

Estimated Taxable Income & Effective Tax Rate on \$327,891 of Taxable Income
Taxation Year Ended December 31, 2002

	Totals	\$0 to \$200,000	\$200,001 to \$300,000	\$300,001 to \$327,891
Federal				
Federal Corporate Tax Rate		13.12%	22.12%	26.12%
Taxable Income	327,891	200,000	100,000	27,891
Federal Corporate Taxes	55,645	26,240	22,120	7,285
Ontario		\$0 to \$280,000	\$280,001 to \$327,891	
Ontario Corporate Tax Rate		6.00%	16.83%	
Taxable Income	327,891	280,000	47,891	
Ontario Corporate Taxes	24,860	16,800	8,060	
Total Federal and Ontario Corporate Taxes	80,505			
Effective Corporate Tax Rate	24.55%			

Tax Rates @ December 31, 2002			
	\$0 to \$200,000	\$200,001 to \$300,000	\$300,001 to \$327,891
Federal			
Base Rate	38.00%	38.00%	38.00%
Abatement	-10.00%	-10.00%	-10.00%
Small Business Deduction	-16.00%	0.00%	0.00%
Accelerated Rate Reduction	0.00%	-7.00%	0.00%
General Rate Reduction	0.00%	0.00%	-3.00%
Surtax	1.12%	1.12%	1.12%
	13.12%	22.12%	26.12%
Ontario	\$0 to \$280,000	\$280,001 to \$327,891	
Base Rate	12.50%	12.50%	
Small Business Deduction	-6.50%	0.00%	
Surtax	0.00%	4.33%	
	6.00%	16.83%	

Estimated Taxable Income & Effective Tax Rate on \$327,891 of Taxable Income
Taxation Year Ended December 31, 2003

	Totals	\$0 to \$225,000	\$225,001 to \$300,000	\$300,001 to \$327,891
Federal				
Federal Corporate Tax Rate		13.12%	22.12%	24.12%
Taxable Income	327,891	225,000	75,000	27,891
Federal Corporate Taxes	52,837	29,520	16,590	6,727
Ontario		\$0 to \$320,000	\$320,001 to \$327,891	
Ontario Corporate Tax Rate		5.50%	17.17%	
Taxable Income	327,891	320,000	7,891	
Ontario Corporate Taxes	18,955	17,600	1,355	
Total Federal and Ontario Corporate Taxes	71,792			
Effective Corporate Tax Rate	21.90%			

Tax Rates @ December 31, 2003			
	\$0 to \$225,000	\$225,001 to \$300,000	\$300,001 to \$327,891
Federal			
Base Rate	38.00%	38.00%	38.00%
Abatement	-10.00%	-10.00%	-10.00%
Small Business Deduction	-16.00%	0.00%	0.00%
Accelerated Rate Reduction	0.00%	-7.00%	0.00%
General Rate Reduction	0.00%	0.00%	-5.00%
Surtax	1.12%	1.12%	1.12%
	13.12%	22.12%	24.12%
Ontario	\$0 to \$320,000	\$320,001 to \$327,891	
Base Rate	12.50%	12.50%	
Small Business Deduction	-7.00%	0.00%	
Surtax	0.00%	4.67%	
	5.50%	17.17%	

Estimated Taxable Income & Effective Tax Rate on \$327,891 of Taxable Income
Taxation Year Ended December 31, 2004

Federal	Totals	\$0 to \$250,000	\$250,001 to \$327,891
Federal Corporate Tax Rate		13.12%	22.12%
Taxable Income	327,891	250,000	77,891
Federal Corporate Taxes	50,029	32,800	17,229
Ontario		\$0 to \$400,000	
Ontario Corporate Tax Rate		5.50%	
Taxable Income	327,891	327,891	
Ontario Corporate Taxes	18,034	18,034	
Total Federal and Ontario Corporate Taxes	68,063		
Effective Corporate Tax Rate	20.76%		

Tax Rates @ December 31, 2004			
Federal		\$0 to \$250,000	\$250,001 to \$327,891
Base Rate		38.00%	38.00%
Abatement		-10.00%	-10.00%
Small Business Deduction		-16.00%	0.00%
General/Accelerated Rate Reduction		0.00%	-7.00%
Surtax		1.12%	1.12%
		<u>13.12%</u>	<u>22.12%</u>
Ontario		\$0 to \$400,000	
Base Rate		14.00%	
Small Business Deduction		-8.50%	
Surtax		0.00%	
		<u>5.50%</u>	

Estimated Taxable Income & Effective Tax Rate on \$415,679 of Taxable Income
Taxation Year Ended December 31, 2005

Federal	Totals	\$0 to \$300,000	\$300,001 to \$415,679
Federal Corporate Tax Rate		13.12%	22.12%
Taxable Income	415,679	300,000	115,679
Federal Corporate Taxes	64,948	39,360	25,588
Ontario		\$0 to \$400,000	\$400,001 to \$415,679
Ontario Corporate Tax Rate		5.50%	18.67%
Taxable Income	415,679	400,000	15,679
Ontario Corporate Taxes	24,927	22,000	2,927
Total Federal and Ontario Corporate Taxes	89,875		
Effective Corporate Tax Rate	21.62%		

Tax Rates @ December 31, 2005			
Federal		\$0 to \$300,000	\$300,001 to \$415,679
Base Rate		38.00%	38.00%
Abatement		-10.00%	-10.00%
Small Business Deduction		-16.00%	0.00%
General Rate Reduction		0.00%	-7.00%
Surtax		1.12%	1.12%
		<u>13.12%</u>	<u>22.12%</u>
Ontario		\$0 to \$400,000	\$400,001 to \$415,679
Base Rate		14.00%	14.00%
Small Business Deduction		-8.50%	0.00%
Surtax		0.00%	4.67%
		<u>5.50%</u>	<u>18.67%</u>

Notes and Assumptions:

1) The business limit for the Small Business Deduction at December 31:

Year	Federal	Provincial
2002	200,000	280,000
2003	225,000	320,000
2004	250,000	400,000
2005	300,000	400,000

We assumed that the full business limit was available in computing the taxes on the taxable income.

2) All taxable income has been treated as Active Business Income.