                                                                      | and select and complete the one specific subsection                                                                                                                        | (e.g. B3) that applies to                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                 |
| if applicable, complete Section D                                                                                     | f an associated group and/or partnership, complete S<br>or Section E on page 12. Note: if the corporation is a r<br>2003 CT23 guide for additional instructions before cor | nember of a connected                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                 |
| section.                                                                                                              | -                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
|                                                                                                                       |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| SECTION A                                                                                                             |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| Envelopment of Angele of Angele Provide Andrew Control of Angele and Angele and Angele Angele Angele and Angele       | ily farm corporation, a family fishing corporation or a                                                                                                                    | credit union that is no                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | t a Financial                                                                                                   |
|                                                                                                                       |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| Enter NIL in 550 on page 12 and complete the return                                                                   | from that point.                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| SECTION B                                                                                                             |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| This section applies if the corporation is NOT a mer                                                                  | nher of an associated group and/or partnership                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
|                                                                                                                       |                                                                                                                                                                            | ······                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                 |
| B1 If the taxation year commences after September : complete the return from that point.                              | 30, 2001 and 430 and 480 on page 10 are both \$3,0                                                                                                                         | 000,000 or less, enter NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | in 550 on page 12 and                                                                                           |
| B2 If taxable capital, 470 on page 10, is \$5,000,00                                                                  | 0 or less, enter NIL in 550 on page 12 and complete                                                                                                                        | the return from that point.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | *****                                                                                                           |
| B3 If taxable capital, 470 on page 10 exceeds \$5,0<br>the return from that point.                                    | 000,000, complete the following calculation and transfer th                                                                                                                | ne amount From 523                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | to 543 on page 12, and complete                                                                                 |
| + From 470 0.                                                                                                         |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
| O.                                                                                                                    | Days in t                                                                                                                                                                  | axation year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                 |
| = 471 0. X Fro                                                                                                        |                                                                                                                                                                            | <u>365</u> =                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | = + 5230.                                                                                                       |
|                                                                                                                       | Ontario Allocation                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Transfer to 543 on page 12 and complete the return from that point                                              |
| ** If floating taxation year, refer to Guide.                                                                         | ן פפר)                                                                                                                                                                     | f leap year)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                 |
| continued on Page 11                                                                                                  |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |
|                                                                                                                       |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                 |

| Corporation's Legal Name<br>NIAGARA-ON-THE-LAKE HYDRO IN<br>Capital Tax Calculation<br>SECTION C<br>This section applies ONLY to a corp<br>capital tax) and/or partnership. You<br>under either Section D or Section E | Continued from page 10<br>continued from page 10<br>poration that is a member of<br>must check either 509 or                                                                                                             | Ontario Corporations Tax Account No. (N<br>1800140<br>an associated group (exluding fina<br>524) and complete this section be                                                                                                                                                                                                 | MOF)xation Year End<br>2003-12-31                                                                                                                                                                                             | CT23 Page 11 of 24                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capital Tax Calculation<br>SECTION C<br>This section applies ONLY to a corp<br>capital tax) and/or partnership. You<br>under either Section D or Section E                                                             | Continued from page 10<br>continued from page 10<br>poration that is a member of<br>must check either 509 or                                                                                                             | an associated group (exluding fina                                                                                                                                                                                                                                                                                            | 2003-12-31                                                                                                                                                                                                                    | _                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| SECTION C<br>This section applies ONLY to a corr<br>capital tax) and/or partnership. You<br>under either Section D or Section E                                                                                        | poration that is a member of<br>must check either 509 or                                                                                                                                                                 | an associated group (exluding fina<br>524) and complete this section be                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| This section applies ONLY to a corp<br>apital tax) and/or partnership. You<br>under either Section D or Section E                                                                                                      | must check either 509 or                                                                                                                                                                                                 | an associated group (exluding fina<br>524] and complete this section be                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| capital tax) and/or partnership. You<br>under either Section D or Section E                                                                                                                                            | must check either 509 or                                                                                                                                                                                                 | an associated group (exluding fina<br>524) and complete this section be                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                                                        |                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                               | ancial institutions and corpora<br>fore you can calculate your ca                                                                                                                                                             | tions exempt from<br>pital tax calculation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| C1. 509 (X if applicable)                                                                                                                                                                                              | All corporations that you are                                                                                                                                                                                            | associated with do not have a perr                                                                                                                                                                                                                                                                                            | nanent establishment in Cana                                                                                                                                                                                                  | da.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                                                                                                                                                        |                                                                                                                                                                                                                          | 10 is \$5,000,000 or less, enter NIL in                                                                                                                                                                                                                                                                                       | · · · · · ·                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                                                        | f taxable capital 470 on page<br>Section D and the return from the                                                                                                                                                       | 10 exceeds \$5,000,000 proceed to <b>S</b><br>nat point.                                                                                                                                                                                                                                                                      | Section D, enter \$5,000,000 in                                                                                                                                                                                               | 542 Section D, and complete                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| C2: X 524 (X if applicable) C                                                                                                                                                                                          | One or more of the corporation                                                                                                                                                                                           | ons that you are associated with <u>m</u>                                                                                                                                                                                                                                                                                     | aintains a permanent establis                                                                                                                                                                                                 | nment in Canada.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| It                                                                                                                                                                                                                     | the taxation year ends before                                                                                                                                                                                            | January 1, 2003, you must complete                                                                                                                                                                                                                                                                                            | e the Calculation below.                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| a<br>g<br>u<br>fi<br>fi<br>\$<br>\$                                                                                                                                                                                    | Illocate the \$5,000,000 taxable<br>proup <b>may file an election</b> unc<br>used to allocate the taxable cap<br>led, all members of the group v<br>portion (portion is henceforth re<br>i5,000,000 taxable capital exer | December 31, 2002, you and your associated exemption by completing the ler subsection 69(2.1) of the Corporativital exemption among the associated will then be required to file in accordar ferred to as <b>Net Deduction</b> ) of the \$1 nption, to each corporation in the groutide by its Ontario allocation is to the t | Calculation below. Or, the assoc<br>ions Tax Act, whereby total asso<br>group. Once a ss.69(2.1) election<br>nee with the election and allocate<br>15,000 capital tax effect, relating<br>up on the basis of the ratio that e | ets are<br>in is<br>e a<br>to the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| fi                                                                                                                                                                                                                     |                                                                                                                                                                                                                          | ntario allocation percentages to be use<br>I information from its last taxation yea                                                                                                                                                                                                                                           |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| ана са                                                                                                                                                                             | pportioned by the total asset for<br>Deduction among the group on<br>eallocated amounts does not e<br>ssociated group.                                                                                                   | pration in the associated group may de<br>prmula, the group may, at the group's<br>what ever basis the corporate group v<br>xceed the group's total Net Deduction                                                                                                                                                             | option, reallocate the group's tot<br>wishes, as long as the total of the                                                                                                                                                     | al Net                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Calculation Do NOT complete th                                                                                                                                                                                         | is calculation if ss.69(2.1) ele                                                                                                                                                                                         | ection is filed                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Taxable Capital From 470 on page                                                                                                                                                                                       | e 10                                                                                                                                                                                                                     | •••••••••••••••••••••••••••••••••••••••                                                                                                                                                                                                                                                                                       | + Fro                                                                                                                                                                                                                         | om 470 17,923,826.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|                                                                                                                                                                                                                        | tax) and/or partnership havi<br>ing financial institutions<br>or related partners                                                                                                                                        | excluding financial institutions and<br>ng a permanent establishment in C<br>Ontario Corporations Tax<br>Account No. (MOF)<br>(if applicable)                                                                                                                                                                                 |                                                                                                                                                                                                                               | Taxable Capital                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                                                        |                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                               | + 532                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                  |                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                               | + 533                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Aggregate Taxable Capital 470                                                                                                                                                                                          | + 531 + 532 + 533, etc                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                               | .= 540 18,231,956.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Enter NIL in                                                                                                                                                                                                           | 523 in section D on page 12,                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                                                                                                                                                                                        |                                                                                                                                                                                                                          | he corporation must compute its shar<br>or the taxation year under Section D o                                                                                                                                                                                                                                                |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| From 470                                                                                                                                                                                                               | 17,923,826.÷Fro                                                                                                                                                                                                          | m <u>540 18,231,956</u> .×                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                               | . = 541 <u>4,915,497</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| S.s.69(2.1) Election Filed                                                                                                                                                                                             | STATIstical communication of second second second second                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                               | The second secon |
|                                                                                                                                                                                                                        | tion filed. Attach a copy of t<br>seed to Section E on page 12.                                                                                                                                                          | he election with this CT23 Return.                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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| Corporation's Legal Name                                                                                                                                              | Ontario Corporations Tax Account N<br>1800140               | o. (MOF) tion Year End<br>2003-12-31                                    | CT23 Page 12 of 24                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capital Tax Calculation continued from P                                                                                                                              | age 11                                                      |                                                                         |                                                                                                                                                         |
| SECTION D                                                                                                                                                             |                                                             |                                                                         |                                                                                                                                                         |
| This section applies if the corporation IS a member of a taxable capital, $540$ on page 11, exceeds \$5,000,000.                                                      | an associated group and/or partnership                      | whose total AGGREGATE                                                   |                                                                                                                                                         |
| Complete the following calculation and transfer the amount                                                                                                            | From 523 to 543, and complete the re                        | sturn from that point.                                                  |                                                                                                                                                         |
| + From 470 17.923,826 •<br>- 542 4,915,497 •<br>= 471 13,008,329 • x From 3                                                                                           | 0 <u>100.0000</u> % x <u>.3000%</u> x<br>Ontario Allocation | Days in taxation year<br>555 <u>365</u><br>** 365<br>(366 if leap year) | Total Capital Tax for the taxation year         = +       523       39,025.         Transfer to       543       and complete the return from that point |
| SECTIONE                                                                                                                                                              |                                                             |                                                                         |                                                                                                                                                         |
| This section applies if a corporation is a member of an                                                                                                               | associated group and the associated gr                      | oup has filed a ss.69(2.1) election                                     | 1                                                                                                                                                       |
| + From 470 X From 3                                                                                                                                                   | 0 100.0000 x 3000%<br>Ontario Allocation                    |                                                                         | = + <u>561</u> <u>O.</u>                                                                                                                                |
| - Capital tax deduction From 995 relating to yo                                                                                                                       | our corporation's capital tax deduction, on s               | is.69(2.1) election form                                                | From 995                                                                                                                                                |
| Capital Tax                                                                                                                                                           | 0. x                                                        | Days in taxation year<br>555 <u>365</u><br>** 365<br>(366 if leap year) | = 563 0.<br>Transfer to 543 and complete<br>the return from that point.                                                                                 |
| ** If floating taxation year, refer to Guide.                                                                                                                         | an a                    |                                                                         | nin kana fingi katalan dalam kana kana kana kana kana kana kana ka                                                                                      |
|                                                                                                                                                                       |                                                             | · ·                                                                     |                                                                                                                                                         |
|                                                                                                                                                                       |                                                             |                                                                         |                                                                                                                                                         |
| Capital Tax before application of specified credits<br>Subtract: Specified Tax Credits applied to reduce capital<br>Capital Tax 543 – 546 (amount cannot be negative) |                                                             | · · · · · · · · · · · · · · · · · · ·                                   | = 543 39:025.<br>- 546 0.<br>= 550 39:025.                                                                                                              |

Transfer to Page 17

| $\sim$                                                                                                                                                                                                        |                                                                                                                    | $\bigcirc$                                      |                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------|
| Corporation's Legal Name                                                                                                                                                                                      | Ontario Corporations Tax Account No. (MOF)                                                                         | Taxation Year End                               | CT23 Page 13 of 24                    |
| NIAGARA-ON-THE-LAKE HYDRO INC.                                                                                                                                                                                | 1800140                                                                                                            | 2003-12-31                                      | DOLLARS ONLY                          |
| Capital Tax continued from Page 12                                                                                                                                                                            |                                                                                                                    |                                                 |                                       |
| Calculation of Capital Tax for Financial Institu                                                                                                                                                              | utions                                                                                                             |                                                 |                                       |
| I.1. Credit Unions only                                                                                                                                                                                       |                                                                                                                    |                                                 |                                       |
| For taxation years commencing after May 4, 1999 enter NIL i                                                                                                                                                   | n 550 on page 12, and complete the return from that poin                                                           | t.                                              |                                       |
|                                                                                                                                                                                                               |                                                                                                                    |                                                 |                                       |
| I.2. Other than Credit Unions                                                                                                                                                                                 |                                                                                                                    |                                                 |                                       |
| (Retain details of calculations for amounts in boxes 565 and                                                                                                                                                  | d 570. Do not submit with this tax return.)                                                                        |                                                 |                                       |
| 565 0. x 0.6% X F<br>Lesser of adjusted TPUC<br>and Basic Capital Amount<br>in accordance with<br>Division B.1                                                                                                | Days in taxatic<br>rom 30% x 555<br>Ontario Allocation                                                             | nn year<br>÷ <sup>**</sup> (366 if leap year) = | - <u>+ 569</u> 0.                     |
| 570 0.00 % X 571 0.00 % X F<br>Adjusted TPUC<br>in accordance with<br>Division B.1 in excess<br>of Basic Capital Amount                                                                                       | Days in taxatio<br>From 30 // X 555 // -<br>Ontario Allocation                                                     | in year<br>= ** <u>0</u> (366 if leap year) =   | + 574 0.                              |
| Capital Tax for Financial Institutions - other than (                                                                                                                                                         | Credit Unions (before Section II)                                                                                  | 569 + 574                                       | = <b>575</b>                          |
|                                                                                                                                                                                                               |                                                                                                                    | <u></u> , + <u></u> ,                           |                                       |
| ** If floating taxation year, refer to Guide.                                                                                                                                                                 | · · · ·                                                                                                            |                                                 |                                       |
| II. Small Business Investment Tax Credit                                                                                                                                                                      | and the second   | General Contractions                            |                                       |
| (Retain details of eligible investment calculation and, if claimin<br>the credit issued in accordance with the Community Small Bu                                                                             | ng an investment in CSBIF, retain the original letter ap<br>siness Investment Fund Act. Do not submit with this ta | proving<br>ax return.)                          |                                       |
| Allowable Credit for Eligible Investments                                                                                                                                                                     |                                                                                                                    | ·····                                           | - 585                                 |
| Financial Institutions: Claiming a tax credit for investment in C                                                                                                                                             | community Small Business Investment Fund (CSBIF)?                                                                  | (x) Yes                                         |                                       |
|                                                                                                                                                                                                               |                                                                                                                    |                                                 |                                       |
| Capital Tax – Financial Institutions 575 – 585                                                                                                                                                                | ]                                                                                                                  |                                                 | = 586 0.<br>Transfer to 543 on Page12 |
| Premium Tax (s.74.2 & 74.3) (Refer to Guide)                                                                                                                                                                  |                                                                                                                    |                                                 |                                       |
| (1) Uninsured Benefits Arrangements<br>Applies to Ontario-related uninsured benefits arrangement                                                                                                              |                                                                                                                    | 0. x 2%                                         | = 588<br>0.                           |
| <ul> <li>(2) Unlicensed Insurance (enter premium tax payable in 588 (1) above, add both taxes together and enter total tax in </li> <li>Applies to Insurance Brokers and other persons placing in </li> </ul> | 588 .)                                                                                                             |                                                 |                                       |
| unlicensed insurers.                                                                                                                                                                                          |                                                                                                                    |                                                 |                                       |
| Deduct: Specified Tax Credits applied to reduce premium tax                                                                                                                                                   | (Refer to Guide)                                                                                                   |                                                 | - 589                                 |
| Premium Tax 588 - 589                                                                                                                                                                                         | ······                                                                                                             |                                                 | = <u>590</u><br>Transfer to page 17   |

| e e                                                                                                             |                                                                                                                         |                                       |                   |       |                                  |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-------------------|-------|----------------------------------|
| Corporation's Legal Name                                                                                        | 0                                                                                                                       |                                       | $\bigcirc$        |       |                                  |
|                                                                                                                 | Ontario Corporations Tax Account N                                                                                      | lo. (MOF)                             | Taxation Year End | CT23  | Page 14 of 24                    |
| NIAGARA-ON-THE-LAKE HYDRO INC.                                                                                  | 1800140                                                                                                                 |                                       | 2003-12-31        |       | DOLLARS ONLY                     |
| Reconcile net income (loss) for f<br>for Ontario purposes if amounts                                            | ederal income tax purposes<br>differ                                                                                    | with ne                               | t income (loss)   |       |                                  |
| Net Income (loss) for federal income tax pur                                                                    | ooses, per federal T2 SCH 1                                                                                             |                                       |                   | ± 600 | -106,791,<br>Transfer to Page 15 |
| Add:                                                                                                            |                                                                                                                         |                                       | 1 000 070         |       | -                                |
| Federal capital cost allowance                                                                                  | • • • • • • • • • • • • • • • • • • • •                                                                                 | . + 601                               | 1,232,370         |       |                                  |
| Federal cumulative eligible capital deduction<br>Ontario taxable capital gain                                   | ••••••                                                                                                                  | . + 602                               | 1,528             |       |                                  |
| Federal non-allowable reserves. Balance beginning                                                               | • • • • • • • • • • • • • • • • • • •                                                                                   | . + 603                               | 0.                |       |                                  |
| Federal allowable reserves. Balance end of year                                                                 | o year                                                                                                                  | . + 604                               | 0.                |       |                                  |
| Ontario non-allowable reserves. Balance end of year                                                             | ·····                                                                                                                   | . + 605<br>+ 606                      | 0.                |       |                                  |
| Ontario allowable reserves. Balance beginning of y                                                              |                                                                                                                         |                                       | 0                 |       |                                  |
| Federal exploration expenses (e.g. CEDE, CEE, C                                                                 |                                                                                                                         |                                       | 0                 |       |                                  |
| Federal resource allowance                                                                                      |                                                                                                                         | . + 608<br>. + 609                    | 0                 |       |                                  |
| Federal depletion allowance                                                                                     |                                                                                                                         | + 610                                 | 0.                |       |                                  |
| Federal foreign exploration and development exper                                                               | ises                                                                                                                    | + 611                                 | 0                 |       |                                  |
| Management fees, rents, royalties and similar payn                                                              | nents to non-arms' length non-residents                                                                                 |                                       |                   |       |                                  |
| Number                                                                                                          | of Days in Taxation Year                                                                                                |                                       |                   |       |                                  |
| 612 0. x 5 ÷ 12.5000 x 33 3<br>Day Dec. 31                                                                      | s after<br>, 2001 and Total Days<br>an. 1, 2004<br>65 ÷ 73 365 = + 633<br>s after<br>2003 and Total Days<br>an. 1, 2005 | 0.                                    |                   |       |                                  |
| 612 <u>0.</u> X <u>5</u> ÷ <u>14.0000</u> X <u>34</u>                                                           | 0 ÷ 73 365 =+ 634                                                                                                       | 0.                                    |                   | · ·   |                                  |
| Total add-back amount for Management fees, etc.                                                                 | 633 + 634 =                                                                                                             | 0.+ 613                               | 0.                |       |                                  |
| Federal Scientific Research Expenses claimed in yu excluding any negative amount in 473 from Ont. C             | ear from line 460 of fed. form T661<br>T23 schedule 161                                                                 | + 615                                 | 0.                | •     |                                  |
| Add any negative amount in 473 from Ont. CT23                                                                   | Schedule 161                                                                                                            | + 616                                 | 0.                |       |                                  |
| Federal allowable business investment loss                                                                      | •••••                                                                                                                   | + 620                                 | 0.                |       |                                  |
| Total of other items not allowed by Ontario but allow                                                           | ved federally (Attach schedule)                                                                                         | + 614                                 | 0.                |       |                                  |
| Total of Additions 601 to 611 + 613 + 61                                                                        | 5 + 616 + 620 + 614                                                                                                     | . =                                   | 1,233,898.        | 640   | 1,233,898.                       |
| Deduct:                                                                                                         |                                                                                                                         |                                       |                   |       | Transfer to Page 15              |
| Ontario capital cost allowance (excludes amounts de                                                             | ducted under 675 )                                                                                                      | + 650                                 | 1,232,370.        |       |                                  |
| Ontario cumulative eligible capital deduction                                                                   | ·····                                                                                                                   | + 651                                 | 1,528.            |       |                                  |
| Federal taxable capital gain                                                                                    |                                                                                                                         | + 652                                 |                   |       |                                  |
| Ontario non-allowable reserves. Balance beginning o                                                             | f year                                                                                                                  | + 653                                 | 0.                |       |                                  |
| Ontario allowable reserves. Balance end of year                                                                 |                                                                                                                         | + 654                                 | 0.                |       |                                  |
| Federal non-allowable reserves. Balance end of year                                                             |                                                                                                                         | + 655                                 | 0.                |       |                                  |
| Federal allowable reserves. Balance beginning of ye                                                             | ar                                                                                                                      | + 656                                 | 0.                |       |                                  |
| Ontario exploration expenses (e.g. CEDE, CEE, CDI                                                               | E, COGPE) (Retain calculations. Do not submit.)                                                                         | + 657                                 | 0.                |       |                                  |
| Ontario depletion allowance                                                                                     |                                                                                                                         |                                       | 0.                |       |                                  |
|                                                                                                                 |                                                                                                                         | · · · · · · · · · · · · · · · · · · · | 0.                |       |                                  |
| Ontario current cost adjustment (Attach schedule)                                                               |                                                                                                                         | + 661                                 |                   |       |                                  |
| Incentive for new electricity supply (section 13.6 ded<br>(Applies only to electrical generating corporations.) | uction from income)                                                                                                     | + 674                                 | 0.                |       |                                  |

| CCA for investments in qualifying energy-    | efficient equipment and for assets      |
|----------------------------------------------|-----------------------------------------|
| used to generate electricity from natural ga | as, alternative or renewable resources. |
| Subtotal of deductions for this page         | 650 to 659 + 661 + 674 + 675            |

0.

1,233,898. Transfer to Page 15

<sub>+</sub> 675

681

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| Corporation's Legal Name<br>NIAGARA-ON-THE-LAKE HYE   |                                                                           | Ontario Corporations Tax                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Account No. (MOF)           | 2003-12-31                                                                                                      | CT23                                   | Page 15 of 24      |
|-------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------|
|                                                       | me (loss) for federal in<br>es if amounts differ                          | come tax purp                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | oses with net i             | ncome (loss)                                                                                                    |                                        | DOLLARIS ONLY      |
| · _                                                   | ncome tax purposes, per federal T                                         | 2 SCH 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                             | From                                                                                                            | <u>+</u> 600                           | -106,791.          |
| Total of Additions                                    |                                                                           | •                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                             | From                                                                                                            | = 640                                  | 1,233,898.         |
| Subtotal of deductions on page                        | ne 14                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | From = 681                  | 1,233,898.                                                                                                      |                                        |                    |
|                                                       |                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                             | 1,200,000                                                                                                       |                                        |                    |
|                                                       | Tax Incentive (ONTTI) Gross-up<br>orations whose Ontario allocation is l  | ess than 100% in the cur                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | rent taxation year.)        |                                                                                                                 |                                        |                    |
|                                                       | tario) (CCA) on prescribed qualifying<br>d in the current taxation year   | 662                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 0.                          |                                                                                                                 |                                        |                    |
| ONTTI Gross-up deductio                               | n calculation:                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                             |                                                                                                                 |                                        |                    |
| From                                                  | 100                                                                       | From 662                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 0. = 663                    |                                                                                                                 | -                                      |                    |
| Fro                                                   |                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u> </u>                    | 0,                                                                                                              | Ĺ                                      |                    |
|                                                       |                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                             |                                                                                                                 | -                                      | · ·                |
| Workplace office date tax                             | · · · · · · · · · · · · · · · · ·                                         | 30.00% x                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | - 666                       | 0                                                                                                               |                                        |                    |
| Qualifying expenditures:                              | 665 <u>0.</u> x                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | .0000                       |                                                                                                                 | Ĺ                                      |                    |
|                                                       |                                                                           | Ontario A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                             |                                                                                                                 | •••••••••••••••••••••••••••••••••••••• | · · · · ·          |
| Workplace Accessibility T                             | Г                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                             |                                                                                                                 | nd det e                               | · ·                |
| Qualifying expenditures:                              | <u>667</u> <u>O</u> <sub>•</sub> X                                        | Sector Contraction of the sector of the sect | <u>1900</u> = <u>668</u>    | 0,                                                                                                              |                                        | ·                  |
| Number of                                             |                                                                           | From <u>30 100</u><br>Ontario A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                             |                                                                                                                 |                                        |                    |
| Employees accommodate                                 |                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                             | in the second |                                        |                    |
|                                                       | y Tax Incentive (OSBSTI): (Applies<br>4, 1999 and before January 1, 2006. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                             | n din second di second<br>Second                                                                                |                                        | · . · · · · · · ·  |
| Qualifying expenditures:                              | 670 O. x                                                                  | 30.00% x                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <u> </u>                    | 0                                                                                                               |                                        | •                  |
| addinying oxponentino.                                |                                                                           | From 30 100<br>Ontario A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                             |                                                                                                                 |                                        |                    |
| Educational Technology 1                              | Fax Incentive: (Applies to qualifying                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | ****                        |                                                                                                                 | -                                      |                    |
| Educational Technology                                |                                                                           | Receiveren Revenuert                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                             |                                                                                                                 |                                        |                    |
| Qualifying expenditures:                              | 672 <u>0.</u> x                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 100 = 673 <u>-</u><br>.0000 | 0                                                                                                               | <u>.</u>                               |                    |
|                                                       | L .                                                                       | Ontario A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                             |                                                                                                                 | -                                      |                    |
| Ontario allowable busines                             | ss investment loss                                                        | · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | + 678                       | 0                                                                                                               | <u>.</u>                               |                    |
| Ontario Scientific Researd<br>from Ont. CT23 Schedule |                                                                           | 477                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | + 679                       | 0                                                                                                               |                                        |                    |
| Amount added to income in line 454 of federal form    | federally for an amount that was r<br>T661                                | egative                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | + 677                       | 0                                                                                                               |                                        |                    |
| Total of other deductions                             | allowed by Ontario (Attach schedule                                       | )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | + 664                       | 0                                                                                                               | <u>.</u>                               |                    |
| Total of Deductions                                   | 1 + 663 + 666 + 668 + 671 + 6                                             | 073 + 678 + 679 + 67                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 7 + 664=                    | 1.233.898                                                                                                       | 680                                    | 1,233,898          |
| Net income (loss) f                                   | or Ontario Purposes                                                       | 600 + 640 - 66                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                             |                                                                                                                 | = 690                                  | -106,791           |
| net income (1055) I                                   | or ornario Fulposes                                                       | 600 + 640 - 60                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 30                          |                                                                                                                 | = [000]                                | Transfer to Page 4 |

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ation Year End 2003-12-31

CT23 Page 16 of 24 DOLLARS ONLY

| NIAGARA-ON-THE-LAKE HYDRO INC.   | - 10.1 |
|----------------------------------|--------|
| Continuity of Losses Carried For | ward   |

| -                                                                 | Non-Capital Losses<br>(1) | Total<br>Capital Losses<br>(9) (10) | Farm Losses                    | Restricted Farm<br>Losses | Listed Personal<br>Property Losses | Limited Partnership<br>Losses (6) |
|-------------------------------------------------------------------|---------------------------|-------------------------------------|--------------------------------|---------------------------|------------------------------------|-----------------------------------|
| Balance at Beginning of Year                                      | (2)                       | 710 (2)                             | 720 (2)                        | 730                       | 740                                | 750                               |
| Add:<br>Current year's losses (7)                                 | 701<br>106,791            | 711<br>23,386                       | 721                            | 731<br>0                  | 741                                | 751 0                             |
| Losses from predecessor corporations (3)                          | 702                       | 712 0                               | 722 0                          | 732 0                     |                                    | 752                               |
| Subtotal                                                          | 703<br>106,791            | 713<br>23,386                       | 723 0                          | <br>0                     | 0                                  | 753                               |
| Subtract:<br>Utilized during the year<br>to reduce taxable income | 704 (2)<br>0              | 715 (2) (4)<br>O                    | .0                             | 734 (2) (4)<br>0          | 744 (4)<br>0                       | <u>754</u> (4)<br>O               |
| Expired during the year                                           | 0                         | 716 (2) to Page 17                  | 725<br>0<br>726 (2) to Page 17 | 735<br>0                  | 0                                  |                                   |
| Carried back to prior<br>years to reduce<br>taxable income (5)    | 106,791                   | 0                                   | 0                              | 0                         | 0                                  |                                   |
| Subtotal                                                          | 106,791                   | 0                                   | 0                              | 0                         | 0                                  | 0                                 |
| Balance at End of Year                                            | <u>709</u> (8)            | 719<br>23,386                       | 729<br>0                       | 739                       | 749                                | 759                               |

#### Notes:

- Non-capital losses include allowable business investment losses, fed.s.111(8)(b), as made applicable by s.34.
- (2) Where acquisition of control of the corporation has occurred, the utilization of losses can be restricted. See fed.s.111(4) through 111(5.5), as made applicable by s.34.
- (3) Includes losses on amalgamation (fed.s.87(2.1) and s.87(2.11) and/or wind-up (fed.s.88(1.1) and 88(1.2)), as made applicable by s.34.
- (4) To the extent of applicable gains/income/at-risk amount only.
- (5) Generally a three year carry-back applies. See fed.s.111(1) and fed.s.41(2)(b), as made applicable by s.34.
- (6) Where a limited partner has limited partnership losses, attach loss calculations for each partnership.

- (7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

## Analysis of Balance at End of Year by Year of Origin

|       | Year of Origin<br>(oldest year first)<br>year month day | Non-Capital Losses | Non-Capital Losses<br>of Predecessor<br>Corporations | Total Capital Losses<br>from Listed<br>Personal Property only<br>(9) (10) | Farm Losses | Restricted Farm Losses |
|-------|---------------------------------------------------------|--------------------|------------------------------------------------------|---------------------------------------------------------------------------|-------------|------------------------|
| 800   | 9th preceding taxation year                             |                    |                                                      |                                                                           | 850         | 870                    |
|       | 1995-09-30                                              |                    |                                                      |                                                                           | 0           | 0                      |
| 801   | 8th preceding taxation year                             |                    |                                                      |                                                                           | 851         | 871                    |
|       | 1996-09-30                                              |                    |                                                      |                                                                           | 0           | 0                      |
| 802   | 7th preceding taxation year                             |                    |                                                      |                                                                           | 852         | 872                    |
|       | 1997-09-30                                              |                    |                                                      |                                                                           | 0           | 0                      |
| 803   | 6th preceding taxation year                             | 820                | 830                                                  | 840                                                                       | 853         | 873                    |
|       | 1998-09-30                                              | 0                  | 0                                                    | 0                                                                         | 0           | 0                      |
| 804   | 5th preceding taxation year                             | 821                | B31                                                  | 841                                                                       | 854         | 874                    |
|       | 1999-09-30                                              | - 0.               | 0                                                    | 0                                                                         | 0           | 0                      |
| 805   | 4th preceding taxation year                             | 822                | 832                                                  | 842                                                                       | 855         | 875                    |
|       | 2000-09-30                                              | 0                  | 0                                                    | 0                                                                         | 0           | 0                      |
| 806   | 3rd preceding taxation year                             | 823                | 833                                                  | 843                                                                       | 856         | 876                    |
|       | 2001-09-30                                              | 0                  | 0                                                    | 0                                                                         | 0           | 0                      |
| 807   | 2nd preceding taxation year                             | 824                | 834                                                  | 844                                                                       | 857         | 877                    |
|       | 2001-12-31                                              | 0                  | 0                                                    | 0                                                                         | 0           | 0                      |
| 808   | 1st preceding taxation year                             | 825                | 835                                                  | 845                                                                       | 858         | 878                    |
|       | 2002-12-31                                              | 0                  | 0                                                    | 0                                                                         | 0           | 0                      |
| 809   | Current taxation year                                   | 826                | 836                                                  | 846                                                                       | 859         | 879                    |
|       | 2003-12-31                                              | 0                  | 0                                                    | 0                                                                         | 0           | 0                      |
| Total |                                                         | 829                | 839                                                  | 849                                                                       | 869         | 889                    |
|       |                                                         | 0                  | 0                                                    | 0                                                                         | 0           | 0                      |

#### Corporation's Legal Name

Summary

#### NIAGARA-ON-THE-LAKE HYDRO INC.

## Request for Loss Carry-Back (s.80(16))

Applies to corporations requesting a reassessment of the return of one or more previous taxation years under s.80(16) with respect to one or more types of losses carried back.

- If, after applying a loss carry-back to one or more previous years, there is a balance of loss available to carry forward to a future year, it is the corporation's responsibility to claim such a balance for those years following the year of loss within the limitations of fed.s.111, as made applicable by s.34.
- · Where control of a corporation has been acquired by a person or group of persons, certain restrictions apply to the carry-forward and carry-back provisions of losses under fed.s.111(4) through 111(5.5), as made applicable by s.34.
- Refunds arising from the loss carry-back adjustment may be applied by the Minister of Finance to amounts owing under any Act administered by the Ministry of Finance.

 Any late filing penalty applicable to the return for which the loss is being applied will not be reduced by the loss carry-back.

kation Year End

2003-12-31

- The application of a loss carry-back will be available for interest calculation purposes on the day that is the latest of the following:
  - 1) the first day of the taxation year after the loss year,
  - the day on which the corporation's return for the loss year is delivered to 2) the Minister, or
  - the day on which the Minister receives a request in writing from the 3) corporation to reassess the particular taxation year to take into account the deduction of the loss.
- If a loss is being carried back to a predecessor corporation, enter the predecessor corporation's account number and taxation year end in the spaces provided under Application of Losses below.

| Application of Losses                                                                               | Non-Capital<br>Losses | Total Capital<br>Losses | Farm Losses     | Restricted Farm<br>Losses |  |
|-----------------------------------------------------------------------------------------------------|-----------------------|-------------------------|-----------------|---------------------------|--|
| Total amount of loss                                                                                | 910<br>106,791        | 920                     | 930             | 940                       |  |
| Deduct: Loss to be carried back to preceding taxation years<br>and applied to reduce taxable income |                       | 201000                  |                 |                           |  |
| Predecessor Ontario Corporation's Taxation Year Ending<br>Tax Account No. (MOF) year month day      | 911                   | 921                     | 931             | 941                       |  |
| i) 3rd preceding 901 2.001-09-30                                                                    | <u>912</u>            | 0<br>922                | 932             | 942                       |  |
| iii) 1st preceding         903         2002-12-31                                                   | 913<br>106,791        | 923                     | <u>933</u><br>0 | 943                       |  |
| Total loss to be carried back                                                                       | From 706<br>106,791   | From 716<br>0           | From 726        | From 736                  |  |
| Balance of loss available for carry-forward                                                         | 0                     | 929<br>23,386           | 939<br>0        | 949                       |  |
|                                                                                                     |                       |                         |                 |                           |  |

| Income tax  | x                                                                                                                                 |
|-------------|-----------------------------------------------------------------------------------------------------------------------------------|
| Corporate   | Minimum Tax                                                                                                                       |
| Capital Ta  | x                                                                                                                                 |
| Premium 1   | Fax                                                                                                                               |
| Total Tax   | Payable= 950 56, 492.                                                                                                             |
| Subtract:   | Payments                                                                                                                          |
|             | Capital Gains Refund (s.48) _ 965                                                                                                 |
|             | Qualifying Environmental<br>Trust Tax Credit ( <i>Refer to Guide</i> )                                                            |
|             | Specified Tax Credits<br>(Refer to Guide)                                                                                         |
|             | Other<br>(specify)0.                                                                                                              |
| Balance     | -82,021.                                                                                                                          |
| lf payment  | t due Enclosed * 990                                                                                                              |
| lf overpayı | ment: Refund (Refer to Guide) $\dots = 975$ 82,021.                                                                               |
| Aj          | pply to 980 0.<br>(Includes credit interest)                                                                                      |
|             | ir cheque (drawn on a Canadian financial institution) or a money<br>Canadian funds, <i>payable to the Minister of Finance</i> and |

print your Ontario Corporation's Tax Account No. (MOF) on the back of

cheque or money order. (Refer to Guide for other payment methods.)

### Certification

I am an authorized signing officer of the corporation. I certify that this CT23 return, including all schedules and statements filed with or as part of this CT23 return, has been examined by me and is a true, correct and complete return and that the information is in agreement with the books and records of the corporation. I further certify that the financial statements accurately reflect the financial position and operating results of the corporation as required under section 75 of the Corporations Tax Act. The method of computing income for this taxation year is consistent with that of the previous year, except as specifically disclosed in a statement attached.

Name (please print) ROSE MURPHY Title Mgr of Finance and Administrat Full Residence Address Signature Date 2004-03-31 Note: Section 76 of the Corporations Tax Act provides penalties for

making false or misleading statements or omissions.

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|---------------------------------------------------------------------------------------------------------|-----------------------------------------|---------------------------------|---------------------|-------------------------------|-------------|-----------------------------------------------------------------------------------------------------------------|
| Corporation's Legal Name                                                                                | Ontario Corporations Ta                 | Account No. (MOE)               | (                   | ation Year End                | 070         |                                                                                                                 |
| NIAGARA-ON-THE-LAKE HYDRO INC.                                                                          | -                                       | . ,                             | 1                   |                               |             | 3 Schedule A                                                                                                    |
| Corporate Minimum Tax - Schedule                                                                        | 180014                                  | .0                              |                     | 2003-12-31                    |             | Page 18 of 24                                                                                                   |
| Calculation of CMT Base                                                                                 | ; A.                                    |                                 |                     |                               |             | DOLLARS ONLY                                                                                                    |
| Banks - Net income/loss as per report accepted by Superin                                               | tendent of Einspeist Institutio         |                                 |                     |                               |             |                                                                                                                 |
| under the Bank Act (Canada), adjusted so consolidation/eq                                               | uity methods are not used.              | 5115 (5F1)                      |                     |                               |             |                                                                                                                 |
| Net Income/Loss (unconsolidated, determined in accordance                                               | e with GAAP) .                          |                                 |                     |                               | ± 2100      | 426,513.                                                                                                        |
| Subtract (to the extent reflected in net income/lo                                                      | ss):                                    |                                 |                     |                               |             |                                                                                                                 |
| Provision for recovery of income taxes / benefit of cur                                                 | rrent income taxes .                    |                                 | + 2101              | 0.                            | <u>.</u>    |                                                                                                                 |
| Provision for deferred income taxes (credits) / benefit                                                 | of future income taxes                  |                                 | + 2102              | 0.                            |             |                                                                                                                 |
| • • • • • • • • • • • • • • • • • • • •                                                                 |                                         |                                 | + 2103              | 0.                            | <u>L</u>    |                                                                                                                 |
| Share of partnership(s)/joint venture(s) income                                                         | •••••                                   | •••••••••••                     | + 2104              | 0.                            | L           |                                                                                                                 |
| Dividends received/receivable deductible under fed.s.                                                   |                                         |                                 | + 2105              | 0.                            | -           |                                                                                                                 |
| Dividends received/receivable deductible under fed.s.                                                   |                                         | ••••••                          | + 2106              | 0.                            | -           |                                                                                                                 |
| Dividends received/receivable deductible under fed.s.                                                   | 83(2)                                   | ••••••                          | + 2107              | 0.                            | <u>L</u>    |                                                                                                                 |
| Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1)                         | 0.                                      | X 9/4                           | 2108                | 0.                            |             |                                                                                                                 |
| Q. 1 1                                                                                                  |                                         |                                 | =                   | 0.                            |             | 0.                                                                                                              |
| Add (to extent reflected in net income/loss):                                                           |                                         |                                 |                     |                               |             |                                                                                                                 |
| •                                                                                                       |                                         |                                 | []                  | 10 1 50                       |             |                                                                                                                 |
| Provision for current taxes / cost of current income tax                                                |                                         |                                 | 2110                | 10,173.                       | -           |                                                                                                                 |
| Provision for deferred income taxes (debits) / cost of f                                                |                                         |                                 | 2111                | 0.                            | -           |                                                                                                                 |
|                                                                                                         | ••••••••••••••••••••••••••••••••••••••• |                                 | 2112                | 0.                            | <u>-</u>    |                                                                                                                 |
| Share of partnership(s)/joint venture(s) losses                                                         | ••••••                                  | •••••••                         | 2113                | 0.                            | •           |                                                                                                                 |
| Dividends that have been deducted to arrive at net inc                                                  |                                         |                                 |                     |                               |             |                                                                                                                 |
| Financial Statements s.57.4(1.1) (excluding dividends                                                   | under fed.s.137(4.1))                   | +                               | 2114                | 0.                            | ··· · · · · | and a start of the second s |
| Subtotal                                                                                                | •••••••••••••••                         | =                               | - <u> </u>          | 10,173.                       | + 2115      | 10,173.                                                                                                         |
| Add/Subtract:                                                                                           |                                         |                                 |                     |                               |             | · · · · · · · · · · · · · · · · · · ·                                                                           |
|                                                                                                         |                                         |                                 |                     | 14 - C                        |             |                                                                                                                 |
| Amounts relating to s.57.9 election/regulations for disp                                                | oosals etc. of property for cu          | rent/prior years                |                     |                               |             |                                                                                                                 |
| ** Fed.s.85                                                                                             | + 2116                                  | 0. or -                         | 2117                | 0.                            |             | an tan s                                                                                                        |
| ** Fed.s.85.1                                                                                           | + 2118                                  | <u> </u>                        |                     | 0.                            |             |                                                                                                                 |
| ** Fed.s.97                                                                                             |                                         | <u> </u>                        |                     | 0.                            |             |                                                                                                                 |
|                                                                                                         |                                         |                                 |                     |                               | •           |                                                                                                                 |
| ** Amounts relating to amalgamations (fed.s.87) as<br>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                                  | <u> </u>                        | 2125                | 0.                            |             |                                                                                                                 |
| ** Amounts relating to s.57.10 election/regulations<br>for replacement re fed.s.13(4), 14(6) and 44 for |                                         |                                 |                     |                               |             |                                                                                                                 |
| current/prior years                                                                                     | + 2126                                  | <u>0 .</u> 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 i                                                    | ncome                                   | -                               | 2150                | 0.                            |             |                                                                                                                 |
| Subtotal (Additions)                                                                                    |                                         | 0.                              |                     |                               | <u> </u>    | 0                                                                                                               |
| Subtotal (Additions)                                                                                    | =                                       | <u> </u>                        |                     |                               | + 2128      | 0.                                                                                                              |
|                                                                                                         | • • • • • • • • • • • • • • • • • • • • | •••••                           |                     | 0.                            | _ 2129      | 0.                                                                                                              |
| ** Other adjustments                                                                                    |                                         |                                 |                     |                               |             | 0                                                                                                               |
|                                                                                                         | • • • • • • • • • • • • • • • • • • • • | • • • • • • • • • • • • • • • • | • • • • • • • • • • |                               | + 2130      | 0.                                                                                                              |
| Subtotal ± 2100 - 2109 + 2115 + 2128 -                                                                  | - 2129 ± 2130                           |                                 |                     |                               | _ 2131      | 436,686.                                                                                                        |
|                                                                                                         |                                         | • • • • • • • • • • • • • • • • | •••••               | • • • • • • • • • • • • • • • | = [2101]    | ±30,000.                                                                                                        |
| ** Share of partnership(s)/joint venture(s) adjusted net inco                                           | ome/loss                                |                                 |                     |                               | + 2132      | 0.                                                                                                              |
|                                                                                                         |                                         | ••••••                          | •••••               | •••••                         |             |                                                                                                                 |
| Adjusted net income (loss) (if loss, transfer to 2202 in                                                | Schedule B: Continuity of               | CMT Losses Car                  | ried Forward        | Page 19)                      | _ 2133      | 436,686.                                                                                                        |
|                                                                                                         | = == == initially of                    | 00000 0an                       |                     | ,. age 13.j                   |             |                                                                                                                 |
| Deduct: * CMT losses: pre-1994 Loss                                                                     |                                         | + From                          | 2210                | 0.                            |             |                                                                                                                 |
| · · · · · · · ·                                                                                         | • • • • • • • • • • • • • • • • • • • • |                                 | 2211                | 0.                            |             |                                                                                                                 |
|                                                                                                         |                                         | =                               |                     | 0.                            | 2134        | Ο.                                                                                                              |
| * CMT losses applied cannot exceed adjusted net income                                                  | or increase a loss                      |                                 |                     |                               |             |                                                                                                                 |
| ** Retain calculations. Do not submit with this tax return.                                             |                                         |                                 |                     |                               |             |                                                                                                                 |
| CMT Base                                                                                                | ••••••                                  |                                 |                     |                               | _ 2135      | 436,686.                                                                                                        |
|                                                                                                         | · · · · · · · · · · · · · · · · · · ·   |                                 | •••••               | •••••                         |             | to CMT Base on Page B                                                                                           |

| (                                                                                                                                            |                             |                    | $\bigcirc$                                                           |                         |               |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------|----------------------------------------------------------------------|-------------------------|---------------|
| Corporation's Legal Name                                                                                                                     | Ontario Corporations Tax Ad | count No. (MOF)    | Taxation Year End C                                                  | T23 Sch                 | nedule B & C  |
| NIAGARA-ON-THE-LAKE HYDRO INC.                                                                                                               | 1800140                     | ····               | 2003-12-31                                                           | P                       | Page 19 of 24 |
| Corporate Minimum Tax (CMT)                                                                                                                  |                             |                    |                                                                      |                         | DOLLARS ONLY  |
| Schedule B: Continuity of CMT Los                                                                                                            | sses Carried Forward        | 1                  | t (###### #############################                              |                         |               |
| Balance at Beginning of year (1), (2)                                                                                                        |                             |                    | +                                                                    | 2201                    | 0.            |
| Losses from predecessor corporations on amalg<br>Losses from predecessor corporations on wind-u                                              |                             |                    | 0.<br>0.<br>0.                                                       |                         |               |
| Subtotal                                                                                                                                     |                             | = <u></u>          | <u> </u>                                                             | 2207                    | 0.            |
| Adjustments (attach schedule)                                                                                                                |                             |                    | ±                                                                    | 2208                    | 0.            |
| CMT losses available 2201 + 2207 ± 2200                                                                                                      | <u>B</u>                    |                    | =                                                                    | 2209                    | 0.            |
| A                                                                                                                                            |                             |                    | <u>0.</u><br><u>0.</u><br><u>0.</u><br>0.                            | 2213                    | 0.            |
| Balances at End of Year (5) 2209 - 2213                                                                                                      |                             |                    | =                                                                    | 2214                    | 0.            |
| Notes:                                                                                                                                       |                             |                    |                                                                      |                         | -<br>-        |
| <ol> <li>Pre-1994 CMT loss (see s.57.1(1)) should be included<br/>beginning of the year. Attach schedule showing compu-<br/>loss.</li> </ol> |                             |                    | e whether CMT losses are<br>pplies and/or a wind-up to<br>s.57.5(9)) |                         |               |
| (2) Where acquisition of control of the corporation has occ<br>CMT losses can be restricted. (see s.57.5(3) and s.57.                        |                             |                    | e used to the extent of the CMT losses available                     | e lesser of the<br>2209 | adjusted net  |
|                                                                                                                                              |                             | (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<br>(oldest year first)<br>year month day | CMT Losses of Corporation | CMT Losses<br>of Predecessor Corporations |
|---------|---------------------------------------------------------|---------------------------|-------------------------------------------|
| 2240    | 9th preceding taxation year                             | 2260                      | 2280                                      |
|         | 2001-12-31                                              | 0                         | 0                                         |
| 2241    | 8th preceding taxation year                             | 2261                      | 2281                                      |
|         | 2002-12-31                                              | 0                         | 0                                         |
| 2242    | 7th preceding taxation year                             | 2262                      | 2282                                      |
|         | 2003-12-31                                              | 0                         | 0                                         |
| 2243    | 6th preceding taxation year                             | 2263                      | 2283                                      |
|         |                                                         | 0                         | 0                                         |
| 2244    | 5th preceding taxation year                             | 2264                      | 2284                                      |
|         |                                                         | 0                         | 0                                         |
| 2245    | 4th preceding taxation year                             | 2265                      | 2285                                      |
|         |                                                         | 0                         | 0                                         |
| 2246    | 3rd preceding taxation year                             | 2266                      | 2286                                      |
|         |                                                         | 0                         | 0                                         |
| 2247    | 2nd preceding taxation year                             | 2267                      | 2287                                      |
|         |                                                         | 0                         | 0                                         |
| 2248    | 1st preceding taxation year                             | 2268                      | 2288                                      |
|         |                                                         | 0                         | 0                                         |
| 2249    | Current taxation year                                   | 2269                      | 2289                                      |
|         |                                                         | 0                         | 0                                         |
| Totals  |                                                         | 2270                      | 2290                                      |
| , otale | ,<br>                                                   | 0                         | 0                                         |

The sum of amounts2270+2290must equal amount in2214

| · · ·                                                                                                                  | $\bigcirc$                                          |                                   |                                               |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------|-----------------------------------------------|
| Corporation's Legal Name                                                                                               | Ontario Corporations Tax Account No. (MOF)          | Taxation Year End                 | CT23 Schedule D & E                           |
| NIAGARA-ON-THE-LAKE HYDRO INC.                                                                                         | 1800140                                             | 2003-12-31                        | Page 20 of 24                                 |
| Corporate Minimum Tax (CMT)                                                                                            |                                                     |                                   | DOLLARS ONLY                                  |
| Schedule D: Continuity of CMT C                                                                                        | redit Carryovers                                    |                                   | ····                                          |
| Balance at Beginning of year (1)                                                                                       |                                                     |                                   | + [2301]                                      |
| Add: Current year's CMT Credit ( 280 on page<br>CMT Credit Carryovers from predecessor co<br>Amalgamation (x) 2303 Yes |                                                     | 280 <u>17,467</u><br>2302 (       |                                               |
| Subtotal                                                                                                               | =                                                   | 17,467                            | <u> </u>                                      |
| Adjustments (Attach schedule)                                                                                          |                                                     |                                   | ± 2306                                        |
| CMT credit carryover available 2301 + [                                                                                | 2305 <u>+</u> 2306                                  |                                   | = [2307] <u>17,467.</u><br>Transfer to Page 8 |
| Subtract: CMT Credit utilized during the year to red<br>CMT Credit expired during the year<br>Subtotal                 | ····· +                                             | 310 C<br>2308 C                   | ) <u>.</u><br>. – [2309] <u>O.</u>            |
| Balance at End of Year (3) 2307 - 2309                                                                                 | ]                                                   |                                   | = 2310 17,467.                                |
| an a                                                                               | an Angelan<br>Angelan                               |                                   |                                               |
| Notes:                                                                                                                 |                                                     |                                   |                                               |
| (1) Where acquisition of control of the corporation has                                                                | occurred, the utilization of CMT credits can be res | stricted. (see s.43.1(5))         |                                               |
| (2) Include and indicate whether CMT credits are a res                                                                 | ult of an amalgamation to which fed.s.87 applies a  | and/or a wind-up to which fed.s.8 | 8(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<br>(oldest year first)<br>year month day | CMT Credit Carryovers<br>of Corporation | CMT Credit Carryovers of<br>Predecessor Corporation(s) |
|-------|---------------------------------------------------------|-----------------------------------------|--------------------------------------------------------|
| 2340  | 9th preceding taxation year                             | 2360                                    | 2380                                                   |
|       | 2001-12-31                                              | 0                                       | 0                                                      |
| 2341  | 8th preceding taxation year                             | 2361                                    | 2381                                                   |
|       | 2002-12-31                                              | 0                                       | O                                                      |
| 2342  | 7th preceding taxation year                             | 2362                                    | 2382                                                   |
|       | 2003-12-31                                              | 17,467                                  | 0                                                      |
| 2343  | 6th preceding taxation year                             | 2363                                    | 2383                                                   |
|       |                                                         | Ō                                       | 0                                                      |
| 2344  | 5th preceding taxation year                             | 2364                                    | 2384                                                   |
|       |                                                         | 0                                       | 0                                                      |
| 2345  | 4th preceding taxation year                             | 2365                                    | 2385                                                   |
|       |                                                         | 0                                       | 0                                                      |
| 2346  | 3rd preceding taxation year                             | 2366                                    | 2386                                                   |
|       |                                                         | 0                                       | 0                                                      |
| 2347  | 2nd preceding taxation year                             | 2367                                    | 2387                                                   |
|       |                                                         | 0                                       | 0                                                      |
| 2348  | 1st preceding taxation year                             | 2368                                    | 2388                                                   |
|       |                                                         | 0                                       | 0                                                      |
| 2349  | Current taxation year                                   | 2369                                    | 2389                                                   |
|       |                                                         | 0                                       | 0                                                      |
| Total | S                                                       | 2370                                    | 2390                                                   |
|       |                                                         | 17,467                                  | 0                                                      |

| The sum of amounts   | 2370 | + | 2390 |  |
|----------------------|------|---|------|--|
| must equal amount in | 2310 | 5 |      |  |



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Ministry of Finance Corporations Tax Branch PO Box 620 33 King Street West Oshawa ON L1H 8E9

# Surtax on Canadian-Controlled Private Corporations

| Corporation's Legal Name                              | Ontario Corporations Tax Account No. (MOF) Taxation Year En |                            |                      |                                     |           |
|-------------------------------------------------------|-------------------------------------------------------------|----------------------------|----------------------|-------------------------------------|-----------|
| NIAGARA-ON-THE-LAKE HYDRO INC.                        |                                                             | 1800140                    | ·····                | 2003-12-3                           | 31        |
| Name of Associated Corporation (Canadian and Foreign) |                                                             | Corporations Tax<br>Number | Taxation Year<br>End | Taxable Incom<br>(if loss, enter ni | ne<br>il) |
|                                                       |                                                             | -                          |                      | + 21,                               | ,125      |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
| · · · · · · · · · · · · · · · · · · ·                 |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
| ······································                |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       | 9 M.                                                        |                            |                      | +                                   |           |
|                                                       |                                                             |                            | <del></del>          | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            |                      | +                                   |           |
|                                                       |                                                             |                            | Total                | +                                   |           |
|                                                       |                                                             | Transfer to 85             |                      | = 21,                               | 125       |



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# Corporate Minimum Ax - Associated Corporations

| Corporation's Legal Name       | Ontario Corporations Tax Account No. (MOF) | Taxation Year End |
|--------------------------------|--------------------------------------------|-------------------|
| NIAGARA-ON-THE-LAKE HYDRO INC. | 1800140                                    | 2003-12-31        |

| Name of Associated Corporation<br>(Canadian and Foreign) | Corporations Tax<br>Number | Taxation Year<br>End | Total<br>Assets                | Total<br>Revenue               |
|----------------------------------------------------------|----------------------------|----------------------|--------------------------------|--------------------------------|
| Nagara-on-the-Lake Energy Inc.                           | 1800139                    | 2003-12-31           | + 7.055,696                    | + 28                           |
| Energy Services Niagara Inc.                             | 1800074                    | 2003-12-31           | + 426,757                      | + 166,23                       |
|                                                          |                            |                      | +                              | +                              |
|                                                          |                            |                      | +                              | +                              |
|                                                          |                            |                      | +                              | +                              |
|                                                          |                            |                      | +                              | +                              |
|                                                          |                            |                      | +                              | +                              |
|                                                          |                            |                      | +                              | +                              |
|                                                          |                            |                      | +                              | +                              |
| 1995                                                     |                            |                      | +                              | +                              |
|                                                          |                            |                      | ·<br>-                         | +                              |
|                                                          |                            |                      | +                              |                                |
|                                                          |                            |                      |                                | +                              |
|                                                          |                            | -<br>                |                                | +                              |
|                                                          |                            |                      | +                              | +                              |
|                                                          |                            |                      | +                              | +                              |
|                                                          |                            |                      | +                              | +                              |
|                                                          |                            |                      | +                              | +                              |
|                                                          | -                          |                      | +                              | +                              |
|                                                          |                            |                      | +                              | +                              |
|                                                          |                            |                      | +                              | +                              |
|                                                          |                            |                      | +                              | +                              |
|                                                          |                            |                      | +                              | +                              |
|                                                          |                            |                      | + .,                           | +                              |
|                                                          |                            | Totals               | = 7,482,453                    | = 166,52                       |
|                                                          |                            |                      | Transfer to 249<br>of the CT23 | Transfer to 250<br>of the CT23 |

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver. 3-2003



Corporation's Legal Name

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Ministry of Finance Corporations Tax Branch PO Box 620 33 King Street West Oshawa ON L1H 8E9

Taxation Year End

Ontario Corporations Tax Account No. (MOF)

| VIAGARA-ON-THE-LAKE HYDRO INC.                                                                                                                                                                                                                                     | 1800140                                | 2003-12-31  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------|
| Loans or Advances Credited or Advanced to Corporation<br>(includes accounts payable to related parties outstanding at the taxation year end for 120 days or r<br>and accounts payable to non-related parties outstanding for 365 days or more at the taxation year | nore,<br>end)                          |             |
| Townof Niagara-on-the-Lake                                                                                                                                                                                                                                         |                                        | + 6,901,333 |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
| ·                                                                                                                                                                                                                                                                  | · · · · · · · · · · · · · · · · · · ·  | +0          |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
| and the second                                                                                                                                                   |                                        | + 0         |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
|                                                                                                                                                                                                                                                                    | ······································ | + 0         |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
| · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                              |                                        | + 0         |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
| n na                                                                                                                                                                                                                           |                                        | +           |
|                                                                                                                                                                                                                                                                    | · · · · · · · · · · · · · · · · · · ·  | + 0         |
|                                                                                                                                                                                                                                                                    |                                        | · 0         |
|                                                                                                                                                                                                                                                                    |                                        | +           |
|                                                                                                                                                                                                                                                                    |                                        | + 0         |
|                                                                                                                                                                                                                                                                    | Total                                  | 0           |
|                                                                                                                                                                                                                                                                    | Total<br>Transfer to 353 of the CT23   | 6,901,333   |

| 1 t                                                                                                                                                                                            |                                                              |                                |                            |                      |              |                      |                                  |                                              |                  |      |     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------|----------------------------|----------------------|--------------|----------------------|----------------------------------|----------------------------------------------|------------------|------|-----|
| NIAGARA-ON<br>Corp. Tax                                                                                                                                                                        |                                                              |                                | N 1 9                      |                      | Yeaı         | c Ended              |                                  | 2003-1                                       |                  | Sch. | 006 |
| Ontario Summar<br>Schedule 6                                                                                                                                                                   | y of Dispositi                                               | ons of Ca                      | ipital Proper              | ty                   |              |                      |                                  |                                              |                  |      |     |
| <ul> <li>For a corporation to loss, or both, in th</li> <li>This schedule may provided the corporation of the corporation of the corporation of the corporation of the corporation.</li> </ul> | e taxation year.<br>be used to make                          | e a designat                   | ion under secti            | on 34(10) of the     | e "Corpora   | itions Tax Act       | ť                                |                                              |                  |      |     |
| (Canada), if contro                                                                                                                                                                            | l of the corporati                                           | on has beer                    | n acquired by a            | person or grou       | p of perso   | ons.                 |                                  |                                              |                  |      |     |
| Period 2: Disposition                                                                                                                                                                          | ons before Februa<br>ons after February<br>ons after October | 27, 2000 an                    | d before Octobe            | r 18, 2000           |              |                      |                                  |                                              |                  |      |     |
| Part A: Designation u                                                                                                                                                                          | nder section 34(                                             | 10) of the "C                  | Corporations Ta            | x Act"               |              |                      |                                  |                                              |                  |      |     |
| Complete part A if ther<br>designated under paraget<br>the "Corporations Tax".<br>If Yes, complete the fol                                                                                     | graph 111(4)(e) of<br>Act"?                                  | the "Income                    | Tax Act" (Cana             | da) or section 34    | (10) of      |                      |                                  | . Yes/No[N]                                  |                  |      |     |
| Property                                                                                                                                                                                       | number dis                                                   | te of<br>position<br>'YY/MM/DD | Proceeds of<br>disposition | Adjusted cost base   | Othe<br>adju | er<br>Istments       | Designated amount                | Gain or<br>loss                              |                  |      |     |
|                                                                                                                                                                                                |                                                              |                                | go an taga                 | 0                    | 0            | 0                    | (                                |                                              | 0                |      |     |
|                                                                                                                                                                                                |                                                              | а <b>к</b>                     | ina in in                  | 0<br>0               | 0<br>0       | 0                    | (                                |                                              | 0<br>0           |      |     |
|                                                                                                                                                                                                |                                                              |                                | · · ·                      | 0                    | 0            | 0                    | (                                |                                              | 0                |      |     |
|                                                                                                                                                                                                |                                                              |                                | =============              | •<br>= ============= | === ===      | 0<br>=============== | (                                |                                              | 0<br>===`        |      |     |
|                                                                                                                                                                                                |                                                              |                                |                            |                      |              |                      |                                  |                                              |                  |      |     |
| Part B: Inter-provincia                                                                                                                                                                        | al asset transfers                                           |                                | · · · · ·                  |                      |              |                      | · · · ·                          | · · · · · · · · · · · · · · · · · · ·        |                  |      |     |
| Complete part B if them<br>section 85 of the "Incor<br>a permanent establishr<br>If Yes, complete the fol                                                                                      | ne Tax Act" (Cana<br>nent in another Ca                      | ida) that tran                 | sferred assets to          | a non-arm's len      |              |                      |                                  | . Yes/No[N]                                  |                  |      |     |
| Property                                                                                                                                                                                       | Class<br>number                                              | Corporat<br>name of            | ion<br>transferee/or       |                      |              | di                   | ate of<br>sposition<br>YYY/MM/DD | Cost of<br>asset in<br>other<br>jurisdiction | 0                |      |     |
|                                                                                                                                                                                                |                                                              |                                |                            |                      |              |                      |                                  |                                              | 0<br>0<br>0<br>0 |      |     |
|                                                                                                                                                                                                |                                                              | Allocatio                      |                            | Ontario              |              | G                    | ain                              |                                              |                  |      |     |
| Name of other<br>jurisdiction                                                                                                                                                                  |                                                              | ratio to o<br>jurisdictio      |                            | elected<br>amount    |              | or                   |                                  |                                              |                  |      |     |
|                                                                                                                                                                                                |                                                              | -                              | 00%                        | anount               | 0            | IO:                  | 0                                |                                              |                  |      |     |
|                                                                                                                                                                                                |                                                              | .00                            |                            |                      | 0            |                      | 0                                |                                              |                  | ;    |     |
|                                                                                                                                                                                                |                                                              | .00                            |                            |                      | 0<br>0       |                      | 0                                |                                              |                  |      |     |
|                                                                                                                                                                                                |                                                              |                                | 00%                        |                      | 0            |                      | 0<br>0                           |                                              |                  |      |     |
|                                                                                                                                                                                                |                                                              |                                |                            | =======              |              | ==                   |                                  |                                              |                  |      |     |

|                                                         | RA-ON-THE-LA<br>Tax Acct. N |                    |                                           |                                    | Year ]                                             | Ended:                                                            | 2003                                                                  | Ont<br>3-12-3              | . Sch.  | 006 |
|---------------------------------------------------------|-----------------------------|--------------------|-------------------------------------------|------------------------------------|----------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------|----------------------------|---------|-----|
| 1<br>Types of<br>capital prope                          | rerty                       |                    | 2<br>Date of<br>acquisition<br>YYYY/MM/DD | 3<br>Proceeds<br>of<br>disposition | 4<br>Ontario<br>adjusted<br>cost<br>base           | 5<br>Outlays and<br>expenses                                      | 6<br>Ontario<br>gains or<br>(loss)<br>(col. 3<br>less<br>cols. 4 & 5) | Date<br>of<br>disp.        |         |     |
| Part 1 - S                                              | ihares                      | <u></u>            |                                           |                                    |                                                    |                                                                   |                                                                       |                            | <u></u> |     |
| No.of<br>shares<br>0<br>0<br>0<br>0<br>0<br>0<br>0<br>0 | Name of<br>corporation      | Class of<br>shares | Totals                                    |                                    |                                                    |                                                                   | Gain (loss) 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0                       | 3<br>3<br>3<br>3<br>3<br>3 |         |     |
| Part 2 - F                                              | Real estate ("Do not        | include lo         |                                           | Gain (lı<br>Gain (lı<br>Gain (lı   | loss) on dispo<br>loss) on dispo<br>loss) on dispo | 0                                                                 | <b>1</b> 0<br><b>2</b> 0                                              | A1<br>A2                   |         |     |
|                                                         | ss 1                        |                    |                                           |                                    |                                                    |                                                                   | Gain (loss)                                                           |                            |         |     |
| Part Lot 2<br>Centre Str                                | 200, Plan TP 86             |                    |                                           | 100,000                            | 798                                                | 8 122,588                                                         |                                                                       | 3                          |         |     |
|                                                         |                             |                    |                                           | 0                                  |                                                    | 0 0                                                               | ) 0                                                                   | 3                          |         |     |
|                                                         |                             |                    |                                           | 0                                  | (                                                  | 0 0                                                               | 0 0                                                                   | 3                          |         |     |
|                                                         |                             |                    |                                           |                                    | 4                                                  | 0 0                                                               | 0 0                                                                   | 3                          |         |     |
|                                                         |                             |                    | Totals<br>==                              |                                    | 79                                                 |                                                                   | 3 -23,386<br>= ========                                               | В                          |         |     |
|                                                         |                             |                    |                                           | Gain (lo<br>Gain (lo               | oss) on dispos<br>oss) on dispos                   | sitions in period 1<br>sitions in period 2<br>sitions in period 3 | 1 0<br>2 0                                                            | B1<br>B2                   |         |     |

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| NIAGARA-ON-THE-LAKE<br>Corp. Tax Acct. No. | × /                       |             | Year E   | nded:       | 200          | Ont.<br>3-12-31 | Sch. | 006 |
|--------------------------------------------|---------------------------|-------------|----------|-------------|--------------|-----------------|------|-----|
| 1                                          | 2                         | 3           | 4        | 5           | 6            | ,. <u> </u>     |      |     |
|                                            |                           |             |          |             | Ontario      |                 |      |     |
|                                            |                           |             |          |             | gains or     |                 |      |     |
|                                            |                           |             | Ontario  |             | (loss)       |                 |      |     |
|                                            |                           | Proceeds    | adjusted |             | (col. 3      | Date            |      |     |
| Types of capital                           | Date of                   | of          | cost     | Outlays and | less         | of              |      |     |
| property                                   | acquisition<br>YYYY/MM/DD | disposition | base     | expenses    | cols. 4 & 5) | disp.           |      |     |

| Face  | Maturity | Name of |        |                          |                |          |          |     |  |
|-------|----------|---------|--------|--------------------------|----------------|----------|----------|-----|--|
| value | date     | issuer  |        |                          |                | Gai      | n (loss) |     |  |
|       | YYYY/MM  | I/DD    |        |                          |                |          |          |     |  |
| ••    | 0        |         |        | 0                        | 0              | 0        | 0        | 3   |  |
|       | 0        |         |        | 0                        | 0              | 0        | 0        | 3   |  |
|       | 0        |         |        | 0                        | 0              | 0        | 0        | 3   |  |
|       | 0        |         |        | 0                        | 0              | 0        | 0        | 3   |  |
|       |          |         |        | 0                        | 0              | 0        | 0        |     |  |
|       |          |         | Totals | 0                        | 0              | 0        | 0        | C . |  |
|       |          |         | ==     | ======================== | ====== ===     |          | ======   |     |  |
|       |          |         |        | Gain (loss) on d         | ispositions in | period 1 | 0        | C1  |  |
|       |          |         |        | Gain (loss) on d         |                |          | 0        | C2  |  |
|       |          |         |        | Gain (loss) on d         |                |          | 0        | C3  |  |
|       |          |         |        | Gain (loss) on d         | ispositions in | period 3 | U        | C3  |  |

## Part 4 - Other properties - ("Do not include losses on depreciable property")

| escription                     |        |             | · *          |         | · · · ·         | Gain (loss) |    |   |
|--------------------------------|--------|-------------|--------------|---------|-----------------|-------------|----|---|
|                                |        | 0           |              | 0       | 0               | 0           | 3  |   |
|                                |        | 0           |              | 0       | 0               | 0           | 3  |   |
|                                |        | 0           |              | 0       | ···· 0          | 0           | 3  |   |
|                                |        | 0           |              | 0       | 0               | . 0         |    | • |
| ain or loss from a partnership |        |             |              |         |                 |             |    |   |
|                                |        | 0           |              | 0       | 0               | 0           |    |   |
|                                | Totals | 0           |              | 0       | 0               | 0           | D  |   |
|                                |        | =========== | ========     | ===     |                 | =========== |    |   |
|                                |        | Gain (I     | oss) on disp | ositi   | ons in period 1 | 0           | D1 |   |
|                                |        | Gain (I     | oss) on disp | ositi   | ons in period 2 | 0           | D2 |   |
|                                |        | Gain (I     | oss) on disp | oositie | ons in period 3 | 0           | D3 |   |
|                                |        |             |              |         |                 |             |    |   |

### Part 5 - Personal- use property

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| Description of                   |        |            |                   |                 |             |    |
|----------------------------------|--------|------------|-------------------|-----------------|-------------|----|
| capital property                 |        |            |                   |                 | Gain only   |    |
|                                  |        | 0          | 0                 | 0               | 0           | 3  |
|                                  |        | 0          | 0                 | 0               | 0           | 3  |
|                                  |        | 0          | 0                 | 0               | 0           | 3  |
|                                  |        | 0          | 0                 | 0               | 0           | 3  |
| Note: Losses are not deductible. | Totals | 0          | 0                 | 0               | 0           | Е  |
|                                  |        | ========== | ===========       | ==========      | =========== |    |
|                                  |        |            | Gain on dispositi | ons in period 1 | 0           | E1 |
|                                  |        |            | Gain on dispositi | ons in period 2 | 0           | E2 |
|                                  |        |            | Gain on dispositi | ons in period 3 | 0           | E3 |
|                                  |        |            |                   |                 |             |    |

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver. 3-2003 Page 3 of 6

| NIAGARA-ON-THE-LAKE<br>Corp. Tax Acct. No. |                           |             | Year H   | (<br>Inded: | 2                       | Ont.<br>003-12-31 | Sch. | 006 |
|--------------------------------------------|---------------------------|-------------|----------|-------------|-------------------------|-------------------|------|-----|
| 1                                          | 2                         | 3           | 4        | 5           | 6<br>Ontario<br>gain or |                   |      |     |
|                                            |                           |             | Ontario  |             | (loss)                  |                   |      |     |
|                                            |                           | Proceeds    | adjusted |             | (col. 3                 | Date              |      |     |
| Types of capital                           | Date of                   | of          | cost     | Outlays and | less                    | of                |      |     |
| property                                   | acquisition<br>YYYY/MM/DD | disposition | base     | expenses    | cols. 4 &               | 5) disp.          |      |     |

## Part 6 - Listed personal property

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| Description  |                                               |             |                    |             |        |                                          |    | Gain (loss) |   |
|--------------|-----------------------------------------------|-------------|--------------------|-------------|--------|------------------------------------------|----|-------------|---|
|              |                                               |             | 0                  |             | 0      |                                          | 0  | 0           |   |
|              |                                               |             | 0                  |             | 0      |                                          | 0  | 0           | 3 |
|              |                                               |             | 0                  |             | 0      |                                          | 0  | 0           |   |
|              |                                               |             | 0                  |             | 0      |                                          | 0  | 0           |   |
|              |                                               | Totals      | 0                  |             | 0      |                                          | 0  | 0           |   |
|              |                                               |             | =========          | 222222      | ====   | ==========                               | == |             |   |
|              |                                               |             | Period 1           | Period 2    |        | Period 3                                 |    |             |   |
| Gain (or los | s) on dispositions                            |             | 0                  |             | 0      |                                          | 0  | 0           |   |
| Subtract:    | Unapplied LPP losses from other years         |             |                    |             | 142.54 |                                          |    |             |   |
|              | applicable to gain on dispositions            |             | . 0                |             |        |                                          | 0  | 0           |   |
| Net gain (lo | ss) on dispositions                           |             | 0                  |             | 0      | an a | 0  | 0           | F |
|              |                                               |             |                    |             |        |                                          |    |             |   |
| Note: Net    | listed personal property losses may only be a | pplied agai | inst personal prop | erty gains. |        |                                          |    |             |   |
|              | · ·                                           |             |                    | · · ·       |        |                                          |    |             |   |
|              |                                               |             |                    |             |        |                                          |    |             |   |

## Part 7 - Property qualifying for and resulting in an allowable business investment loss

|               |         |                           |             |             |                    | Ontario |      |       |
|---------------|---------|---------------------------|-------------|-------------|--------------------|---------|------|-------|
|               |         |                           |             |             |                    | loss    |      |       |
|               | Shares  |                           |             |             |                    | (col. 3 |      |       |
| Name of small | enter 1 |                           | Proceeds    | Ontario     |                    | less    |      | Date  |
| business      | Debt    | Date of                   | of          | adjusted    | Outlays and        | (cols 4 |      | of    |
| corporation   | enter 2 | acquisition<br>YYYY/MM/DD | disposition | cost base   | expenses           | & 5)    |      | disp. |
|               | 0       |                           | 0           | 0           | 0                  |         | 0    | 3     |
|               | 0       |                           | 0           | 0           | 0                  |         | 0    | 3     |
|               | 0       |                           | 0           | 0           | 0                  |         | 0    | 3     |
|               | 0       |                           | 0           | 0           | 0                  |         | 0    | 3     |
|               |         | Totals                    | 0           | 0           | 0                  |         | 0    | G     |
|               |         |                           |             | =========== | =============      | 2555552 | ==== |       |
|               |         |                           |             | Loss on dis | ositions in period | 11      | 0    | G1    |
|               |         |                           |             | Loss on dis | ositions in period | 12      | 0    | G2    |
|               |         |                           |             | Loss on dis | ositions in period | 13      | 0    | G3    |

Note: Properties listed in Part 7 should not be included in any other Part of Schedule 6.

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver. 3-2003 Page 4 of 6

Ont. Sch. 006 2003-12-31

## Determining capital gains and capital losses

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|                                              | Period 1 | Period 2  | Period 3  |           |
|----------------------------------------------|----------|-----------|-----------|-----------|
| Gains or losses on dispositions              |          |           |           |           |
| (Total of amounts A to F,                    |          |           | · .       |           |
| f amount F is a loss, do not include it)     | 0        | 0         | -23,386   | -23,386   |
| Allowable business investment losses         |          |           |           |           |
| (G1, G2, G3)                                 | 0        | 0         | 0         |           |
| Gains or losses on dispositions              |          |           |           |           |
| (including ABIL)                             | 0        | 0         | -23,386   |           |
| Add:                                         |          |           |           |           |
| Gain or loss from a partnership              |          |           |           | 0         |
| Capital gains dividends received in the year | 0        | 0         | 0         | 0         |
| Capital gains reserve                        |          |           |           |           |
| (Opening balance) Schedule 13                | 0        | 0         | 0         | 0         |
| Subtotal                                     | 0        | 0         | -23,386   | -23,386   |
| Less:                                        |          |           |           |           |
| Capital gains reserve                        |          |           |           |           |
| (Closing balance) from Schedule 13 (note 1)  | 0        | 0         | 0         | 0         |
| Deductible portion of gain on donations      |          |           |           |           |
| (including ecologically sensitive land)      |          | · · · · O | 0         |           |
| Gains (or losses)                            | 0 H      | 01        | -23,386 J | -23,386 Z |

Note 1: Applicable to dispositions made in the period. Closing balance reserves from dispositions made in

a previous taxation year need to be deducted in the period during which the taxation year begins.

| Inclusion rate                                                                       | ···                      |       |               |           | $\tilde{s}^{\prime\prime}(h^{2}_{s}) = s^{\prime\prime}$ |    |  |
|--------------------------------------------------------------------------------------|--------------------------|-------|---------------|-----------|----------------------------------------------------------|----|--|
|                                                                                      | - · ·                    | -     | Inclusion     |           | Net capital<br>gain/capital                              |    |  |
|                                                                                      | Gains or losses          |       | Rate          | •         | loss                                                     |    |  |
| Amount from line I, period 1                                                         | 0 H                      | х     | 75.0000%      |           | 0                                                        | к  |  |
| Amount from line I, period 2                                                         | 0 1                      | х     | 66.6667%      | =         | · · · 0                                                  | L  |  |
| Subtotal (note 2)                                                                    | 0 M                      |       | .0000%        | =         | 0                                                        | AA |  |
| Amount from line I, period 3                                                         | -23,386 J                | х     | 50.0000%      | =         | -11,693                                                  | Ν  |  |
| Total (note 3)                                                                       | -23,386 O                |       |               |           | -11,693                                                  | Р  |  |
| Inclusion rate for the year expressed as a decimal fraction                          |                          |       |               |           |                                                          |    |  |
| (P divided by O)                                                                     |                          |       |               |           | 50.00000%                                                | Q  |  |
| Note 2                                                                               |                          |       |               |           |                                                          |    |  |
| f one of either line H or line I is positive, and the other is negative              | e, enter the difference  |       |               |           |                                                          |    |  |
| gain or loss) on the subtotal line. On the inclusion rate line, en                   | ter the inclusion rate a | ippli | cable to      |           |                                                          |    |  |
| he period from which the larger amount originates, and calculate                     | the net gain or net los  | s at  | line AA based |           |                                                          |    |  |
| on that rate. In this case, it would not be necessary to calculate a                 | n amount at K and L.     | Oth   | erwise, add   |           |                                                          |    |  |
| ines H and I, and lines K and L for the subtotals. At the inclusio                   | n rate line between N    | l and | d AA,         |           |                                                          |    |  |
| enter the result of M divided by AA. This rate may be required in                    | further calculations.    |       |               |           |                                                          |    |  |
| Note 3                                                                               |                          |       |               |           |                                                          |    |  |
| f one of either line <b>M</b> or line <b>J</b> is positive, and the other is negativ | e, enter the difference  | 3     |               |           |                                                          |    |  |
| (gain or loss) on the total line. On the inclusion rate line, enter the              | ne inclusion rate appli  | abl   | е             |           |                                                          |    |  |
| to the period from which the larger amount originates, and calcula                   | ate the net gain or net  | loss  | at            |           |                                                          |    |  |
| ine P based on that rate. This could be the rate referred to at the                  | end of note 2 above.     |       |               |           |                                                          |    |  |
| In this case, it would not be necessary to calculate an amount at                    | line N. Otherwise, add   | 1     |               |           |                                                          |    |  |
| ines M and J, and lines AA and N for the totals.                                     |                          |       |               |           |                                                          |    |  |
| Time Weighted Method for investment corporation or mutua                             | l fund corporation       |       |               |           |                                                          |    |  |
| Is the corporation a mutual fund corporation that wishes to use th                   | •                        | nd?   |               |           | [Y/N] N                                                  |    |  |
|                                                                                      | Number of days in per    |       |               | 75.0000%  |                                                          |    |  |
|                                                                                      | Number of days in per    |       |               | 66.6667%  |                                                          |    |  |
|                                                                                      | Number of days in per    |       |               | 50.0000%  |                                                          |    |  |
|                                                                                      | of days in the taxaton   |       |               | 50.000070 | .00000%                                                  |    |  |
| Number                                                                               | o, aayo in ino iaxalon   | yuu   |               |           | .0000000                                                 |    |  |

| Corp. Tax Acct. No. :1800140                                                                                                      | Year                        | Ended                                  | .:            | 2003             | Ont.<br>3-12-31 | Sch. | 006     |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------|---------------|------------------|-----------------|------|---------|
| Determination of taxable capital gains and allowable busine                                                                       | ss investmer                | nt losses                              |               |                  |                 |      |         |
| Amount from line Z                                                                                                                | •••••                       |                                        | •••••         | -23,386          | Z               |      | <u></u> |
| Deduct:                                                                                                                           |                             |                                        |               |                  |                 |      |         |
| Gain on donations of a share, debt obligation, or right<br>(included in amounts A to F) (note 4)                                  |                             |                                        |               |                  |                 |      |         |
| Before February 28, 2000                                                                                                          | 0                           |                                        |               |                  |                 |      |         |
| After February 27, 2000 and before October 18, 2000                                                                               | 0                           |                                        |               |                  |                 |      |         |
| After October 17, 2000                                                                                                            | 0                           |                                        |               |                  |                 |      |         |
|                                                                                                                                   | 0 x                         | 1/2                                    | =             | 0                |                 |      |         |
| Subtotal                                                                                                                          | • • • • • • • • • • • • • • |                                        | •••••         | -23,386          |                 |      |         |
| Deduct:<br>Amount of gain on donations of ecologically sensitive land after February 27, 2000                                     | )                           |                                        |               | ••               |                 |      |         |
| After February 27, 2000 and before October 18, 2000                                                                               | 0                           |                                        |               |                  |                 |      |         |
| After October 17, 2000                                                                                                            | 0                           |                                        |               |                  |                 |      |         |
|                                                                                                                                   | <br>0 x                     | 1/2                                    | =             | 0                |                 |      |         |
| Gains or Loss                                                                                                                     |                             | د.<br>معروف الأن                       | Na faran      |                  |                 |      |         |
| Include 100% of the losses in box 711 of the CT23                                                                                 | •••••••••••                 |                                        |               | -23;386          | R               |      |         |
| Taxable capital gains (amount R x Inclusion rate)                                                                                 | н                           |                                        |               | -<br>-           |                 |      |         |
| Transfer to 603 of the CT23                                                                                                       |                             |                                        |               | Δ.               | S               |      |         |
| in the second                   |                             | •••••••••••••••••••••••••••••••••••••• | ••••••        |                  |                 |      |         |
| Allowable business investment loss (line G x Inclusion rate)                                                                      |                             | ·                                      |               | a served a start |                 |      |         |
| Transfer to 678 of the CT23                                                                                                       | <i>.</i>                    | •••••                                  | • • • • • • • | 0                | G4              |      |         |
|                                                                                                                                   |                             |                                        | =             |                  |                 |      |         |
| Note 4:                                                                                                                           |                             |                                        |               | in the second    |                 |      |         |
| Gain on donations of a share, debt obligation, or right listed on a prescribe stock e                                             |                             |                                        |               | đ.               |                 |      |         |
| under paragraph 38(a.1) of the Act on (for donations made after February 18, 199<br>to charities other than private foundations). | 7, and before the           | year 2002                              |               |                  |                 |      |         |
|                                                                                                                                   |                             |                                        |               |                  |                 |      |         |
|                                                                                                                                   |                             |                                        |               |                  |                 |      |         |

Portion of Gain or Loss from Foreign sources (100%).....

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver. 3-2003 Page 6 of 6

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| 0140      |
|-----------|
| : 1800140 |
| No.       |
| Acct.     |
| Tax A     |
| Corp.     |

is the corporation electing under regulation 1101(5g)? [Y/N]~N

Summary of Capital Cost Allowance

# Year Ended:

2003-12-31

| 13 | Ontario   | unde-        | preciated    | capi tal   | cost        | at the end | of the year | (column 6    | minus       | column 12) |             |            |              |            |           |                                                                                                  | 8,007,821 | 4,399,049 | 4,129,446 | 845,000    | 284,079  | 143,590  | 699,475 | 387,992 | 20,439 | 171,650 | 61,190 | 88,999  | 320,442  | 166,520 | 3,317 | 3,646 | 24,880 | 9,475  | 6,078 | 114,655 | 60,046 | 3 8 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6      | 19,947,789 |  |
|----|-----------|--------------|--------------|------------|-------------|------------|-------------|--------------|-------------|------------|-------------|------------|--------------|------------|-----------|--------------------------------------------------------------------------------------------------|-----------|-----------|-----------|------------|----------|----------|---------|---------|--------|---------|--------|---------|----------|---------|-------|-------|--------|--------|-------|---------|--------|----------------------------------------------|------------|--|
| 12 | Ontario   | capital      | cost         | allowance  | (column 8   | multiplied | Кq          | column 9;    | or a lower  | amount)    |             |            |              |            |           |                                                                                                  | 317,673   | 280,790   | 115,231   | 53,936     | 11,107   | 9,165    | 29,145  | 24,357  | 4,465  | 39,185  | 21,027 | 142,218 | 128,588  | 41,630  | 288   | 912   | 2,163  | 1,053  | 1,519 | 4,085   | 3,833  |                                              | 1,232,370  |  |
| 11 | Terminal  | loss         |              |            |             |            |             |              |             |            |             |            |              |            |           |                                                                                                  | 0         | 0         | 0         | 0          | <b>0</b> | 0        | 0       | 0       | 0      | 0       | 0      | 0       | 0        | 0       | 0     | 0     | 0      | 0      | 0     | 0       | 0      |                                              | <b>C</b>   |  |
| 10 | Recapture | of           | capital      | cost       | allowance   |            |             |              |             |            |             |            |              |            |           | 1<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1<br>1 | 0         | 0         | 0         | 0          | 0        | 0        | 0       | 0       | 0      | 0       | 0      | 0       | 0        | 0       | o     | 0     | 0      | 0      | 0     | 0       | 0      | <br> <br> <br> <br> <br> <br> <br> <br> <br> | <b>O</b>   |  |
| 6  | CCA       | rate         | æ            |            |             |            |             |              |             |            |             |            |              |            |           | 6<br>6<br>1<br>1<br>1                                                                            | 4         | 9         | 4         | <b>9</b> . | 4        | <b>و</b> | Ŧ       | 9       | 20     | 20      | 30     | 100     | 30       | 20      | 8     | 20    | 80     | 10     | 20    | 4       | 9      |                                              |            |  |
| œ  | Reduced   | unde-        | preciated    | capital    | cost        | (column 6  | minus       | column 7)    |             |            |             |            |              |            |           |                                                                                                  | 7,941,831 | 4,679,839 | 2,880,779 | 898,936    | 277,664  | 152,755  | 728,620 | 405,943 | 22,325 | 195,924 | 70,089 | 142,218 | 428, 628 | 208,150 | 3,605 | 4,558 | 27,043 | 10,528 | 7,597 | 102,135 | 63,879 |                                              | 19,253,046 |  |
| 7  | 50% rule  | (1/2 of      | the amount,  | if any, by | which the   | net cost   | of          | acquisitions | exceeds     | column 5)  |             |            |              | See note 2 | below     | )<br> <br> <br> <br> <br> <br> <br> <br> <br> <br>                                               | 383, 663  | 0         | 1,363,898 | 0          | 17,522   | 0        | 0       | 6,406   | 2,579  | 14,911  | 12,128 | 88,999  | 20,402   | 0       | 0     | 0     | 0      | 0      | 0     | 16,605  | 0      |                                              | 1,927,113  |  |
| 9  | Ontario   | unde-        | preciated    | capital    | cost        | (column 2  | plus        | column 3     | or minus    | column 4   | minus       | column 5)  |              |            |           |                                                                                                  | 8,325,494 | 4,679,839 | 4,244,677 | 898,936    | 295,186  | 152,755  | 728,620 | 412,349 | 24,904 | 210,835 | 82,217 | 231,217 | 449,030  | 208,150 | 3,605 | 4,558 | 27,043 | 10,528 | 7,597 | 118,740 | 63,879 |                                              | 21,180,159 |  |
| S  | Proceeds  | of           | dispositions | during the | year        | (amount    | not to      | exceed       | the capital | cost)      |             |            |              |            |           |                                                                                                  | 0         | 0         | 0         | 0          | 0        | 0        | 0       | 0       | 0      | 0       | 0      | 0       | 0        | 0       | 0     | 0     | 0      | 0      | 0     | 0       | 0      |                                              | 0          |  |
| 4  | Net       | adjustments  | (show        | negative   | amounts in  | brackets)  |             |              |             |            |             |            |              |            |           |                                                                                                  | 0         | 0         | 0         | 0          | 0        | 0        | Q       | 0       | 0      | 0       | 0      | •       | 0        | 0       | 0     | 0     | 0      | 0      | 0     | 0       | 0      |                                              | o          |  |
| m  | Cost of   | acquisitions | during the   | year (new  | property    | must be    | available   | for use)     |             |            |             |            |              | See note 1 | below     |                                                                                                  | 767,326   | 0         | 2,727,796 | 0          | 35,045   | 0        | 0       | 12,813  | 5,159  | 29,822  | 24,257 | 177,998 | 40,804   | 0       | 0     | 0     | 0      | 0      | 0     | 33,211  | 0      |                                              | 3,854,231  |  |
| 7  | Ontario   | unde-        | preciated    | capital    | cost at the | beginning  | of the year | (unde-       | preciated   | capital    | cost at the | end of the | prior year's | CCA        | schedule) |                                                                                                  | 7,558,168 | 4,679,839 | 1,516,881 | 898,936    | 260,141  | 152,755  | 728,620 | 399,536 | 19,745 | 181,013 | 57,960 | 53,219  | 408,226  | 208,150 | 3,605 | 4,558 | 27,043 | 10,528 | 7,597 | 85,529  | 63,879 |                                              | 17,325,928 |  |
| 1  | class     | Jumber       |              |            |             |            |             |              |             |            |             | •          |              |            |           |                                                                                                  | ч         | 2         | ٣         | 7          | н        | 73       | 1       | 7       | 8      | 8       | 10     | 12      | 10       | 8       | 17    | 8     | 17     | 9      | 80    | г       | 2      |                                              | Total      |  |

ote 1. Include any property acquired in previous years that has now become available for use. This property would have been previously excluded from column 3. List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" (Canada).

[650] on the CT23

[650]

Enter in boxes [650]

| Ø | Ontario |
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Ministry of Finance Corporations Tax Branch PO Box 620 33 King Street West Oshawa ON L1H 8E9

## Ontario Cumulative Eligible Capital Deduction Schedule 10

(For taxation years 2000 and later)

| Corporatio                        | on's Legal Name                                  |                                                                                                                                                |                                                  |                                                      |                    | Ontario Corporatio                    | ns Tax Account No.               | Taxation Year End                                                          |
|-----------------------------------|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------|--------------------|---------------------------------------|----------------------------------|----------------------------------------------------------------------------|
|                                   | no coga reamo                                    |                                                                                                                                                |                                                  |                                                      |                    | (MOF)                                 | IS TAX ACCOUNT NO.               | raxation rearend                                                           |
| NIAGAR                            | A-ON-THE-LAKE H                                  | IDRO INC.                                                                                                                                      |                                                  |                                                      |                    | 1800                                  | 140                              | 2003-12-31                                                                 |
|                                   | • •                                              | that has eligible capital pr<br>ligible capital account mus                                                                                    | • •                                              | each busines                                         | s.                 |                                       |                                  |                                                                            |
| Part 1 -                          | Calculation of                                   | current year deducti                                                                                                                           | on and car                                       | rry-forward                                          |                    |                                       |                                  |                                                                            |
| Ontario C                         | cumulative eligible ca                           | pital - balance at end of pre                                                                                                                  | ceding taxatio                                   | on year ( <i>if nega</i>                             | ative, enter zeroj | )                                     |                                  | 21,826                                                                     |
| Add:                              | Cost of eligible cap                             | pital property acquired during                                                                                                                 | the taxation y                                   | /ear                                                 | +                  |                                       | 0 <sup>B</sup>                   |                                                                            |
|                                   | Amount transferre                                | d on amalgamation or wind-u                                                                                                                    | p of subsidiar                                   | у                                                    | +                  |                                       | 0 <sup>°</sup>                   |                                                                            |
|                                   | Other adjustments                                |                                                                                                                                                | · <u>.</u>                                       |                                                      | +                  | *****                                 | 0 <sup>D</sup>                   |                                                                            |
| Total of I                        | B + C + D                                        |                                                                                                                                                |                                                  |                                                      | = [                |                                       | 0 X 0.75 =                       | 0 <sup>E</sup>                                                             |
| Subtota                           | IA+E                                             |                                                                                                                                                |                                                  |                                                      |                    |                                       | =                                | 21,826 <sup>F</sup>                                                        |
| Deduct:                           | from the dispositio<br>The gross amount          | of sales (less outlays and exp<br>n of all eligible capital proper<br>of a reduction in respect of a<br>subsection 80(7) of the <i>Incor</i> . | ty during the t<br>I forgiven deb                | axation year<br>t obligation                         | ble)<br>+ [<br>+   | ·····                                 | 0 <sup>G</sup><br>0 <sup>H</sup> |                                                                            |
| · · ·                             | Other adjustments                                |                                                                                                                                                |                                                  | • • • • • • • • • • • •                              | +                  |                                       | 0.                               | 1                                                                          |
| Total of (                        | G + H + I                                        | ••••••                                                                                                                                         |                                                  | •••••                                                | · · · · · · = [    |                                       | 0 X 0.75 =                       | 0 <sup>J</sup><br>21,826 <sup>K</sup>                                      |
| * The ma<br>Ontario c<br>Note: An | cumulative eligible<br>by amount up to the r     | 21,826 <sup>K</sup> X<br>deduction is 7%. However, y<br>capital - closing balance K<br>maximum deduction of 7% m<br>reed the maximum amount p  | ou can claim (<br>: L (if negat<br>ay be claimed | any amount up<br>tive, enter zero<br>I. Taxation yea | )                  | n.<br>                                | =                                | 1,528 <sup>L</sup><br>amount in box 651 of the CT23<br>20,298 <sup>M</sup> |
| Part 2 -                          |                                                  | included in income a<br>is part if the amount at lin                                                                                           | -                                                |                                                      | on                 |                                       |                                  |                                                                            |
| Amount fi                         | rom line K above ( <i>st</i>                     | ow as a positive amount)                                                                                                                       |                                                  |                                                      |                    |                                       |                                  | O <sup>N</sup>                                                             |
|                                   | nulative eligible capit<br>rears beginning after | al deductions from income fo<br>June 30, 1988                                                                                                  |                                                  |                                                      | [                  |                                       | 01                               |                                                                            |
| in the cur                        | rent or prior years u                            | luced cumulative eligible cap<br>nder subsection 80(7) of the                                                                                  | ITA .                                            |                                                      | [                  |                                       | 0 <sup>2</sup>                   |                                                                            |
|                                   | umulative eligible ca<br>rears beginning befo    | pital deductions claimed for re July 1, 1988                                                                                                   |                                                  |                                                      | 03                 |                                       |                                  |                                                                            |
| that were                         | included in income                               | ulative eligible capital accour<br>for taxation years beginning                                                                                |                                                  |                                                      | 04                 |                                       |                                  |                                                                            |
| Line 3 de                         | duct line 4                                      |                                                                                                                                                |                                                  |                                                      | 0                  | · · · · · · · · · · · · · · · · · · · | 05                               |                                                                            |
| Total line                        | s1+2+5                                           |                                                                                                                                                |                                                  |                                                      |                    |                                       | 06                               |                                                                            |
| Line T fro                        | om previous Ontario                              | Schedule 10 for taxation yea                                                                                                                   | rs ending afte                                   | r February 27,                                       | 2000               |                                       | 07                               | ······                                                                     |
| Deduct lir                        | ne 7 from line 6                                 |                                                                                                                                                |                                                  |                                                      |                    |                                       | <u> </u>                         | 0°                                                                         |
| N - O (ca                         | nnot be negative)                                | <u></u>                                                                                                                                        | <i>.</i>                                         |                                                      |                    |                                       |                                  | 0 <sup>P</sup>                                                             |
| Amount c                          |                                                  |                                                                                                                                                |                                                  |                                                      |                    |                                       |                                  | 00                                                                         |
| P-Q                               |                                                  | ······································                                                                                                         |                                                  |                                                      |                    |                                       |                                  | 0 <sup>R</sup>                                                             |
| Amount c                          | on line R                                        | 0 >                                                                                                                                            | ( 2/3 *                                          |                                                      |                    |                                       | • • • •                          | 0 <sup>s</sup>                                                             |
| Lesser of                         | line N or line O                                 |                                                                                                                                                |                                                  |                                                      |                    |                                       |                                  | 0 <sup>T</sup>                                                             |
| Amount                            | to be included in ir                             | ncome S + T                                                                                                                                    |                                                  |                                                      |                    |                                       |                                  | 0                                                                          |

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



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# Taxable Cap

(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

| Corporation's Legal Name       | Ontario Corporations Tax Account No. (MOF | F) Taxation Year End |
|--------------------------------|-------------------------------------------|----------------------|
| NIAGARA-ON-THE-LAKE HYDRO INC. | 1800140                                   | 2003-12-21           |

This schedule must be completed in determining the aggregate taxable capital of an associated group and/or partnership that has a permanent establishment (PE) in Canada.

| Name of Associated Corporation<br>(Must have a PE in Canada) | Corporations Tax<br>Account No. (MOF)<br>(if applicable) | Taxation Year End                     | Taxable Capital                             |
|--------------------------------------------------------------|----------------------------------------------------------|---------------------------------------|---------------------------------------------|
| Niagara-on-the-Lake Energy Inc.                              | 1800139                                                  | 2003-12-31                            | + 10,845                                    |
| Energy Services Niagara Inc.                                 | 1800074                                                  |                                       |                                             |
|                                                              | 1800074                                                  | 2003-12-31                            | + <u>297,285</u>                            |
|                                                              |                                                          |                                       |                                             |
|                                                              |                                                          |                                       | +                                           |
|                                                              |                                                          |                                       | +                                           |
|                                                              |                                                          | · · · · · · · · · · · · · · · · · · · | +                                           |
|                                                              |                                                          |                                       | +                                           |
|                                                              |                                                          |                                       | +                                           |
|                                                              |                                                          | · · · · · · · · · · · · · · · · · · · | +                                           |
|                                                              |                                                          | · · · · ·                             | +                                           |
|                                                              |                                                          |                                       |                                             |
|                                                              |                                                          |                                       | +                                           |
|                                                              |                                                          |                                       | +                                           |
|                                                              |                                                          |                                       | +                                           |
|                                                              |                                                          |                                       | +                                           |
|                                                              |                                                          | •                                     | +                                           |
|                                                              |                                                          |                                       | +                                           |
|                                                              |                                                          |                                       | +                                           |
|                                                              |                                                          |                                       |                                             |
|                                                              |                                                          | . <u> </u>                            | +<br>                                       |
|                                                              |                                                          |                                       | +                                           |
|                                                              |                                                          |                                       | +                                           |
|                                                              |                                                          |                                       | +                                           |
|                                                              |                                                          |                                       | -                                           |
|                                                              | Aggregate                                                | of taxable capital =                  | - 200 120                                   |
|                                                              |                                                          | L.<br>Transfer to                     | <sup>±</sup> 308,130<br>box 540 of the CT23 |