1	
2	APPENDIX 9-P
3	2003 Audited Financial Statements, Tax Returns and Assessment

Non-Consolidated Financial Statements of

## E.L.K. ENERGY INC.

Year ended December 31, 2003



KPMG LLP Chartered Accountants 618 Greenwood Centre 3200 Deziel Drive Windsor ON N8W 5K8

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### AUDITORS' REPORT TO THE DIRECTORS

We have audited the non-consolidated balance sheet of E.L.K. Energy Inc. as at December 31, 2003 and the non-consolidated statements of earnings, retained earnings and cash flows for the year then ended. These non-consolidated financial statements have been prepared for tax return filing purposes. These non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance the basis of accounting described in note 1 to the non-consolidated financial statements.

These non-consolidated financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are intended for the information and use of the Directors of E.L.K. Energy Inc. and the federal and provincial income tax authorities for income tax purposes. The non-consolidated financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

KPMG LLP

**Chartered Accountants** 

Windsor, Canada March 5, 2004



Non-Consolidated Balance Sheet

December 31, 2003, with comparative figures for 2002

	2003	2002
		(Restated -
		note 12)
Assets		
Current assets:		
Cash: Unrestricted	\$ 6,552,279	\$ 4,442,269
Restricted	926,286	φ 1,112,200
Accounts receivable	1,802,614	1,521,709
Payment in lieu of income taxes recoverable	.,	64,281
Prepaid expenses	37,200	63,954
Unbilled revenue	2,530,295	2,946,625
Inventories	251,137	274,960
	12,099,811	9,313,798
Capital assets, at cost (note 3)	17,686,266	17,465,456
Less accumulated amortization	9,780,954	9,163,777
	7,905,312	8,301,679
Regulatory assets (note 4)	569,174	866,706
Future payments in lieu of income taxes (note 13)	572,000	572,000
Investment in subsidiary – E.L.K. Solutions Inc.	100	100
	\$ 21,146,397	\$ 19,054,283

	2003	2002
		(Restated -
		note 12)
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,313,941	\$ 3,305,484
Payment in lieu of income taxes payable	648,908	
Current portion of customer deposits	377,665	331,067
Shareholders' promissory notes (note 5)	5,850,000	6,500,000
	10,190,514	10,136,551
Long-term liabilities:		
Customer deposits	210,371	252,328
Employee future benefits (note 6)	644,766	639,105
	855,137	891,433
Shareholders' equity:		
Share capital (note 7)	100	100
Retained earnings	5,698,273	3,623,826
Contributed surplus	4,402,373	4,402,373
	10,100,746	8,026,299
Contingency (note 8)		
	\$ 21,146,397	\$ 19,054,283

Non-Consolidated Statement of Earnings

Year ended December 31, 2003, with comparative figures for 2002

	2003	2002
		(Restated -
		note 12
Service revenue	\$ 17,454,657	\$ 15,785,098
Service revenue adjustment	(416,330)	1,229,706
	17,038,327	17,014,804
Cost of electricity	11,940,399	14,177,688
Gross margin on service revenue	5,097,928	2,837,116
Other operating revenue:		
Interest and other	495,693	503,781
Late payment charges	88,454	46,475
	584,147	550,256
	5,682,075	3,387,372
Expenditures:		
Administration	679,507	680,194
Billing and collecting	523,212	437,968
Amortization	617,177	694,112
Interest	465,762	92,890
Operations and maintenance	638,970	703,630
	2,924,628	2,608,794
Income before payments in lieu of income taxes	2,757,447	778,578
Payments in lieu of income taxes:		
Current	683,000	13,000
Future		293,000
	683,000	306,000
Net earnings	\$ 2,074,447	\$ 472,578

Non-Consolidated Statement of Retained Earnings

Year ended December 31, 2003, with comparative figures for 2002

	2003	2002
		(Restated - note 12)
Balance, beginning of year	\$ 3,623,826	\$ 9,651,248
Net earnings	2,074,447	472,578
Dividends paid	_	(6,500,000)
Balance, end of year	\$ 5,698,273	\$ 3,623,826

Non-Consolidated Statement of Cash Flows

Year ended December 31, 2003, with comparative figures for 2002

	2003	2002
		(Restated -
		note 12)
Cash provided by (used in):		
Operations:	<b>•</b> • • • <b>•</b> • • • • • • • • • • • • •	ф <b>17</b> 0 570
Net earnings	\$ 2,074,447	\$ 472,578
Items not involving cash:	047 477	004 110
Amortization of capital assets	617,177	694,112
Future payments in lieu of income taxes	F 001	293,000
Increase in employee future benefits	5,661	88,797
Changes in non-cash operating working capital	954,246	(637,249)
	3,651,531	911,238
Financing:		0 500 000
Increase (decrease) in shareholders' promissory notes	(650,000)	6,500,000
Decrease in long-term customer deposits	(41,957)	(5,486)
Dividends paid	(001.057)	(6,500,000)
	(691,957)	(5,486)
Investing:	(220,810)	(164,967)
Capital assets additions, net	(220,010)	26,001
Proceeds on disposal of capital assets Transfer of capital assets to regulatory assets	_	214,358
Decrease (increase) in regulatory assets	297,532	(866,706)
Investment in subsidiary - E.L.K. Solutions Inc.	207,002	(100)
Investment in subsidiary * E.E.N. Solutions inc.	76,722	(791,414)
Increase in cash	3,036,296	114,338
Cash, beginning of year	4,442,269	4,327,931
Cash, end of year	\$ 7,478,565	\$ 4,442,269

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2003

E.L.K. Energy Inc. supplies and distributes electric power and maintains electrical distribution systems in the following communities: Essex, Harrow, Belle River, Comber, Kingsville, and Cottam.

E.L.K. Energy Inc. also performs the billing function for the Municipality of the Town of Essex Water Department.

#### 1. Basis of presentation:

The non-consolidated financial statements have been prepared in accordance with the significant accounting policies set out below. These non-consolidated financial statements materially differ from Canadian generally accepted accounting principles because they are non-consolidated. The Company's investment in its wholly-owned subsidiary, E.L.K. Solutions Inc., is accounted for using the cost method. Earnings from the investment are recognized only to the extent dividends are received or receivable.

#### 2. Significant accounting policies:

(a) Restricted cash:

Included within the cash balance is an amount of \$926,286 which consists of an irrevocable standby letter of credit issued in favour of the Independent Electricity Market Operator ('IMO") as collateral in support of the Company's purchase of electricity.

(b) Inventories:

Inventories are valued at the lower of cost and market.

(c) Capital assets:

Capital assets are stated at cost. Buildings, equipment and the transmission and distribution system are amortized on the straight-line basis at rates suggested by the Ontario Energy Board. These rates of amortization range from 2% to 25%.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

#### 2. Significant accounting policies: (continued)

(d) Revenue recognition:

Revenue from the sale of electrical energy is recognized when power is delivered to customers. Billings from the last meter reading date are adjusted based on a number of factors to reflect estimated usage to the year end date. These estimates are reflected on the balance sheet as unbilled revenue. Unbilled revenue is the amount of electricity that has been shipped to customers but not billed by the end of the year.

(e) Employee future benefits:

The Company provides post retirement benefits for employees who retire from active employment. The Company measures the costs of its obligation based on its best estimate.

The Company accrues its obligations under employee benefit plans as the employees render the services necessary to earn employee future benefits.

The cost of retirement benefits earned by employees is actuarially determined using the projected cost method pro rated on service and the actuary's best estimate of expected plan investment performance, salary escalation, retirement ages of employees and expected health care costs.

Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

(f) Payments in lieu of taxes ("PILs"):

The Company is currently exempt from taxes under the Income Tax Act (Canada) ("ITA") and the Ontario Corporations Tax Act ("OCTA").

Commencing October 1, 2001 and pursuant to the Electricity Act, the Company is required to compute taxes under the ITA and OCTA and remit such amounts thereunder computed to the Ministry of Finance (Ontario). These amounts, referred to as PILs under the Electricity Act, are applied to reduce certain debt obligations of the former Ontario Hydro continuing as Ontario Electricity Financial Corporation.

The Company provides for amounts in lieu of corporate income taxes using the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

#### 2. Significant accounting policies: (continued)

(f) Payments in lieu of taxes ("PILs"): (continued)

Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

(g) Pension plan:

The Company provides a pension plan for its employees through the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The Fund is a contributory defined benefit pension plan.

(h) Customer deposits:

Customer deposits comprise cash collections from electricity customers which are applied against any unpaid portion of individual customer accounts. Customer deposits in excess of unpaid account balances are refundable to individuals upon termination of their electricity service.

(i) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of the financial statements. Certain estimates are also required as regulations, which will ultimately determine the actual results, have yet to be finalized and are dependent on the completion of regulatory proceedings or decisions. Due to these uncertainties, actual results reported in future periods might differ from those estimates.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

#### 3. Capital assets:

				2003	 2002
		Cost	 cumulated mortization	Net book value	Net book value
Land	\$	156,387	\$ -	\$ 156,387	\$ 156,387
Building, plant and equipment		2,820,441	1,984,428	836,013	859,056
Transmission and distr system		4,709,438	7,796,526	6,912,912	7,286,236
<u> </u>	\$ 1	7,686,266	\$ 9,780,954	\$ 7,905,312	\$ 8,301,679

#### 4. Regulatory assets:

Regulatory assets comprise:

	2003	2002
Transition costs	\$ 425,180	\$ 384,608
Post-market opening retail settlement variances	143,994	482,098
-	\$ 569,174	\$ 866,706

Regulatory assets represent costs incurred by the Company for the purpose of supporting the deregulation of the electricity industry in Ontario. These amounts have been accumulated pursuant to regulation underlying the Electricity Act ("EA") and deferred in anticipation of their future recovery in electricity distribution charges.

Transition costs represent specific and incremental costs to the Company for systems and process changes to support the opening of the competitive electricity market in Ontario on May 1, 2003 ("Market Opening"). These costs have been deferred pursuant to regulation underlying the Electricity Act and are subject to review and approval for recovery by the OEB. Expenditures determined to be ineligible for recovery will be expensed in the period of such determination.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

#### 4. Regulatory assets: (continued)

Post-market opening retail settlement variances represent amounts that have accumulated since Market Opening and comprise:

- a) variances between amounts charged by the Independent Electricity Market Operator ("IMO") for the operation of the wholesale electricity market and grid, various wholesale market settlement charges and transmission charges, and the amounts billed to customers by the Company based on the OEB approved market service rate; and,
- b) variances between the amounts charged by the IMO to allow for purchases of imported electricity and the amounts billed to customers by the Company based on the OEB approved rates.

#### Restructuring of the electricity industry in Ontario

The Ontario Energy Board Act, 1998 (Ontario) ("OEBA"), conferred on the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity consumers, and the responsibility for ensuring the distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions to electricity distributors which may include, among other things, specified accounting records, regulatory accounting principles, separation of accounts for distinct business and filing and processing requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory treatments that may result in accounting treatments that differ from Canadian generally accepted accounting principles for enterprises operating in a non-rate regulated environment.

Under the OEBA, electricity distributors must receive approval of the Ministry of Energy to apply to the OEB for a change in the rates they may charge. On December 19, 2003, the Minister of Energy notified all distributors in Ontario advising them to apply to the OEB for recovery of deferred costs referred to as regulatory assets. It is the government's intention that regulatory assets be recovered over a four-year period. The Board's intention is to provide for recovery of 25% of the regulatory assets as at December 31, 2002 on amended rate schedules, to be issued April 1, 2004, with a March 1, 2004 effective date.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

#### 5. Shareholders' promissory notes:

The shareholders' promissory notes are payable on demand, accrue interest at 7.25% payable annually, and are secured by a general security agreement.

#### 6. Employee future benefits:

E.L.K. Energy Inc. pays certain benefits on behalf of its retired employees.

Information about E.L.K. Energy Inc.'s defined benefit plans is as follows:

2003		2002
	(	Restated - note 12)
\$ 639,105 4,753 37,394 (36,486)	\$	550,308 35,144 88,500 (34,846)
\$ 644,766	\$	639,105
\$	\$ 639,105 4,753 37,394 (36,486)	( \$ 639,105 \$ 4,753 37,394 (36,486)

The main actuarial assumptions employed for the valuations are as follows:

	2003	2002
Discount rate Expected return on plan assets Rate of compensation increase	6% n/a 3%	6% n/a 2%
Medical trend rate: Initial Ultimate Year of ultimate level	10% 4% 2009	11.5% 6.5% 2009

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

#### 7. Share capital:

The authorized and issued share capital is as follows:

Authorized: Unlimited common shares Issued: 10,000 common shares	
Issued: 10,000 common shares	\$ 100

The common shares were issued as follows:

	# of Common shares	An	nount paid
Town of Essex Town of Lakeshore Town of Kingsville	3,800 2,400 3,800	\$	38 24 38
	10,000	\$	100

#### 8. Contingency:

The Company belongs to the Municipal Electrical Association Reciprocal Insurance Exchange ("Exchange"). This is a pooling of the public liability insurance risks of many Ontario electrical distribution utilities. All members of the pool are subject to assessment for losses experienced by the pool for the years in which they were members on a pro rata basis based on the total of their respective service revenues. It is anticipated that should such an assessment occur, it would be funded over a period of up to five years. Since joining the Exchange, the Company has not been subject to any assessments for loss experiences.

#### 9. Pension costs:

The Company makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS") which is a multi-employer plan, on behalf of 20 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2003 was \$44,523 for current service and is included as an expense on the statement of earnings.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

#### 9. Pension costs: (continued)

Contributions by the Company commenced effective January 1, 2003. In 2003 the contribution rates were 2.1% for employees earnings below the year's maximum pensionable earnings and 2.6% thereafter. In 2004 the contribution rates rise to 6.0% and 8.8% respectively.

#### 10. Supplemental cash flow information:

	2003	2002
Cash paid during the year for: Interest Payments in lieu of income taxes	\$ 465,762 52,588	\$ 92,890 102,224
Cash received during the year for: Interest Payments in lieu of income taxes	142,447 45,777	106,269 28,686

#### 11. Related party transactions:

The amounts due to/from shareholders and subsidiary are as follows:

	2003	2002
Due to shareholders, included in accounts payable Due from shareholders, included in accounts receivable Due from subsidiary, included in accounts receivable	\$ 257,596 23,260 331,737	\$ 2,838,889 101,662 316,006

These amounts are measured at the exchange amount, which is the amount of consideration paid or received as established and agreed to by the related parties.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

#### 12. Correction of error – employee future benefits:

In the prior year, the actuarial report used to determine the employee future benefits obligation utilized incorrect assumptions with respect to the expiration date of benefits. The previous actuarial report was prepared on the basis that benefits would be payable for life, however, benefits cease at age 65. The actuarial report has been revised with the appropriate assumptions regarding duration of benefits, and accordingly, the comparative 2002 liability for employee future benefits has decreased by \$1,084,721, and 2002 closing retained earnings has increased by \$1,084,721. There was no impact on the Company's comparative 2002 statement of earnings.

#### 13. Payment in lieu of income taxes:

Future income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's future tax liabilities and assets as of December 31, 2003 are as follows:

Future tax liabilities:	
Regulatory assets Investment	\$ 128,000 9,000
Total future tax liabilities	\$ 137,000
Future tax assets:	
Capital assets	\$ 636,000
Employee future benefits	233,000
Intangible assets	252,000
Total future tax assets before valuation allowance	1,121,000
Valuation allowance for future tax assets	(412,000)
Total future tax assets	709,000
Net future tax assets and liabilities	\$ 572,000

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

#### 14. Fair value of financial assets and liabilities:

The fair value of the Company's cash, accounts receivable, accounts payable and accrued liabilities, customer deposits and shareholders' promissory notes approximate their carrying values.

It is not practical to determine the fair value of the investment in subsidiary as it is not publicly traded.

Financial assets held by the Company expose it to credit risk. As at December 31, 2003, there were no significant concentrations of credit risk with respect to any class of financial assets.

The Company earns its revenue from a broad base of customers located principally in the Towns of Essex, Lakeshore, and Kingsville. No single customer would account for revenue or an accounts receivable balance in excess of 10% of the respective reported balances.

*	Canada Customs and Revenue Agency	Agence des douanes et du revenu du Canada	T2 CORPORATION INCOME TAX RETUR	RN	200 Code 0301
				055	Do not use this area
located	rm serves as a federal, pr I in Quebec, Ontario, or A rate provincial corporate r	Iberta. If the corporation is loc	ation income tax return, unless the corporation is cated in one of these provinces, you have to file		
contai	changes that had not yel	d paragraphs mentioned on th t become law at the time of pr ms in the T2 Corporation – In	nis return refer to the <i>Income Tax Act</i> . This return may inting, If you need more information about items on the <i>ncome Tax Guide</i> (T4012).		
your ta	x services office or tax ce	ntre. You have to file the retu	and the General Index of Financial Information (GIFI), to Irn within six months after the end of the corporation's '2 returns, see items 1 to 5 in the guide.		
	Identification —				

**T2 CORPORATION INCOME TAX RETURN** 

Identification	
Business Number (BN)	
Corporation's name	
002 E.L.K. Energy Inc.	
Has the corporation changed its name since the last time we were notified?	If Yes, do you have a copy of the articles of amendment?
Address of head office	To which taxation year does this return apply?
Has the address changed since	Taxation year start Taxation year-end
the last time we were notified?	060 2003-01-01 061 2003-12-31
011 172 Forest Avenue	YYYY/MM/DD YYYY/MM/DD
012	Has there been an acquisition of control to which subsection 249(4) applies
City Province, territory, or state	since the previous taxation year? 063 1 Yes 2 No X
	If Yes, give the date control was
Country (other than Canada) Postal code/ZIP code 017 018 N8M-3E4	acquired
	YYYY/MM/DD
Mailing address (if different from head office address) Has the address changed since the last time we were notified?	Is the corporation a professional
020 1 Yes 2 No X	corporation that is a member of a partnership?
021] c/o	
022	Is this the first year of filing after:
	Incorporation? 070 1 Yes 2 No X
City Province, territory, or state	Amalgamation?
025 026	If Yes, complete and attach Schedule 24. Has there been a windup of a subsidiary
Country (other than Canada) Postal code/ZIP code	under section 88 during the current
027 028	taxation year? U/2 1 Yes 2 No 1 f yes, complete and attach Schedule 24.
Location of books and records	Is this the final taxation year
031 172 Forest Avenue	before amalgamation? 076 1 Yes 2 No X
32	Is this the final return up to
City Province, territory, or state	dissolution?
035 Essex 036 ON	Le the comparation a resident of Canada?
Country (other than Canada) Postal code/ZIP code	Is the corporation a resident of Canada?
037 038 N8M-3E4	<b>080</b> 1 Yes <b>X</b> 2 No If <i>No</i> , give the country of residence.
040 Type of corporation at the end of the taxation year	081
1 Canadian-controlled 4 Corporation controlled by a public corporation	Is the non-resident corporation claiming
	an exemption under an income tax treaty?
2     Other private corporation     5     X     Other corporation (specify, below)	If yes, complete and attach Schedule 91.
- Public	If the corporation is exempt from tax under section 149, tick
3 corporation Utility-MEU	one of the following boxes:
	085 1 Exempt under paragraph 149(1)(e) or (I)
If the type of corporation changed during	2 Exempt under paragraph 149(1)(j)
the taxation year, provide the effective date of the change	3 Exempt under paragraph 149(1)(t)
date of the change	4 Exempt under other paragraphs of section 149

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E.L.K	Energy Inc. 866567787RC00	001	_	2003-12-31
	- Attachments			shadulaa
Fina Sch	<b>ncial statement information:</b> For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141. * We do not edules – Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.			
Guid	le item		Yes	Schedule
27		150	X	9
28		151		19
		160		23
29	is the colporation an associated contaction provide provide the state of the element the presenting limit?	161		49
30	the second s			
32	other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33	arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163 164		44 14
34		165	$\vdash$	15
35		166	$\vdash$	T5004
37		167	$\vdash$	T5013
38		107		10010
40	at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41		169		25
42		170		29
		171		T106
43		172	$\vdash$	
47				
46	For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
6		201	X	1
7 55	1 Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or	202		2
	ecological property?	203		3
122 (272)	14 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	204	x	4
69-7 132	the second se	205	P	5
	more than one jurisdiction?	206		6
56	Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	200		0
103	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends			
	deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207		7
57		208	X	8
58		210	X	10
59		212		12
60	Is the corporation claiming reserves of any kind?	213		13
0		216		16
6		217		17
62		218		18
150		220	-	20
13	· · · · ·	221	-	21
11	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		26 *
1 - 1		-		20
11		227	-	
12		231		31
63		232	-	T661
124	Is the corporation subject to gross Part I.3 tax?	233	X	33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
124		237	X	37
128		238		38
128		242		42
129		243		43
129		244		45
12		249		46
12			Ē	39
128	B For life insurance corporations: Is the corporation a member of a related group of insurance corporations	251	1	40
1	with one or more members subject to the additional gross Part VI tax?	-		
128	life insurance corporations) with one or more members subject to the additional Part VLIax?	252		41
15	Is the corporation claiming a Canadian film or video production tax credit refund?	253		T1131

2003-12-31

866567787RC0001

E.L.K.	Energy	lnc.
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G	- Attachments – continued from page 2	Yes So	chedule
0.			92 *
13	0 Is the corporation subject to Part XIII.1 tax?		
15	3 Is the corporation claiming a film or video production services tax credit refund?		T1177
4	4 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?		T1134-A
4			T1134-B
4			T1135
			T1141
4			T1142
4			T1145
	- Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?		T1146
	<ul> <li>Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&amp;ED contracts?</li> <li>Has the corporation entered into an agreement with other associated corporations for salary or</li> </ul>		
	wages of specified employees for SR&ED?		T1174
			421
	- Is the corporation claiming the BC mining exploration tax credit?		T666
	<ul> <li>Is the corporation claiming the BC SR&amp;ED tax credit?</li> </ul>		1000

Additional information	
Is the corporation inactive?	rn was filed? (enter Yes for first-time filers)
What is the corporation's major business activity? (Only complete if Yes was entered at line 281.) . the major activity involves the resale of goods, indicate whether the resale of goods is the resale of goods indicate whether the resale of goods indicate whether the resale of goods indicate whether the resale of goods is the resale of goods indicate whether the resale of goods is the resale of goods indicate whether the resale of goods is the resale of goods indicate whether the resale of goods is the resale of goods indicate whether the resale of goods is the resale of goods indicate whether the resale of goods is the resale of goods is the resale of goods indicate whether the resale of goods is the resale of goods indicate whether the resale of goods is the resale of goods is the resale of goods indicate whether the resale of goods is the resale of goods indicate whether the resale of goods is the resale of go	282           hether it is wholesale or retail           283           1           Wholesale           2           Retail
Specify the principal product(s) mined, manufactured, sold, constructed, or services provided, giving the approximate percentage of the total revenue that each product or service represents.	284         ELECTRICITY         285         100%           286         287         0%           288         0%
Did the corporation immigrate to Canada during the taxation Did the corporation emigrate from Canada during the taxation	

_	Taxa	ble	inco	ome

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF	3002,016,518 A			
Deduct:       Charitable donations from Schedule 2         Gifts to Canada, a province, or a territory from Schedule 2         Cultural gifts from Schedule 2         Ecological gifts from Schedule 2         Taxable dividends deductible under section 112 or 113, or subsection 138(6)         from Schedule 3         Part VI.1 tax deduction from Schedule 43         Non-capital losses of preceding taxation years from Schedule 4         Net-capital losses of preceding taxation years from Schedule 4         Farm losses of preceding taxation years from Schedule 4         Limited partnership losses of preceding taxation years from Schedule 4         Taxable capital gains or taxable dividends allocated from a central credit union         Prospector's and grubstaker's shares	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$			
Add: Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions				
Taxable income (amount C plus amount D)	<b>360</b> <u>1,875,315</u>			
Income exempt under paragraph 149(1)(t)	370 0			
income for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)       1,875,315       z         This amount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.				

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E.L.K. Energy Inc.	866567787RC0001	2003-12-3
Small business deduction		
Canadian-controlled private corporations (CCPCs) throughout the taxation year		(400) O A
Income from active business carried on in Canada from Schedule 7		400 <u> </u>
Taxable income from line 360 on page 3, minus 10/3 of the amount at line 632* on pathe amount at line 636** on page 7, and minus any amount that, because of federal line for the second	age 7, minus 3 times aw, is exempt from Part I tax	<b>405</b> B
Calculation of the business limit:		
For all CCPCs, calculate the amount at line 4 below.200,000xNumber of days in the taxation year before 2003()	= 0 1	
	- ····· <u>·····</u> ·	
	0.0	
220,000 X	= <u>0</u> 2	
Number of days in the taxation year 0		
250,000 x Number of days in the taxation year in 2004 0 Number of days in the taxation year 0	= <u>0</u> 3	
275 000 v Number of days in the taxation year in 2005	= 0 3.1	
275,000 x Number of days in the taxation year 0		
Add amounts at lines 1, 2, 3	3 and 3 1 0 4	
	, and oth	[410] 0 C
Business limit (see notes 1 and 2 below)	(10.1)	
<ul> <li>Notes: 1. For CCPCs that are note associated, enter the amount from line 4 at line taxation year is less than 51 weeks, prorate the amount from line 4 by the divided by 365, and enter the result on line 410.</li> <li>2. For associated CCPCs, use Schedule 23 to calculate the amount to be an another the second seco</li></ul>	e number of dyas in the taxation year	
Business limit reduction:	D =	0 E
11,250 Reduced business limit (amount C minus amount E) (if negative, enter "0")		425 0 F
		430 0 G
Small business deduction - 0.00% of whichever amount is least: A, B, C, or F enter amount G on line 9 of page 7)		
<ul> <li>** Calculate the amount of foreign business income tax credit deductible at line 636</li> <li>*** Large corporation tax</li> <li>The large corporation tax to be entered at line 415 is the gross Part I.3 tax, wh reflect a full-year tax liability if the taxation year is less than 51 weeks. For the to 0.225% x (taxable capital employed in Canada minus \$10,000,000).</li> <li>If the corporation is not associated with any corporation in both the current and tax for its preceding taxation year.</li> <li>If the corporation is not associated with any corporation in the current taxation current taxation year: <ul> <li>starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its after December 20, 2002, enter the corporation's gross Part I.3 tax for its for corporations associated in the current taxation year, see Schedule 23 for the current taxation year.</li> </ul> </li> </ul>	ich is the amount before deducting the surta purpose of the business limit reduction, the d the preceding taxation years, enter the con year, but was associated in the preceding t a for its <b>preceding</b> taxation year; or or its <b>current</b> taxation year.	ax credits, increased to gross Part I.3 tax is equal poration's gross Part I.3
Accelerated tax reduction		
Canadian-controlled private corporations throughout the taxation year that cla		
Reduced business limit (amount from line 425)	O × <u>300,000</u>	= <u> </u>
Net active business income (amount from line 400) *		<u>О</u> В
Taxable income from line 360 on page 3 minus 3 times the amount at line 636** on p	bage 7,	
and minus any amount that, because of federal law, is exempt for Part I Tax	0 c	
Deduct:	0 D	
Aggregate investment income (amount from line 440 of page 6)	<u> </u>	0 e
Amount C minus amount D (if negative, enter "0")		E
		<u>0</u> F
	= <u> </u>	
Amount QQ from Part 13 of Schedule 27		
Taxable resource income from line 435 of page 5		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule		
Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is le	ess <u> </u>	_
Total of amounts G, H, I, J, and K	0	<u>0</u> L
Amount F minus amount L (if negative, enter "0")		<u> </u>
		<u> </u>
Accelerated tax reduction - 7% of amount M (enter amount N on line 637 of page 7 * If the amount at line 450 of Schedule 7 is positive, members of partnerships need	/ to use Schedule 70 to calculate net active	business income.
* If the amount at line 450 of Schedule 7 is positive, members of partnerships need ** Calculate the amount of foreign business income tax credit deductible at line 636	without reference to the corporate tax redu	ctions under section 123.4.

E.L.K. Energy Inc.				8665677	87RC0001	2003-12-31
Resource deduct	ion					0.4
Taxable resource income		• • • •			435	O A
Amount A	0	x	Number of days in the taxation year in 2003	365	x 1% =	<u>О</u> В
		X	Number of days in the taxation year	365		
Amount A	0	v	Number of days in the taxation year in 2004	0	x 2% =	<u>0</u> c
Amount A		^	Number of days in the taxation year	365		
Amount A	0		Number of days in the taxation year in 2005	0	x 3% =	<u>    0    </u> C.1
, and an extension of the second	·	x	Number of days in the taxation year	365		
Resource deduction total (enter amount D on line 10 of					438 =	<u>0</u> _D
, ,		ontr	olled private corporations			
Canadian-controlled priva						
						0 E
Taxable income from line 36	30 on page 3	*			(a) a (a (a (a (a) a))).	
			<u>0</u> x 100/7		0 F	
Amount Z from Part 9 of Scl Amount QQ from Part 13 of			<u>0</u> × 1007		0 G	
Taxable resource income fro			ана пределения на нализира на области на конструкции на конструкции на конструкции на конструкции на конструкци На пределението на конструкции на конструкции на конструкции на конструкции на конструкции на конструкции на кон		0 н	
			nt E in Part 3 of Schedule 17)		0	
Amount on line 400, 405, 41					0 J	
Aggregate investment incon					<u>0</u> K	
Amount used to calculate th			ount M of page 4)		<u> </u>	
Total of amounts F, G, H, I,	J, K, and L		8		0	0 м
Amount E minus amount M	(if pagative enter "0")					<u>0</u> N
Anount E minus amount M	(in negative, enter lo y				5 <del>.</del>	
Amount N	0	v	Number of days in the taxation year in 2001	0	x 1% =	0
Anountin		~	Number of days in the taxation year	365		
	0		Number of days in the taxation year in 2002	0	x 3% = 🛌	0 0
Amount N	<u>v</u>	х	Number of days in the taxation year	365		
	0		Number of days in the taxation year in 2003		x 5% =	0 P
Amount N	0	х	Number of days in the taxation year	365	x 5% =	V.
	0		Number of days in the taxation year after 2003			0.9
Amount N	0	х	Number of days in the taxation year	365	x 7% =	0 @
				305		0 r
General tax reduction for (enter amount R on line 638		vate c	corporations - total of amounts year 2001, O, P, and Q		anna an S	
(enter amount it of the ood						
General tax redu						
Corporations other than a	Canadian-controlled pri	ivate	corporation, an investment corporation, a mortgage	investme	nt corporation	i,
a mutual fund corporation	n, or a non-resident-own	ed inv	vestment corporation			
Taxable income from line 36	60 of page 3				····	<u>1,875,315</u> \$
			0 x 100/7		0 т	
Amount Z from Part 9 of Sc			<u> </u>		0 υ	
Amount QQ from Part 13 of			· · · · · · · · · · · · · · · · · · ·		0 V	
Taxable resource income fro			nt E in Part 3 of Schedule 17)		0 w	
					0	<u>0</u> x
Total of amounts T, U, V, a						
Amount S minus amount X	(if negative, enter "0")					<u>1,875,315</u> Y
			Number of days in the taxation year in 2001	0		0
Amount Y	1,875,315	х	Number of days in the taxation year in 2001		x 1% =	<u> </u>
				365	22/	0.7
Amount Y	<u>1,875,315</u>	х	Number of days in the taxation year in 2002 Number of days in the taxation year		x 3% =	<u>    0  </u> z
				365		
Amount Y	1,875,315	х	Number of days in the taxation year in 2003		x 5% = _	<u>93,766</u> AA
			Number of days in the taxation year	365		
Amount Y	1,875,315	х	Number of days in the taxation year after 2003	-	x 7% =	О вв
		7 ^ 4	Number of days in the taxation year	365		93,766 cc
General tax reduction - to (enter amount CC on line 63		Z, AF	A, allu DD		20020-0000038	

866567787RC0001	2003-12-31
	0 A
<u>0</u>	
"0") <u> </u>	Ов
	0 c
<u> </u>	
0	
0	
0 0 0 0 x 26 2/3% :	=0 D
0 0 0 450	0 E 0 F

Refundable dividend tax on hand	
Refundable dividend tax on hand at the end of the preceding taxation year       460         Deduct: Dividend refund for the previous taxation year       0         0       0	0 A
Add the total of:       0         Refundable portion of Part I tax from line 450 above       0         Total Part IV tax payable from line 360 on page 2 of Schedule 3       0	
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation 0	<u>О</u> в
Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B	0

Dividend refund		٦
Private and subject corporations at the time taxable dividends were paid in the taxation	on year	
Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3	<u> </u>	۰
Refundable dividend tax on hand at the end of the taxation year from line 485 above	В	,
Dividend refund - Amount A or B, whichever is less (enter this amount on line 784 of page	8)	

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State and control of the analysis of eace of an advance of an advance of an advance of the adva	.L.K. Energy Inc.	866567787RC0001	2003-12-3
Stage and control of the answer in the data between the stage and the	Part I tax		
Base anount from line A above       712.620       1         Deduct:       187,532       2         10% of tabable income (line 380 or amount 2, whichever applies) from page 3       0       3         Protein ligging are crack (line) inc 640 below       0       4         Poderal qualifying environmental trust tax credit from line 640 below       0       5         For a mutual fund corporation or an invastment corporation troughout the taxation year, enter anound a, b, or below on line 5, whichever is less:       0       0         28.00 % or taxed corporation line 360 dags 3       0       0       0       0         Total of lines 2 to 6       1877,532       7       0       0       0         Net amount (line 1 minus line 7)       5225,088       8       0	Base amount of Part I tax – 38,00% of taxable income (line 360 or amount Z, whichever applies) from pag	je 3 550	712,620
basis       187,532       2         10% of taxability in a subcreation from line 300 or anount 2, whichever applies) from page 3       187,532       2         10% of taxability in a subcreation from line 620 below       0       3         Federal logging tax credit from line 620 below       0       5         Federal logging tax credit from line 620 below       0       5         For a mutual fund corporation of subcreating 648 below       0       5         28.00% of taxability ender constraines 400 of page 3       0       0       6         28.00% of taxability ender constraines 400 of page 3       0       0       6         28.00% of taxability ender constraines 400 of page 3       0       0       6         28.00% of taxability ender constraines 400 of page 3       0       0       0       6         28.00% of taxability ender constraines 400 of page 3       187,532       7       7         Total of lines 2 to 6       187,532       7       187,532       7         Net amount (line 1 minus line 7)       525,088       8       6000       21,004         Carporate surfax - 4,00% of the amount on line 8       6000       21,004       6000       21,004         Resplace for lowestiment fax credit from line 900 on page 6       0       0       1       1	Corporate surtax calculation		
196 of taxable income (line 360 or amount 2, whichever applies) from page 3       1877, 532       2         Invasiment corporation deduction from line 620 below       0       4         Federal qualifying environmental trust tax credit from line 640 below       0       6         Federal qualifying environmental trust tax credit from line 640 below       0       6         Federal qualifying environmental trust tax credit from line 640 below       0       6         Federal qualifying environmental trust tax credit from line 640 below       0       6         Federal qualifying environmental trust tax credit from line 640 below       0       6         Peri tax chemister period       0       0       6         28.00% of taxable income from line 640 page 3       0       0       6         187.7.532       7       0       6       6         View Apuls lines C and D minus line F)       1877.532       7       1887.532       7         Total of lines 2 to 6       52.5.08.8       6       600       21.004       600       21.004         Recapture of investment tax credit from line 640 on page 6       600       21.004       600       600       21.004         Recapture of investment tax credit from line 440 on page 6       0       0       0       1         Taxable		712,620 1	
Investment corporation diduction from line 620 below       0       3         Federal logging tax cradit from line 640 below       0       5         Federal logging tax cradit from line 640 below       0       5         For a multial fund corporation or an investment corporation throughout the staxtory year, enter amount a, b, or c below on line 6, whichever is less:       0       0       6         20.03% of taxable income from line 830 of page 3       0       0       6       6         Petri tax otherwise payable       0       0       6       6       21,004         (line A plus lines C and D minus line F)       187,532       7       7       525,088       6         Corporate surtax – 4.00% of the amount on line 8       800       21,004       8000       21,004         Recepture of investment tax credit from line PPP in Part 21 of Schedule 31       662       0       0       i         Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income       6       6       0       i         Aggregate investment income from line 40 on page 3       0       0       i       i       733,624         Net amount       0       0       i       i       664       0       9         Peduct:       0       0 <td< td=""><td>10% of taxable income (line 360 or amount Z, whichever applies) from page 3</td><td>1/4/</td><td></td></td<>	10% of taxable income (line 360 or amount Z, whichever applies) from page 3	1/4/	
Federal logging tax credit from line 430 blow       0       5         For a mutual fund corporation or an investment corporation throughout the taxiton year, enter amount a, b, or c bolow on line 6, whichever is tess:       0 <td></td> <td></td> <td></td>			
Federal qualitying environmental fruit tax credit from line 948 billow         For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or 0 below on line 6, whichever is less:         28.00% of taxable income from line 300 of page 3       0         Part 1 atx otherwise payable       0         (ine 4 plus lines C and D minus line F)       187, 532         Total of lines 2 to 6       187, 532         Net amount (line 1 minus line 7)       525, 088         Corporate surfax - 4.00% of the amount on line 8       600         Recepture of investment tax credit from line PPP in Part 21 of Schedule 31       602         Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) Investment income       602         Aggregate investment income from line 400 on page 6       0         Taxable income from line 300 on page 3       0         Deduct:       0       0         Amount on line 400, 405, 410, or 425 of page 4, whichever is less       0       0         Statement       0       0       733, 624         Deduct:       603       187, 532       7         Refundable tax on CCPC's investment income income - 6 2/3% of the lesser of amounts i or ii       603       187, 532         Net amount       603       187, 532       9       733, 624			
taxation year, enter amount a, b, or or below on line 6, whichever is less:         28.00% of taxable income from line 360 of page 3         28.00% of taxable income from line 360 of page 3         28.00% of taxable income from line 360 of page 3         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       187,532         7       187,532         7       187,532         7       525,088         8       600         21,004       6002         0       187,532         0       187,532         0       1800         0       1800         0       1800         0       1         0       1         0       1         0	Federal qualifying environmental trust tax credit from line 648 below		
200% of taskd capital gains       0 <td< td=""><td>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:</td><td></td><td></td></td<>	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 taxed capital gains       0         Part It tax otherwise payable       0         (ine A plus lines C and D minus line F)       1877,532         Total of lines 2 to 6       525,088         Net amount (line 1 minus line 7)       525,088         Corporate surtax - 4,00% of the amount on line 8       600         Recapture of investment tax credit from line PPP in Part 21 of Schedule 31       602         Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income       0         For a CPC throughout the taxation year)       0       0         Aggregate investment lincome from line 400 on page 6       0       0         Taxable income from line 400 on page 3       0       0       0         Net amount       0       0       0       0         Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii       609       187,532         Stabloal (add lines A, B, C, and D)       733,624         Deduct:       0       0       187,532         Amount on line 430 of page 4       0       0       0         Subtotal (add lines A, B, C, and D)       733,624       0         Deduct:       0       0       187,532         Manufacturing an protesta deduction from amount BD or	28.00 % of taxable income from the 500 of page 5	0	
Tarka during by black of an D minus line F)       187,532       7         Total of lines 2 to 6       21,004         Net amount (line 1 minus line 7)       525,088       8         Corporate surfax - 4,00% of the amount on line 6       600       21,004         Recepture of investment tax credit from line PPP in Part 21 of Schedule 31       602       0         Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) Investment income for a CCPC throughout the taxation yea)       0       1         Aggregate investment income from line 400 on page 8       0       0       1         Deduct:       0       0       0       0       1         Refundable tax on CCPC's investment income - 6 2/3% of the lesser of amounts i or ii       604       0       733,624         Deduct:       0       0       187,532       0       733,624         Subtotal (add lines A, B, C, and D)       733,624       0       0       733,624         Deduct:       0       0       0       0       0       0       0         Subtotal (add lines A, B, C, and D)       733,624       0       0       0       0         Part and processing profits deduction from amount BB or amount RR       608       0       0       0         Gl		<u>0</u> _6	
Total of lines 2 to 6       187,532       7         Net amount (line 1 minus line 7)       525,088       8         Corporate surtax - 4.00% of the amount on line 8       600       21,004         Recapture of investment tax credit from line PPP in Part 21 of Schedule 31       6002       0         Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income       602       0         Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income       0       i         Agregate investment income from line 440 on page 5       0       0       i         Taxable income from line 440 on page 3       0       0       ii         Deduct:       0       0       ii       1804       0         Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii       1804       0       733,624         Deduct:       0       0       0       187,532         Manufacturing and processing profits deduction from amount RR       616       0       0         Vestored capital gains       624       0       0       0         Vestored capital gains       624       0       0       0         Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amount RR       61			
Net amount (line 1 minus line 7)       525,088       8         Corporate surtax - 4.00% of the amount on line 8       600       21,004         Recepture of investment tax credit from line PPP in Part 21 of Schedule 31       602       0         Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income       602       0         Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income       0       i         Aggregate investment income from line 440 on page 6       0       0       i         Aggregate investment income from line 360 on page 3       0       0       i         Deduct:       0       0       i       604       0         Retundable tax on CCPC's investment income – 6 2/3% of the leaser of amounts i or ii       603       187,532         Manutacturing and processing profits deduction from amount BB or amount RR       616       0       0         Netstment       608       187,532       0       632       0         Additional deduction - credit unions from Schedule 21       638       0       632       0         Net amount       604       0       0       0       0       0         Additional deduction from inne 430 of page 4       632       0       0		187,532 7	
Net allouit (life 1 minus life 1)       21,004         Corporate surtax - 4.00% of the amount on line 8       600       21,004         Recepture of investment tax credit from line PPP in Part 21 of Schedule 31       602       0         Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income       602       0         If a CCPC throughout the taxation year)       0       0       0       0         Aggregate investment income from line 440 on page 6       0       0       0       0         Taxable income from line 440 on page 3       0       0       0       0       0         Net amount       0       0       0       0       0       0       0         Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts I or ii       604       0       733,624         Deduct:       0       0       0       10       733,624         Subtotal (add lines A, B, C, and D)       733,624       0       0       0         Marufacturing and processing profits deduction from amount BB or amount RR       616       0       0       0         Marufacturing and processing profits deduction from amount BB or amount RR       616       0       0       0       0         Additional deduction – credi			
Corporate surfax - 4,00% of the amount of line 6       0         Recapture of investment tax credit from line PPP in Part 21 of Schedule 31       602       0         Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income from line 400 npage 6       0       0         Taxable income from line 400 npage 3       0       0       0       0         Deduct:       0       0       0       0       0       0       0         Retundable tax on CCPC's investment income - 6 2/3% of the lesser of amounts i or ii       604       0	Net amount (line 1 minus line 7)	525,088 8	
Query Link of investment tax credit from line PPP in Part 21 of Schedule 31       Image: Constraint of the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income         Calculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income       Image: Constraint of the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income         Aggregate investment income from line 400 on page 3       Image: Constraint of the refundable tax on page 3       Image: Constraint of the refundable tax on the Canadian-controlled private corporation's (CCPC) investment income         Amount on line 400, 405, 410, or 425 of page 4, whichever is less       Image: Constraint of the refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii       Image: Constraint of the refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii       Image: Constraint of the refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii         Deduct:       Image: Constraint of the refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii       Image: Constraint of the refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii         Deduct:       Image: Constraint of the refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii       Image: Constraint of the refundable tax on CCPC's investment income – 6 2/3% of the lesser of amount RR       Image: Constraint of the refundable tax on CCPC's investment income – 6 2/3% of the refundable tax on CCPC's investment conporation deduction – credit from Schedule 21       Image:	Corporate surtax – 4.00% of the amount on line 8	600	21,004
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 Taxable income from line 360 on page 3 Deduct: Amount on line 400, 405, 410, or 425 of page 4, whichever is less Net amount Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or iii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amounts i or ii Colored to the lesser of amount RR Colored to the lesser of the lesser of amount RR Colored to the lesser of the lesser of amount RR Colored to the lesser of the lesser of amount RR Colored to the lesser of the lesser of amount RR Colored to the lesser of the lesser of amount RR Colored to the lesser of the lesser of amount RR Colored to the lesser of th	Recenture of investment tay gradit from line PPP in Part 21 of Schedule 31	602	0
Net amount       0       0       i         Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii       604       0         Subtotal (add lines A, B, C, and D)       733,624         Deduct:       0       9         Small business deduction from line 430 of page 4       608       187,532         Federal tax abatement       608       187,532         Manufacturing and processing profits deduction from amount BB or amount RR       616       0         of Schedule 27       628       0         Investment corporation deduction       622       0         (taxed capital gains       624       0         Additional deduction – credit unions from Schedule 17       638       0         Federal foreign non-business income tax credit from Schedule 21       636       0         Federal foreign business income tax credit from Schedule 21       637       0         Accelerated tax reduction from amount N of page 4       637       0       10         General tax reduction for CPCPs from amount R of page 5       638       0       10         General tax reduction for amount R of page 5       639       93,766       640       0	Aggregate investment income from line 440 on page 6 Taxable income from line 360 on page 3	i	a.
Refundable tax on CCPC's investment income - 6 2/3% of the lesser of amounts i or ii       604       0         Subtotal (add lines A, B, C, and D)       733,624         Deduct:       0       9         Small business deduction from line 430 of page 4       608       187,532         Federal tax abatement       608       187,532         Wanufacturing and processing profits deduction from amount BB or amount RR of Schedule 27       616       0         (taxed capital gains       624       0       0         (taxed capital gains       624       0       0         Additional deduction - credit unions from Schedule 17       636       0       636       0         Federal foreign non-business income tax credit from Schedule 21       636       0       637       0       10         Federal foreign business income tax credit from Schedule 21       638       0       10       638       0       10         General tax reduction from amount N of page 5       638       0       10       638       0       10         General tax reduction from amount C of page 5       639       93,766       640       0       0		0	
Subtotal (add lines A, B, C, and D)       733,624         Subtotal (add lines A, B, C, and D)       733,624         Small business deduction from line 430 of page 4       608       187,532         Federal tax abatement       608       187,532         Manufacturing and processing profils deduction from amount BB or amount RR       616       0         of Schedule 27       628       0         Investment corporation deduction       622       0         (taxed capital gains       624       0         Additional deduction       636       0         (taxed capital gains income tax credit from Schedule 17       636       0         Federal foreign non-business income tax credit from Schedule 21       636       0         Federal foreign business income tax credit from Schedule 21       636       0         Accelerated tax reduction from amount N of page 4       0       10         General tax reduction for CPCs from amount R of page 5       638       0         General tax reduction from amount CC of page 5       639       93,766         General tax reduction from amount CC of page 5       640       0	Net amount0	Ü_ ii	
Deduct:       0       9         Small business deduction from line 430 of page 4       608       1.87,532         Federal tax abatement       608       1.87,532         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       0         Additional deduction – credit unions from Schedule 17       628       0       632       0         Federal foreign non-business income tax credit from Schedule 21       636       0       637       0         Federal foreign business income tax credit from Schedule 21       636       0       10         Accelerated tax reduction from amount N of page 4       0       10       10         General tax reduction for CCPCs from amount R of page 5       638       0       0       0         General tax reduction from amount C of page 5       639       93,766       640       0       0         Federal logging tax credit from Schedule 21       640       0       0       0       0	Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii		0
Small business deduction from line 430 of page 4 0   Federal tax abatement 608   Manufacturing and processing profits deduction from amount BB or amount RR   of Schedule 27   Investment corporation deduction   (taxed capital gains   624   0   Additional deduction – credit unions from Schedule 17   Federal foreign non-business income tax credit from Schedule 21   Federal foreign business income tax credit from Schedule 21   Federal foreign business income tax credit from Schedule 21   Federal tax reduction from line 438 of page 5   General tax reduction from line 438 of page 5   General tax reduction from amount R of page 5   General tax reduction from amount R of page 5   Federal tax reduction from Schedule 21	Subtot	al (add lines A, B, C, and D)	733,624
Small business deduction from line 430 of page 4       608       187,532         Federal tax abatement       608       187,532         Manufacturing and processing profits deduction from amount BB or amount RR       616       0         of Schedule 27       0       620       0         Investment corporation deduction       624       0       0         (taxed capital gains       624       0       0         (taxed capital gains       624       0       0         Additional deduction – credit unions from Schedule 17       628       0         Federal foreign non-business income tax credit from Schedule 21       636       0         Federal foreign business income tax credit from Schedule 21       636       0         Accelerated tax reduction from amount N of page 4       0       10         Resource deduction from line 438 of page 5       638       0         General tax reduction for CCPCs from amount R of page 5       639       93, 766         General tax reduction from amount CC of page 5       639       93, 766         Federal logging tax credit from Schedule 21       640       0	Deduct:	0.9	
Headernent       Intervent to the second secon	Small business deduction from line 430 of page 4		
of Schedule 27       0         Investment corporation deduction       0         (taxed capital gains       624         0       0         Additional deduction – credit unions from Schedule 17       628         Federal foreign non-business income tax credit from Schedule 21       636         Federal foreign business income tax credit from Schedule 21       636         Accelerated tax reduction from amount N of page 4       0         Resource deduction from line 438 of page 5       0         General tax reduction for CCPCs from amount R of page 5       638         General tax reduction from amount CC of page 5       639         Federal logging tax credit from Schedule 21       640	Manufacturing and processing profits deduction from amount BB or amount RB		
(taxed capital gains       624       0         (taxed capital gains       624       0         Additional deduction – credit unions from Schedule 17       632       0         Federal foreign non-business income tax credit from Schedule 21       636       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       638       0         General tax reduction for CCPCs from amount R of page 5       638       0       639       93, 766         General tax reduction from schedule 21       644       0       0	of Schedule 27	0	
Itexed capital gains       Image: Capital gains <td< td=""><td>Investment corporation deduction</td><td></td><td></td></td<>	Investment corporation deduction		
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       93,766         Federal logging tax credit from Schedule 21       640       0	(laxed capital gains 021)	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       93,766         Federal logging tax credit from Schedule 21       640       0	620		
Accelerated tax reduction from amount N of page 4       0       10         Resource deduction from line 438 of page 5       0       0         General tax reduction for CCPCs from amount R of page 5       638       0         General tax reduction from amount CC of page 5       639       93,766         Federal logging tax credit from Schedule 21       0       0	Federal foreign business income tax credit from Schedule 21		
General tax reduction for CCPCs from amount R of page 5       638       0         General tax reduction from amount CC of page 5       639       93,766         Federal logging tax credit from Schedule 21       640       0	Accelerated tax reduction from amount N of page 4		
General tax reduction for CCPCs from amount R of page 5         General tax reduction from amount CC of page 5         Federal logging tax credit from Schedule 21	Resource deduction from line 438 of page 5		
General tax reduction from amount CC of page 5   640   0     Federal logging tax credit from Schedule 21   640   0	General tax reduction for CCPCs from amount R of page 5		
	General tax reduction from amount CC of page 5		
		0	
Federal political contributions 6460			
Federal qualifying environmental trust tax credit	Federal qualifying environmental trust tax credit	0	
Investment tax credit from Schedule 31	Investment tax credit from Schedule 31	×	001 000
	Subtotal	281,298	281,298
Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8)	Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8)		452,326

E.L.K. Energy Inc.	866567787RC0001	2003-12-31
Summary of tax and credits		
Federal tax		
Part I tax payable from page 7	700	452,326
Part I.3 tax payable from Schedule 33, 34, or 35	704	0
	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	720	0
Part VI tax payable from Schedule 38	724	0
Part VI.1 tax payable from Schedule 43	727	0
Part XIII.1 tax payable from Schedule 92	728	0
Part XIV tax payable from Schedule 20	Total federal tax	452,326
Add provincial and territorial tax:		
Provincial or territorial jurisdiction 750 ON		
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)		
Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)		
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765 0	0
	0	0
	Total tax payable 770	452,326 A
Deduct other credits:		
Investment tax credit refund from Schedule 31	780	
Dividend refund from page 6	784	
Federal capital gains refund from Schedule 18	788	
Federal qualifying environmental trust tax credit refund	792 0	
Canadian film or video production tax credit refund from Form T1131	796 0	
Film or video production services tax credit refund from Form T1177	797 0	
Tax withheld at source	800 0	
	0	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804 0	
Provincial and territorial capital gains refund from Schedule 18	808 0	
Provincial and territorial refundable tax credits from Schedule 5	812 0	
Royalties deductible under Syncrude Remission Order 815	0	
Tax remitted under Syncrude Remission Order	816 0	
Tax instalments paid	840 0	
Total cr	redits 890 0	0 в
Refund code 894 0 Overpayment 0	Balance (line A minus line B)	452,326
Direct deposit request	If the result is negative, you have ar	overpayment.
	If the result is positive, you have a b	
To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information	Enter the amount on whichever line	applies.
you already gave us, complete the information below:	We do not charge or refund a different	ence of less
Start Change information 910	than \$2.	
Start Change information Branch number	- Balance unpaid	452,326
914 918 Account number	Enclosed payment 898	452,326
	Enclosed payment	104/040
If the corporation is a Canadian-controlled private corporation throughout the taxation	896 1 Yes	2 No X
year, does it qualify for the one-month extension of the date the balance of tax is due?	· · · · · · · · · · · · · · · · · · ·	
Certification	954 DIRECTOR OF FINANC	NC .
I, 950 SLATER 951 SANDRA Last name in block letters		
	intero ,	
am an authorized signing officer of the corporation. I certify that I have examined this return and that the information given on this return is, to the best of my knowledge, correct and co	n, including accompanying schedules and stateme omplete. I further certify that the method of calculation	ents, atina
income for this taxation year is consistent with that of the previous year except as specification	ally disclosed in a statement attached to this return	٦.
955 2004-04-01		7 <u>6-5291</u>
Date (yyyy/mm/dd) Signature of the authorized signing officer of t	he corporation I ele	phone number
Is the contact person the same as the authorized signing officer? If No, complete the inform	mation below 957 1 Yes	X 2 No
958	959	
Name in block letters	Tele	phone number
Language of correspondence - Langue de correspondance		
990 Indicate the language of your choice. Indiguer la langue de correspondance de votre choix.	1 English/Anglais X 2 Français/F	rench
		page 8

page 8 Corporate Taxprep / Taxprep des sociétés - TP-08

#### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 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			0.054.445	
extraordinary items per financial statements			2,074,447	A
Additions:	101	683,000		
Provision for income taxes - current	104	617,177		
Amortization of tangible assets	126	644,766		
Reserves from financial statements - balance at the end of the year.		011,700		
		1,944,943	1,944,943	
Subtotal of additions		1,911,913	1,911,910	
Other Additions:				
ellaneous Other Additions:				
Meals and entertainment	290	2,547		
Addition of expenses capitalized for accounting P/Y	291	338,104		
602 Capital tax accrued in the accounts	292	37,000		
603a Enerconnect Limited Partnership income 2,686				
603b 0				
603c 0	-			
2,686	293	2,686		
Subtotal of Other Additions	199	380,337	380,337	
Total Additions	500	2,325,280	2,325,280	
Deductions:				
Capital cost allowance from Schedule 8	403	556,260		
Cumulative eligible capital deduction from Schedule 10	405	52,418		
Reserves from financial statements-balance at the beginning of the year	414	1,723,826		
			0 000 504	
Jotal of Deductions		2,332,504	2,332,504	
Other Deductions:				
Miscellaneous Other Deductions:				
700 Deduction of expenses capitalized for accounting	390	15,324		
702 Actual capital tax	392	35,381		
Subtotal of Other Deductions	499	50,705	50,705	
Total Deductions	510	2,383,209	2,383,209	
Net income (loss) for income tax purposes.			2,016,518	
(enter on line 300 on the T2 return)				

Sch. 004

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	2,016,518	l.
Deduct: (increase a loss)		
Net capital losses deducted in the year		
ar as a positive amount)	)	
axable dividends deductible under sections 112, 113, or subsection 138(6),	)	
Amount of Part VI.1 tax deductible	)	
Amount deductible as prospector's and grubstaker's shares		
- Paragraph 110(1)(d.2)	) 0	)
		6
Subtotal (if positive, enter "	)") C	)
Deduct: (increase a loss)		
Section 110.5 - Addition for foreign tax deductions	s C	)
		n 6 
Subto	tal C	)
Add: (decrease a loss)		
Current-year farm loss	C	)
		e F
Current-year non-capital loss (if positive, enter "0")	C	)

Continuity of non-capital losses and request for a carryback			
Non-capital loss at the end of preceding taxation year	141,203		
Deduct: Non-capital loss expired after seven taxation years	0		
Non-capital losses at beginning of			
taxation year	141,203		
Add: Non-capital losses transferred on amalgamation or			
wind-up of subsidiary corporation	0		
Current-year non-capital loss (from calculation above)	0	141,203	

T2 SCH 4 E (01)

(Ce formulaire existe en français.)

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Corporate Taxprep / Taxprep des sociétés - TP-08

E.L.K. Energy Inc.			0000 10 01	Sch. 004
Account/Business No.: 866567787RC	0001 Year	Ended:	2003-12-31	
Continuity of non-capital losses and request for a	carryback (cont'd)			
Deduct:	carryback (cont d)			
Amount applied against taxable income				
(enter on line 331 of the T2 return)		. 130 141,20	13	
Amount applied against taxable dividends subject to Part IV tax			0	
Section 80 - Adjustments for forgiven amounts			0	
Subsection 111(10) - Adjustments for fuel tax rebate			0	
Other adjustments		150	0 141,203	
		Subtot	al 0	
Deduct. Deswart to come back non-conital loss to:		300101	ai v	
Deduct - Request to carry back non-capital loss to: First preceding taxation year to reduce taxable income		901	0	
Second preceding taxation year to reduce taxable income	******	902	0	
Third preceding taxation year to reduce taxable income		903	0	
First preceding taxation year to reduce taxable dividends		_		
subject to Part IV tax		911	0	
Second preceding taxation year to reduce taxable dividends		012	0	
subject to Part IV tax		, 912	0	
Third preceding taxation year to reduce taxable dividends		913	0 0	D
subject to Part IV tax	******			
Non-capital losses - Closing balance		180	] 0	
			**********	
└lection under paragraph 88(1.1)(f)		100	1	
Paragraph 88(1.1)(f) election indicator	ita immediatalu		Yes [ ]	
Loss from a wholly owned subsidiary deemed to be a loss of the parent f	rom its immediately			
preceding taxation year.				
Part 2 - Capital losses				
Continuity of capital losses and request for a carry				
Capital losses at end of preceding taxation year		200	0	
Capital losses transferred on amalgamation or wind-up of		205	0	
subsidiary corporation Current-year capital loss (from Schedule 6 calculation)			0 0	
Add:		·a 🖵		
Allowable business investment loss expired as non-capital loss		0x 4/3 220	] 0	
		Subto	tal 0	
r fuct:				
ount applied against current-year capital gain				
(see note 1)			0	
Section 80 - Adjustments for forgiven amounts.			0 0	
Other adjustments		230	0 0	
		Subto	tal 0	
Deduct - Request to carry back capital loss to: (see note 2)				
		Amount		
Capital gain		carried back		
(100%)		(100%)		
			0	
		050	0	
Third preceding taxation year 0		953	0 0	
Capital Jacoba Clasian belower		280	1 0	
Capital losses - Closing balance				

E.L.K. Energy Inc.		Sch. 004
Account/Business No.: 866567787RC0001	Year Ended:	2003-12-31
Part 2 - Capital losses		
Continuity of capital losses and request for a carryback (co		
Capital losses carried back to taxation years ending before February 28, 2000, the ind		
Capital losses carried back to taxation years starting after October 17, 2000, the inclu		
For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion	rate will be determine	
by dividing the total taxable capital gain by the total capital gain.		
Note 1		
On line 332 of the T2 return, enter the amount from line 225 multiplied by the current	year inclusion rate	
(see Schedule 6.)		
Note 2		
Enter on lines 225, 951, 952, or 953, whichever is applicable, the actual amount of th	e loss. At the time of	
the application of the loss carryback, the net capital loss amount will be calculated at	the inclusion rate	
of the year to which the net capital loss it is applied.		

#### Part 3 - Farm losses

— Continuity of farm losses and request for a carryback			
Farm losses at end of preceding taxation year	0		
Deduct: Farm loss expired after 10 taxation years	300 0		
Farm losses at beginning of taxation year	302 0		
Add: Farm losses transferred on amalgamation or	-		
wind-up of subsidiary corporation			
Current-year farm loss	310 0	0	
pt:			
Amount applied against taxable income			
(enter on line 334 of the T2 return)	330 0		
Amount applied against taxable dividends subject to Part IV tax	335 0		
Section 80 - Adjustment forgiven amount	340 0		
Other adjustments	350 0	0	
	Subtotal	0	
Deduct - Request to carry back farm loss to:	_		
First preceding taxation year to reduce taxable income	921 0		
Second preceding taxation year to reduce taxable income	922 0		
Third preceding taxation year to reduce taxable income	923 0		
First preceding taxation year to reduce taxable dividends	_		
subject to Part IV tax	931 0		
Second preceding taxation year to reduce taxable dividends	_		
subject to Part IV tax	932 0		
Third preceding taxation year to reduce taxable dividends			
bject to Part IV tax	9330	0	
Farm losses - Closing balance		0	

Is the corporation exempt from the restricted farm loss rules? (A reply of "NO" triggers the restricted farm loss rules.)	
(A reply of 'NO' inggers the restricted farm loss rules.)	

Page 3 of (4 or 6)

Sch. 004

E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:	2003-12-31	Sch. 004
Part 4 - Restricted farm losses		
Total losses for the year from farming business	0 <b>A</b>	
Minus the deductible farm loss:		
\$2,500 plus B or C, whichever is less 2,500		
(Amount A above 0 - \$2,500) divided by 2 = 0 B 6,250 C 0	2,500	
0,250 0		
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		
Deduct: Restricted farm loss expired after 10 taxation years		
Restricted farm losses at beginning of taxation year 0		
Add: Restricted farm losses transferred on amalgamation or wind-up		
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)		
Section 80 - Adjustments for forgiven amounts		
Other adjustments		
Subtota	0	
Deduct - Request to carry back restricted farm loss to:		
First preceding taxation year to reduce farming income		
Second preceding taxation year to reduce farming income	0	
Third preceding taxation year to reduce farming income	0	
Restricted farm losses - Closing balance	0	
Note		
The total losses for the year from all farming businesses are computed without including any		
scientific research expenses.		
Part 5 - Listed personal property losses		
Continuity of listed personal property loss and request for a carryback		
Listed personal property losses at end of preceding taxation year.	0	
Deduct: Listed personal property loss expired after seven taxation years	0	
.: Current-year listed personal property loss (from Schedule 6)	0	
· · · · · · · · · · · · · · · · · · ·	*****	
Subto	al 0	
Deduct:		
Amount applied against listed personal property gains (enter on line 655 of Schedule 6)	)	
Other adjustments	0	
	********	
Subto	al 0	
Deduct - Request to carry back listed personal property loss to:		
First preceding taxation year to reduce listed         personal property gains         961	)	
Second preceding taxation year to reduce listed		
personal property gains	)	
Third preceding taxation year to reduce listed	_	
personal property gains	) 0	
Listed personal property losses - Closing balance	0	

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#### Sch. 004-Non. 2003-12-31

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

		Loss	Adjustments	Loss		Applied to Reduce			
Year of origin	Balance at Beginning of year	Incurred in Current Year	and Transfers < <b>F1&gt;</b> for help	Carried Back Parts I & 4	Taxable Income	Part IV Tax	Balance at End of Year		
Current	N/A	0	0	0	N/A	0	0		
2002	0	N/A	0	N/A	0	0	0		
2001	141,203	N/A	0	N/A	141,203	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	141,203	0	0	0	141,203	0	0		

— Farm	losses	Loss	Adjustments	Loss	Applied to Red	luce		
	Balance at	Incurred	and	Carried				
Year of	Beginning	in Current	Transfers	Back	Taxable	Part IV	Balance at	
origin	of year	Year	<f1> for help</f1>	Parts I & 4	Income	Tax	End of Year	
nt	N/A		0 0	0	N/A	0	0	
2002	0	N/A	0	N/A	C	) 0	0	
2001	0	N/A	0	N/A	C	) 0	0	
2001	0	N/A	0	N/A	C	) 0	0	
2000	0	N/A	0	N/A	C	) 0	0	
1999	0	N/A	0	N/A	C	) 0	0	
1998	0	N/A	0	N/A	C	) 0	0	
1997	0	N/A	0	N/A	C	) 0	0	
1996	0	N/A	0	N/A	(	) 0	0	
1995	0	N/A	0	N/A	(	) 0	0	
1994	0	N/A	0	N/A	(	) 0	0	*
Total	0		0 0	0	(	) 0	0	

- Restric	ted farm losses								
		Loss	Adjustments		Applied to R				
	Balance at	Incurred	and	Loss					
of of	Beginning	in Current	Transfers	Carried	Taxable		Part IV	Balance at	
n.	of year	Year	<f1> for help</f1>	Back	Income		Тах	End of Year	
Current	N/A	0	0	C	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	C		0	N/A	0	
	ance expires this y	year and will not b	e available next ye	ear					

#### Summary of Capital Cost Allowance

Is the corporation electing under regulation 1101(5q)? [101]  $\ensuremath{\mathbb{N}}$ 

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203]-[207] [211]		Recapture of Capital Cost Allowance [213]	Terminal ( Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	9,495,732	215,758	0	0	107,879	4	0	0	384,144	9,327,346
8	372,873	2,393	0	0	1,196	20	0	0	74,814	300,452
10	319,655	1,572	0	0	786	30	0	0	96,132	225,095
12	626	1,088	0	0	544	100	0	0	1,170	544
Total	10,188,886	220,811	0	0	110,405		0	0	556,260	9,853,437
	*********		********	**********			***********		***********	*********

Corporate Taxprep / Taxprep des sociétés - TP-08

#### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended: RELATED AND ASSOCIATED CORPORATIONS

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

- related corporation(s)

- associated corporation(s)

				Number		Number	% of	
	Ctry		Rela-	of	% of	of	pre-	Book
	of		tion-	common	common	preferred	ferred	value of
	resi-	Business	ship	shares	shares	shares	shares	capital
Name	dence	Number	Code	owned	owned	owned	owned	stock
		(Note)						
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
E.L.K. SOLUTIONS INC.	864	1877519RC000	)1 2	10,00	0 100.00	C	0.00	100

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".

S'`edule 9

Corporate Taxprep / Taxprep des sociétés - TP-08

E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:	2003-12-3	Sch. 1	010
Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada			
CUMULATIVE ELIGIBLE CAPITAL DEDUCTION			
<ul> <li>For use by a corporation that has eligible capital property. For more information, see the "T2 Corporation Income Tax Guide."</li> </ul>			
<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			
(if negative, enter "0")	748,822 A		
Cost of eligible capital property acquired during the taxation year	72		
Amount transferred on amalgamation or wind-up			
of subsidiary 0 C			
Other adjustments			
(add amounts B, C, and D) 0 x 0.75 =	0 E		
Subtotal (amount A plus amount E)	748,822 F		
Deudet:			
Proceeds of sale (less outlays and expenses not otherwise deductible)			
from the disposition of all eligible capital property during			
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 = 248	0 J		
Cumulative eligible capital balance (amount F minus amount J)	. 748,822 K		
Current year deduction         amount K         748,822         x         7.00%         250           ' 'er amount L at line 405 of Schedule 1)	52,418 L		
Cumulative eligible capital - Closing balance       300         Amount K minus amount L (if negative, enter "0")	696,404 M		
Note You can claim any amount up to the maximum deduction of 7%. For taxation years starting after December 21, 2000, the deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.			
T2 SCH 10 (01)	Page 1 of 2		

T2 SCH 10 (01)

Corporate Taxprep / Taxprep des sociétés - TP-08

F L K Energy Ind						Sch.	010
E.L.K. Energy Inc. Account/Business No.: 866567787RC0001	Year	Ended:		2003-12	-31		
Part 2 - Amount to be included in income arising from disposi	tion –						
(complete this part only if the amount at line K is negative)							
Amount from line K above (show as a positive amount),			8	0	Ν		
Total of cumulative eligible capital deductions from income for taxation years beginning after June 30, 1988	. 400	0	1				
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7)	401	0	2				
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	03						
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	04						
Line 3 minus line 4	0	0	5				
Total of lines 1, 2, and 5		0	6				
Lise T from Schedule 10 of previous taxation years ending after February 27, 2000	409	0	7				
Line 6 minus line 7	8	0		0	0		
Line N minus line O (cannot be negative)	3			0	Р		
Amount on line 5 0 x 1/2				0	Q		
Line P minus line Q				0	R		
Amount on line R 0 x 2/3*	12			0	S		
Lesser of line N or line O	2			0	т		
Amount to be included in income on line 108 of Schedule 1,							
line S plus line T							
For taxation years ending before February 28, 2000,			410				
line N - line Q	÷		410	0			

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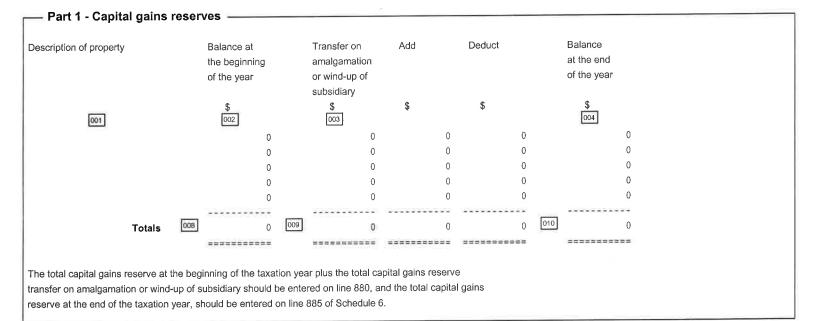
### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:

2003-12-31

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

# CONTINUITY OF RESERVES (1998 and later taxation years)

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal "Income Tax Act".
- File one completed copy of this schedule with the corporation's "T2 Corporation Income Tax Return".
- For more information, see the "T2 Corporation Income Tax Guide".



Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
EMPLOYEE FUTURE BENEFITS	1,723,826	Subsidially 0	0	1,079,060	644,766
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Reserves From Section 2 below	0	0	0	0	0
				**********	
Totals	1,723,826	0	0	1,079,060	644,766

The total closing balance should be entered on line 126 of Schedule 1 as an addition.

T2 SCH 13 (99)

Corporate Taxprep / Taxprep des sociétés - TP-08

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Sch. 013

## E.L.K. Energy Inc. Account/Business No.: 866567787RC0001

Year Ended:

Sch. 013

## Part 2 - Other reserves

Description			Balance at the beginning of the year		Transfer on amalgamation or wind-up of	Add	Deduct			Balance at the end of the year	
			\$		subsidiary \$	\$	\$			\$	
Reserve for doubtful	[X]		φ		Ψ	Ψ	*			,	
debts	1	110	0	115	0	C	)	0	120	0	
Reserve for undelivered	1		,								
goods and services											
not rendered [	1	130	0	135	0	(	)	0	140	0	
Reserve for prepaid									100		
rent[	1	150	0	155	0	C	)	0	160	0	
Reserve for December 31, 1995	5	[170]		475				0	180	0	
income[	1	170	0	175	0	(	J	0		0	
Reserve for refundable		190	0	195	0	C	ı	0	200	0	
containers [	1	1.00	U		0	Ĺ	J	v		•	
Reserve for unpaid amounts	ï	210	0	215	0	(	)	0	220	0	
Other tax reserves [	i	230	0	235	0	(		0	240	0	
	4										
Тс	otals	270	0	275	0	(	)	0	280	0	
								: =			

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial statements. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax purposes.

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.

The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

Page 2 of 2

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:
  - 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
  - 3) 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 — — — — — — — — — — — — — — — — — — —	_		
Add the following amounts at the end of the year:			
Reserves that have not been deducted in computing income for			
Reserves that have not been deducted in comparing income for	101	1,232,802	
the year under Part I		1,252,002	
Capital stock (or members' contributions if incorporated without			
c'ore capital)	103	100	
ined earnings	104	5,698,273	
Contributed surplus	105	0	
Any other surpluses	106	4,402,373	
Deferred unrealized foreign exchange gains	107	0	
All loans and advances to the corporation	108	5,850,000	
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

E.L.K. Energy Inc.		Sch. 033
Account/Business No.: 866567787RC0001 Year Ended:	2003-12-31	
— Part 1 - Capital (cont'd)     —————————————————————————————————		
Proportion of the amount, if any, by which the total of all amounts		
(that would be determined under lines 101, 107, 108, 109, 111, and 112)		
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		
foreign exchange losses (see note below)0		
***********		
Subtotal 17,183,548	17,183,548 A	
Deduct the following amounts:		
Deferred tax debit balance at the end of the year		
Any deficit deducted in computing the shareholders' equity 122		
Any amount deducted under subsection 135(1) in computing income under		
Part I for the year, to the extent that the amount may reasonably be		
regarded as being included in any of lines 101 to 112 above		
The amount of deferred unrealized foreign exchange losses		
Subtotal 572,000	572,000 B	
Capital for the year (amount A minus amount B) (if negative, enter "0")	16,611,548	
Note:		
101, 107, 108, 109, 111, and 112 are determined as follows:		
Amounts owing to the member or to corporations that are other members of the partnership are not to be		
included.		
<ul> <li>Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of</li> </ul>		
the corporation.		
Amounts at these lines apply to partnerships in the same way that they apply to corporations.		
The proportion of the total amounts is determined by the corporation's share of the partnership's income		
or loss for the fiscal period of the partnership.		
— Part 2 - Investment allowance —		
Add the carrying value at the end of the year of the following assets of the corporation:		
A share of another corporation	100	
A loan or advance to another corporation (other than a financial institution)	0	
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of		
another corporation (other than a financial institution)	0	
Long-term debt of a financial institution	0	
<sup>405</sup> vividend receivable on a share of the capital stock of another corporation	0	
In 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,		
were other corporations (other than financial institutions) that were not exempt from		
_		
tax under Part I.3 (other than by reason of paragraph 181.1(3)(d))	0	
An interest in a partnership (see note 1 below)407	0	
	***********	
Investment allowance for the year	100	

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Sch. 033

E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:	Sch. 033 2003-12-31
<ul> <li>Part 2 - Investment allowance (cont'd)</li> <li>Notes:</li> <li>1) Where the corporation has an interest in a partnership, the carrying value at the end of the taxation year, of that interest is deemed to be equal to that proportion of the total of the carrying value of each asset of the partnership described in 401 to 405 above, at the end of its last fiscal period ending at or before the end of the year, that the corporation's share of the partnership's income or loss is of the partnership's income or loss for that period.</li> </ul>	
2) Lines 401 to 405 should not include the carrying value of a share of the capital stock of, a dividend payable by, or indebtedness of, a corporation that is exempt from tax under Part I.3 (other than by reason of paragraph 181.1(3)(d)).	
3) Where, in certain circumstances, a trust is used as a conduit for loaning money from a corporation to another related corporation (other than a financial institution), the loan will be considered to have been made directly from the lending corporation to the borrowing corporation, according to subsection 181.2(6).	

# — Part 3 - Taxable capital —————

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Capital for the year (line 190) ct: Investment allowance for the year (line 490)	16,611,548 100	
) ole capital for the year	•••••	
(amount C minus amount D) (if negative, enter "0")	16,611,448	

# — Part 4 - Taxable capital employed in Canada ————————

To be completed by a co	rporation that was r	esident in Canada at	any time in	n the year				
Taxable capital for the year (line 500)	16,611,448 X	Taxable income earned in Canada  Taxable income	610	1,875,315 = 1,875,315	Taxable capital employed in Canada	690	16,611,448	
Notes:								
		g the amount of taxabl						
		a taxation year is "0," it						
		a taxable income for th						
		ation 8601 should be c	onsidered v	when completing				80
the above calculation	l.							

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	2003-12-3	Sch. 033
Account/Business No.: 866567787RC0001 Year Ended:	2003-12	) T
Part 4 - Taxable capital employed in Canada (cont'd)		
To be completed by a corporation that was a non-resident of Canada throughout the year and carried on		
a business through a permanent establishment in Canada		
Total of all amounts each of which is the carrying value at the end of the year		
of an asset of the corporation used in the year or held in the year, in the course		
of carrying on any business it carried on during the year through a permanent		
establishment in Canada	0	
Deduct the following amounts:		
Corporation's indebtedness at the end of the year [other than indebtedness		
described in any of paragraphs 181.2(3)(c) to (f)] that may reasonably		
be regarded as relating to a business it carried on during the year		
through a permanent establishment in Canada		
of year of an asset described in subsection 181.2(4) of the corporation		
that it used in the year, or held in the year, in the course of carrying		
on any business it carried on during the year through a permanent		
establishment in Canada		
Total of all amounts each of which is the carrying value at the end of year		
of an asset of the corporation that is a ship or aircraft the corporation		
operated in international traffic, or personal property used or held by rporation in carrying on any business during the year through		
a من manent establishment in Canada (see note below)		
Total deductions (add lines 711, 712, and 713) 0	0 E	
Taxable capital employed in Canada		
(line 701 minus amount E) (if negative, enter "0")	0	
Neder		
Note: Complete line 713 only if the country in which the corporation is resident imposed neither a capital tax		
for the year on similar assets, nor a tax for the year on the income from the operation of a ship or		
aircraft in international traffic, of any corporation resident in Canada during the year.		
Part 5 - Calculation of gross Part I.3 tax	16,611,448	
Taxable capital employed in Canada (line 690 or 790, whichever applies).	16,611,448	
	16,611,448	
Taxable capital employed in Canada (line 690 or 790, whichever applies).         Deduct:       Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).	10,000,000	
Taxable capital employed in Canada (line 690 or 790, whichever applies).         Deduct:       Capital deduction claimed for the year (for related corporations,	10,000,000	
Taxable capital employed in Canada (line 690 or 790, whichever applies).         Deduct:       Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).         i       s of taxable capital employed in Canada over capital deduction.	10,000,000	
Taxable capital employed in Canada (line 690 or 790, whichever applies).         Deduct:       Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).         i       s of taxable capital employed in Canada over capital deduction.         @11         Gross Part I.3 Tax	10,000,000	
Taxable capital employed in Canada (line 690 or 790, whichever applies).         Deduct:       Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).         i       s of taxable capital employed in Canada over capital deduction.	10,000,000	
Taxable capital employed in Canada (line 690 or 790, whichever applies).         Deduct:       Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).         i       s of taxable capital employed in Canada over capital deduction.         I       s of taxable capital employed in Canada over capital deduction.         I       State of the second seco	10,000,000  6,611,448 	
Taxable capital employed in Canada (line 690 or 790, whichever applies).       Deduct:       Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       801         i       s of taxable capital employed in Canada over capital deduction       801         Gross Part I.3 Tax       Number of Number of days in Year         Year       Line 811       days         the taxation year       Note taxation year	10,000,000 	
Taxable capital employed in Canada (line 690 or 790, whichever applies).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for	10,000,000 	
Taxable capital employed in Canada (line 690 or 790, whichever applies).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for	10,000,000 	
Taxable capital employed in Canada (line 690 or 790, whichever applies).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital employed in Canada over capital deduction.       Image: Capital employed in Canada over capital empl	10,000,000  6,611,448  1 2 3 14,876 F	
Taxable capital employed in Canada (line 690 or 790, whichever applies).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for	10,000,000  6,611,448  1 2 3 14,876 F	
Taxable capital employed in Canada (line 690 or 790, whichever applies).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital employed in Canada over capital deduction.       Image: Capital employed in Canada over capital eduction.       Image: Capital eduction.       Image: Capital eduction.       Image: Capital educ	10,000,000  6,611,448  1 2 3 14,876 F	
Taxable capital employed in Canada (line 690 or 790, whichever applies).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital employed in Canada over capital deduction.       Image: Capital employed in Canada over capital empl	10,000,000  6,611,448  1 2 3 14,876 F	
Taxable capital employed in Canada (line 690 or 790, whichever applies).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Bot image: Bot image: Bot image: Bot image: Before 2004       Image: Before 200	10,000,000 	
Taxable capital employed in Canada (line 690 or 790, whichever applies).   Deduct:   Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).   i   s of taxable capital employed in Canada over capital deduction.   Before 2004   6,611,448   x   ()   365   2004   6,611,448   x   ()   2005   6,611,448   x   ()   0   2005   6,611,448   x   ()   0   2005   1.3 tax (add lines 1, 2, and 3).   Where the taxation year of a corporation is less than 51 weeks, calculate the amount of tax payable as follows:	10,000,000  6,611,448  1 2 3 14,876 F	
Taxable capital employed in Canada (line 690 or 790, whichever applies).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction       Image: Capital deductio	10,000,000 	
Taxable capital employed in Canada (line 690 or 790, whichever applies)       Deduct: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36)	10,000,000 	
Taxable capital employed in Canada (line 690 or 790, whichever applies).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36).       Image: Capital deduction       Image: Capital deductio	10,000,000 	

Sch. 033

E.L.K. Energy Inc. Account/Business No.:86	656778	7RC0001	Year	Ended:	2003-12-31	Sch. 033
Part 6 - Calculation of current-year	surtax cre	dit available	-			
<ul> <li>Corporations can claim a credit against their Parfor the year. This is called the surtax credit.</li> <li>Any unused surtax credit can be carried back to credits must be applied in order of the oldest fill</li> <li>Refer to subsection 181.1(7) when calculating</li> </ul>	hree years or <sup>-</sup> st.	carried forward sev	ven years. Un	used surtax		
credits where control of the corporation has be and the year in which you want to claim them.						
For a corporation that was a non-resident of Canada a) line 600 from the T2 return				low: 0 0	0 H	
c) line 600 from the T2 return	21,004 x	line 690 of this schedule 16,611,448	=	21,004		
c) line 600 from the T2 return	21,001 x	16,611,448 line 500 of this sc				
line 700 from the T2 return			tiastotstit	452,326	21,004	
Current-year surtax credit available (amount H or	l, whichever a	applies)		830	21,004	

Part 7	- Calculation of	f current-	year unused s	urtax credit					
								01 004	
Current-year	surtax credit availab	ole (line 830)	•••••••	•••••				21,004	
	ital employed in Cana								
	790, whichever applie								
Deduct: C	apital deduction clair	med for the y	ear			10,000,000			
Excess of ta	xable capital employe	ed in Canada	over capital deduc	tion		6,611,448	а		
Less: Gro	ss Part I.3 tax								
Line	a 6,611,44	48 x	.2250%		Ē	14,876		14,876	b
Where the ta	axation year of a corp	poration is les	s than 51 weeks, c	alculate the am	nount of				
tax payable	as follows:								
			Number of da	ays in the year					
Amount b	14,876	х		365	-	10		0	С
1				365					
							_		
Current-yea	r unused surtax cre	edit (if negati	ve, enter "0")				850	6,128	
	nount at line 600 on \$								
* For the p	urposes of the calcula	ation of curre	nt-year unused sur	tax credit, the c	alculation is p	erformed			
	al deduction based o								
				<b>•</b>					

Page 5 of 6

E.L.K. Energy Inc.	Sc	h. 033
Account/Business No.: 866567787RC0001 Year Ended:	2003-12-31	
— Part 8 - Calculation of net Part I.3 tax payable		
Gross Part I.3 tax (line 820)	14,876 J	
Deduct:		
Current-year surtax credit applied       861       14,876         (the lesser of lines 820 and 830)       861       14,876         Unused surtax credit from previous years applied       862       0		
Subtotal (cannot exceed amount on line 820) 14,876	14,876 K	
Net Part I.3 tax payable (amount J minus amount K)	0	

Page 6 of 6	Ρ	'age	6	of	6
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E.L.K. Energy In Account/Business	nc. 3 No.: 866567787RC00	)01 Year Ei	nded: 2003-12-31	Sch. 036
Canada Customs and Revenue Ag	ency/Agence des douanes et du revenu d	du Canada		
AGREEMENT AMONG RE (1998 and later taxation ye	LATED CORPORATIONS - PA	RT I.3 TAX		
of \$10,000,000 or \$50,000,000 a	orporations should use this schedule to a among the members of the related group. o members of the related group are lia		n	
Are any members of the related gro	oup liable to pay Part I.3 tax?,		[Y/N] [ Y ]	
	ation has more than one taxation year en t for each taxation year ending in that ca			
	ny other corporation at any time in a taxa ndar year may file such an agreement.	tion year of		
private corporation is not consid	81.5(7) of the federal "Income Tax Act", ered to be related to another corporation also associated with that corporation.			
ach additional schedules if sp	ace for agreement is not sufficient.			
Agreement			Year Month Day	
Date filed (for departmental use or	ly)			
Is this an amended agreement?			020 [Y/N] [ N ] Year	
Enter the calendar year to which the	e agreement applies			
including members to which	de all the information indicated below for h no amount of capital deduction is alloc rom Part I,3 tax under subsection 181.1(	ated for the year. However,	any	
		Allocation of	Taxation year end	
Names of all corporations which		capital deduction	to which this	
are members of the related group	Business Number (Note 1)	for the year \$	agreement applies (Note 2)	
200	300	400	500	
E.L.K. Energy Inc.	866567787RC0001	10,000,000		
See attached		0		
Total (Before 2004 must not exc After 2003 must not excee		10,000,000		
Note 1: If a corporation is not re	gistered enter, "NR".			
calendar year and is re a taxation year ending i each such taxation yea	d for a corporation that has more than on ated in two or more of those taxation yea n that calendar year. The capital deduction at the end of which it is related to the of action for the first such taxation year. Enter pplies.	rs to another corporation th on of the first corporation fo her corporation is an amour	r r	

T2 SCH 36 (99)

Corporate Taxprep / Taxprep des sociétés - TP-08

Sch. 036

#### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 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		Allocation of	Taxation year end to
which are members of the		capital deduction	which this agreement
related group	Business Number	for the year	applies
	(Note 1)		(Note 2)
[200]	[300]	[400]	[500]
E.L.K. SOLUTIONS INC.	864877519RC0001	0	

#### TOTAL

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

Corporate Taxprep / Taxprep des sociétés - TP-08

0

### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:

2003-12-31

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

# CALCULATION OF UNUSED SURTAX CREDIT (2000 and later taxation years)

- Use this schedule to calculate a corporation's unused surtax credit.
- You should also use this schedule to request a carryback of unused surtax credit. This request should be filed by the required filing date of the T2 return for the year in which the surtax credit arose.
- Any unused surtax credit can be carried back three years and carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) of the "Income Tax Act" when calculating the amount deductible for a corporation's unused surtax credits where control of the corporation has been acquired between the year in which the credits arose and the year in which you want to claim them.
- Attach this schedule to the T2 return or mail it separately to the tax centre where the return is filed.
   Part 1 Calculation of closing balance of unused surtax credits

Unused surtax credit at the end of the prece	ding taxation year		0	
ct: Unused surtax credit expired afte	r seven taxation years	115	0	
Unused surtax credit at beginning of the taxa	ation year	. 120	0	
Add: Unused surtax credit transferred on	amalgamation or wind-up of subsidiary	. 220	0	
		Subtotal	0	A
to reduce Part I.3 tax payable in t	arried forward from previous years and applied he current year (see line 862 of Schedule 33, 32 of Schedule 35, whichever applies)	. 320	0	
Unused surtax credit balance,			0	
Deduct: Amount of unused surtax credit ca	arried forward from previous years and			
applied to reduce Part VI tax paya (see line 887 of Schedule 38)	able in the current year	420	0	
		Subtotal	0	
	nter amount from line 850 of Schedule 33, of Schedule 35)	600	6,128	
12		Subtotal	6,128	
Deduct: Unused surtax credit carried back (complete Part 2 below)	to preceding taxation year(s)		6,125	В
Closing balance of unused surtax credit		820	3	

T2 SCH 37 (02)

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

E.L.K. Energy I Account/Busines	nc. s No.: 866567	787RC0001	Year E	Inded:		2003-12	Sch. 2-31	037
Part 2 - Request for ca	arryback of unused	surtax credit						
1st preceding taxation year 2nd preceding taxation year 3rd preceding taxation year	Year Month Day 2003-12-31	Credit to be applied Credit to be applied Credit to be applied	901 902 903	Part I.3 Tax 6,125 0 0	911 912 913	Part VI Tax 0 0 0		
	Total of C and D (enter	this amount at line B in Pa	Subtotal	6,125		0  6,125	D	

## SCHEDULE 037 SUPPLEMENTARY - UNUSED SURTAX CREDITS

Balance         Part I.3         Part VI         Expired           1st prior year         - 2002         0         0         0//A           2 vrior year         - 2001         0         0         N/A	Balance 0
2 vrior year - 2001 0 0 N/A	C
	C
, or year - 0 0 0 0 N/A	C
4th prior year 0 0 0 N/A	C
5th prior year - 0 0 0 0 N/A	C
6th prior year - 0 0 0 N/A	C
7th prior year = 0 0 0 0 0	0 0
Total 0 0	0 0

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### E.L.K. Energy Inc. Account/Business No.:866567787RC0001 Year Ended:

Sch. 050

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

# SHAREHOLDER INFORMATION (1998 and later taxation years)

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

Name of shareholder	Business Number	Social Insurance	Percentage common	Percentage preferred
		Number	shares	shares
100	(note 1)	(note 2)	400	500
THE CORPORATION OF THE TOWN OF ESSEX			38.00	0.00
THE CORPORATION OF THE TOWN OF LAKESHORE			24.00	0.00
THE CORPORATION OF THE TOWN OF KINGSVILLE			38.00	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)

BIFI Acco	ount Description	Amount	
- Assets -	Total current assets	+ 0	
00B	Total tangible capital assets	+ 0	
009	Total accumulated amortization of tangible capital assets	- 0	
2178	Total intangible capital assets		
2179	Total accumulated amortization of intangible capital assets		
2589	Total long term assets		
2590	Assets held in trust.	+ 0	
	Assets Heid III II dat		
		= 0	
2599	Total Assats (mandatony field)	- 0	
- Liabilities	Total current liabilities	0	
Liabilities	5		
Liabilities	Total current liabilities Total long term liabilities Subordinated debt Amounts held in trust	0 0 0	
- Liabilities	Total current liabilities Total long term liabilities Subordinated debt	000000000000000000000000000000000000000	
3460 3470 3499	Total current liabilities Total long term liabilities Subordinated debt Amounts held in trust	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
- Liabilities 460 470 499 - Sharehol	Total current liabilities Total long term liabilities Subordinated debt Amounts held in trust Total liabilities (mandatory field)	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
Liabilities 3460 3470	Total current liabilities Total long term liabilities Subordinated debt Amounts held in trust Total liabilities (mandatory field) der equity	0 0 0 0 0 0	
Liabilities 	Total current liabilities Total long term liabilities Subordinated debt Amounts held in trust Total liabilities (mandatory field) der equity	0 0 0 0 0 0	

E.L.K. Energy Inc.

Sch. 101

2003-12-31

Corporate Taxprep / Taxprep des sociétés - TP-08

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## E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:

## **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

Name of the corporation E.L.K. Energy Inc.	
Business Number 866567787RC0001	Taxation year end
Address 172 FOREST AVENUE	City ESSEX
Province, Territory ON	Postal code N8M-3E4

#### **Balance Sheet**

GIFI Account	Description		Amount	Prior Year	
— Assets ——	Total current assets	+	12,099,811	9,313,798	
1599 2008 2009 2178	Total accumulated amortization of tangible capital assets	+	17,686,266 9,780,954	17,465,456 9,163,777	
2178	Total intangible capital assets Total accumulated amortization of intangible capital assets	+	0	. 0	
2590	Total long term assets		1,141,274 0	1,438,806 0	
2599	Total Assets (mandatory field)	=	21,146,397	19,054,283	

— Liabilities —				
3139 3450 3460 3470	Total current liabilities	10,190,514	10,136,551	
3450	Total long term liabilities	855,137	891,433	
3460	Subordinated debt	0	0	
3470	Amounts held in trust	0	0	
3499	Total liabilities (mandatory field)	11,045,651	11,027,984	
		***********		

	hareholder equity			
3620	Total shareholder equity (mandatory field).	10,100,746	8,026,299	

3640	Total Liabilities and Shareholder Equity	21,146,397	19,054,283	

3849	Retained Earnings/Deficit - End (mandatory field)	5,698,273	3,623,826	

7,478,565 4,442,269

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## **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

Cash and deposits

## **Current Assets**

GIFI	Account	Description	Amount	Prior year	
	sh and depos			4,442,269	
1000		Cash and deposits	7,478,565	4,442,209	
1001		Cash	0	0	
		Deposits in Canadian banks and institutions		0	
1002		- Canadian currency	0	0	
		Deposits in Canadian banks and institutions			
1003		- Foreign currency	0	0	
1004		Deposits in foreign banks - Canadian currency.	0	0	
1005		Deposits in foreign banks - foreign currency.	0	0	
1006		Credit union central deposits	0	0	
1003 1004 1005 1006 1007		Other cash like instruments	0	0	

	Amounts receivable from members of NPOs.	0 + 4,332,909	0  4,468,334	
	Accounts receivable from employees	0	0	
	Leases receivable	0	0	
	Holdbacks receivable	0	0	
	Interest receivable	0	0	
	Taxes receivable	0	0	
	Trade accounts receivable from related parties	0	0	
	Trade accounts receivable	2,530,295	2,946,625	
*	Accounts receivable	1,802,614	1,521,709	

E.	Ilowance f	or d	oubtful accounts				
	1061	*	Allowance for doubtful accounts		0	0	
	1063		Allowance for doubtful trade accounts receivable		0	0	
	1065		Allowance for doubtful trade accounts receivable related parties		0	0	
1	1070		Allowance for doubtful amounts contained in leases receivable		0	0	
	1063 1065 1070 1072		Allowance for doubtful accounts receivable from employees.		0	0	
			Allowance for doubtful accounts	i.);	0	0	
						***********	

Page 1 of 3 Corporate Taxprep / Taxprep des sociétés - TP-08

L.K. Er count/E	ergy Inc. Business No.:866567787RC0001 Year Ende	ed:	2003-12-	Sch. 1599 31
nventories				
a ventories	Inventories	251,137	274,960	
	Inventory of goods for sale	0	0	
	Inventory parts and supplies	0	0	
	Inventory properties	0'	0	
	Inventory of aggregates	0	0	
	Work in progress	ů.	0	
	Raw materials	0	0	
		0	0	
E.	Inventory of securities			
	Inventories	+ 251,137	274,960	
	Inventories			
short term inv	* Short term investments	0	0	
	Canadian term deposits	0	0	
	Canadian shares	0	0	
	Canadian bonds	0	0	
	Canadian treasury bills	0	0	
	Securities purchased under resale agreements.	0	0	
	Other short term Canadian investments	0	0	
	Short term foreign investments	0	0	
l				
	Short term investments	+ 0	0	
oans and no	tes receivable Loans and notes receivable Demand loans receivable Other loans receivable	0 0	0 0 0	
í.	Notes receivable	0	0	
	Notes receivable	0	0	
	INIOI 198963 I COCIVADIC			
	Loans and notes receivable	+ 0	0	
			********	
110 from at	reholder(s)/director(s)			
Jue nom snat	* Due from shareholder(s)/director(s)	0	0	
· · ·		0	0	
,	Due from individual shareholder(s)			
,	Due from individual shareholder(s).	0	0	
	Due from corporate shareholder(s)	0	0	
		0	0 0	
	Due from corporate shareholder(s)	+ 0	0 0 	
	Due from corporate shareholder(s)	+ 0		
	Due from corporate shareholder(s)	+ 0	0	
	Due from corporate shareholder(s)	+ 0	0	

.L.K.	Energy Inc. /Business No.:866567787RC0001 Year End	ed.	s 2003-12-31	ch. 1599
count	/Business No. 00050//0/Recourt fear End			
Due from/i	nvestment in related parties	0	0	
-	Due nonvinvesurient in related parties	0	0	
1	Demand notes from related parties	0	0	
02	Interest receivable from related parties	0	0	
03	Loans/advances due from related parties	0	0	
	Due from/investment in related parties	+ 0	0	
		************	**********	
60	Customers' liability under acceptances	+ 0	0	
		+ 0	0	
	Customers' liability under acceptances ent assets * Other current assets	+ 0	0	
- Other curr	ent assets			
- Other curr	ent assets		0	
- Other curr 80 81 82 83	ent assets * Other current assets Deferred income taxes		0 0	
- Other curr 80 81 82 83	* Other current assets     Deferred income taxes     Accrued investment income     Taxes recoverable/refundable	0 0 0	0 0 0	
- Other curr 80 81 82 83		0 0 0 0	0 0 0 64,281	
- Other curr 80 81 82 83	ent assets         * Other current assets         Deferred income taxes         Accrued investment income         Taxes recoverable/refundable         Prepaid expenses         Drilling advances	0 0 0 37,200	0 0 0 64,281 63,954	
- Other curr 80 81 82		0 0 0 37,200	0 0 0 64,281 63,954	
- Other curr 80 81 82 83	ent assets * Other current assets	0 0 0 37,200	0 0 0 64,281 63,954	

1599	Total Current Assets	= 12,099,811	9,313,798	
* Generic Item			Page 3 of 3	

## E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year

Year Ended:

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

## **Tangible Capital Assets**

GIFI Accou	nt Description	Ai	nount	Prior year	
1600 1601	Land		156,387 0	156,387 0	

· · · ·			
Depletable asse	Depletable assets	0	0
1622	Petroleum and natural gas properties	0	0
1622 1624 1626	Mining properties	0	0
1626	Deferred exploration and development charges	0	0
1628 1630	Quarries	0	0
	Gravel pits	0	0
1632	Timber limits		
	Depletable assets	+ 0	0
	Dehicranic assers	**********	

Buildings — 1680 1682 1684	Buildings Manufacturing and processing plant Buildings under construction	2,820,441 0 0	2,815,401 0 0	
	Buildings	+ 2,820,441	2,815,401	

Machinery, equ	ipment, furniture and fixtures			
1740 *	Machinery, equipment, furniture and fixtures	14,709,438	14,493,668	
1742 1744	Motor vehicles	0	0	
1744	Tools and dies	0	0	
1716	Construction and excavating equipment	0	0	
	Forestry and logging equipment	0	0	
1750	Fishing gear and nets	0	0	
1750 1752 1754 1756 1758 1760 1762 1764 1766	Mining equipment	0	0	
1754	Oil and gas systems	0	0	
1756	Production equipment for resource industries	0	0	
1758	Production equipment for other than resource industries	0	0	
1760	Exploration equipment	0	0	
1762	Shipping equipment	0	0	
1764	Ships and boats	0	0	
1766	Aircraft	0	0	
1768	Signs	0	0	

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K. E ount/	nergy Inc. Business No.:866567787RC0001 Year Ende	ed:	2003-12-31	Sch. 2008
lachinery, e	quipment, furniture and fixtures (cont'd)			
	Small tools	0	0	
	Radio and communication equipment	0	0	
	Computer equipment/software	0	0	
	Musical instruments	0	0	
	Satellites	0	0	
	Earth stations	0	0	
	Machinery and equipment under construction	0	0	
	Transportation equipment	0	0	
	Other machinery and equipment	0	0	
	Furniture and fixtures	0	0	
			*****	
	Machinery, equipment, furniture and fixtures	+ 14,709,438	14,493,668	
	Machinery, equipment, furniture and fixtures		14,493,668	
ther tangib	le capital assets * Other tangible capital assets			
ther tangib	le capital assets * Other tangible capital assets Logging roads			
ther tangib	le capital assets * Other tangible capital assets Logging roads Asphalt and parking areas			
ther tangib	le capital assets * Other tangible capital assets Logging roads			
ther tangib	le capital assets  * Other tangible capital assets Logging roads Asphalt and parking areas Wharves Fences			
ther tangib	le capital assets  * Other tangible capital assets Logging roads Asphalt and parking areas Wharves			
ther tangib	le capital assets  * Other tangible capital assets Logging roads Asphalt and parking areas Wharves Fences			
)ther tangib	le capital assets			
ther tangib	le capital assets			
ther tangib	le capital assets         *       Other tangible capital assets.         Logging roads.         Asphalt and parking areas.         Wharves.         Fences.         Capital leases - buildings.         Capital leases - equipment.         Capital leases - vehicles.			
ther tangib	le capital assets         *       Other tangible capital assets         Logging roads			

Other tangible capital assets

2008

Total Tangible Capital Assets

= 17,686,266 17,465,456

0

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+

\* Coneric Item

Page 2 of 2

0

Year Ended:

## **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

## Accumulated Amortization of Tangible Capital Assets

-1	Account	Description	Amount	Prior year	
2		Land improvements	+ 0	0	
Ac	cumulated ar	nortization of depletable assets			
21	*	Depletable assets	0	0	
523		Petroleum and natural gas properties	0	0	
25		Mining properties	0	0	
27		Deferred exploration and development charges	0	0	
29		Quarries	0	0	
31		Gravel pits	0	0	
33		Timber limits	0	0	
		Accumulated amortization of depletable assets	+ 0	0	
81	cumulated al	nortization of buildings Buildings :	1,984,428	1,956,345	
83		Manufacturing and processing plant	0	0	
			**********		
		Accumulated amortization of buildings	+ 1,984,428	1,956,345	
	cumulated a	nortization of machinery, equipment, furniture and fixtures			
41	*	Machinery, equipment, furniture and fixtures	7,796,526	7,207,432	
43		Motor vehicles	0	0	
45		Tools and dies	0	0	
47		Construction and excavating equipment	0	0	
49		Forestry and logging equipment	0	0	
51		Fishing gear and nets,	0	0	
53		Mining equipment	0	0	
55		Oil and gas systems	0	0	
57		Production equipment for resource industries	0	0	
- <b>1</b> 2		Production equipment for other than resource industries	0	0	
61		Exploration equipment	0	0	
53		Shipping equipment	0	0	
65		Ships and boats	0	0	
67		Aircraft	0	0	
69		Signs	0	0	
71		Small tools	0	0	
73 75		Radio and communication equipment	0	0	
75		Computer equipment/software	0	0	
77 79		Musical instruments	0	0	
79 81		Satellites	· ·	0	
84		Earth stations	0	0	
86		Transportation equipment	0	0	
88		Other machinery and equipment	0	0	
		Furniture and fixtures	0		
		a state of the state of the state			
		Accumulated amortization of machinery.			
		Accumulated amortization of machinery, equipment, furniture and fixtures	+ 7,796,526	7,207,432	

	Energy Inc. /Business No.:866567787RC0001 Year Ende	d:	Sc 2003-12-31	h. 2009
	ed amortization of other tangible capital assets			
1	* Other tangible capital assets	0	0	
3	Logging roads	0	0	
]	Asphalt and parking areas.	0	0	
]	Wharves	0	0	
]	Fences	0	0	
l.	Capital leases - buildings	0	0	
í.	Capital leases - equipment	0	0	
	Capital leases - vehicles	0	0	
	Capital leases - others	0	0	
ľ	Leasehold improvements	0	0	
	Campsites	0	0	
50				
	Accumulated amortization of other tangible capital assets	- 0	0	

ſ	2009	Total Accumulated Amortization of Tangible Capital Assets	9,780,954	9,163,777	
L					

eneric Item

Page 2 of 2

E.L.K. Energy Inc.		
Account/Business No.: 866567787RC0001	Year Ended:	2003-12-3

## **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

## Long Term Assets

Acc	count Description	Amount	Pri yea		
	·				
Due fron	n shareholder(s)/director(s)			0	
	* Due from shareholder(s)/director(s),		0	0	
	Due from individual shareholder(s)		0	0	
	Due from corporate shareholder(s)		0	0	
	Due from director(s)		0	U	
			0	0	
	Due from shareholder(s)/director(s)	+	- 207 1200	terret total a second to agrice a	
			== ==		
	Due from members	+	0	0	
		+	0	0	
	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s)		0 0	0	
]	Investment in joint venture(s)/partnership(s)		-	-	
	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s)		-	-	
Due fror	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s) n/investment in related parties		-	-	
	Investment in joint venture(s)/partnership(s)         Due from joint venture(s)/partnership(s)         n/investment in related parties         *       Due from/investment in related parties		0	0	
Due fror	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s)  n/investment in related parties  * Due from/investment in related parties Due from/investment in Canadian related parties	+	0	0	
	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s) n/investment in related parties * Due from/investment in related parties Due from/investment in Canadian related parties Shares in Canadian related corporations	+	0	0	
	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s) n/investment in related parties * Due from/investment in related parties Due from/investment in Canadian related parties Shares in Canadian related corporations Loans/advances to Canadian related corporations	+	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 100	
	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s) n/investment in related parties * Due from/investment in related parties Due from/investment in Canadian related parties Shares in Canadian related corporations Loans/advances to Canadian related corporations at cost	+	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 100 0	
	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s) n/investment in related parties * Due from/investment in related parties Due from/investment in Canadian related parties Shares in Canadian related corporations Loans/advances to Canadian related corporations at cost Investment in Canadian related corporations at cost	+	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 100 0 0	
	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s) n/investment in related parties * Due from/investment in related parties Due from/investment in Canadian related parties Shares in Canadian related corporations Loans/advances to Canadian related corporations at cost. Investment in Canadian related corporations at cost. Investment in Canadian related corporations at equity. Due from/investment in foreign related parties	+	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 100 0 0 0	
	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s) n/investment in related parties * Due from/investment in related parties Due from/investment in Canadian related parties Shares in Canadian related corporations Loans/advances to Canadian related corporations Investment in Canadian related corporations at cost. Investment in Canadian related corporations at cost. Investment in Canadian related corporations at equity. Due from/investment in foreign related parties Shares in foreign related corporations	+	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 100 0 0 0 0	
	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s) n/investment in related parties * Due from/investment in related parties Due from/investment in Canadian related parties Shares in Canadian related corporations Loans/advances to Canadian related corporations Investment in Canadian related corporations at cost. Investment in Canadian related corporations at cost. Investment in Canadian related corporations at equity. Due from/investment in foreign related parties Shares in foreign related corporations	+	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 100 0 0 0 0	
	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s) n/investment in related parties	+	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 100 0 0 0 0 0 0 0 0 0 0 0	
	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s) n/investment in related parties * Due from/investment in related parties Due from/investment in Canadian related parties Shares in Canadian related corporations Loans/advances to Canadian related corporations Investment in Canadian related corporations at cost. Investment in Canadian related corporations at cost. Investment in Canadian related corporations at equity. Due from/investment in foreign related parties Shares in foreign related corporations	+		0 0 100 0 0 0 0 0 0 0 0 0 0 0 0 0	
Due fror	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s) n/investment in related parties	+		0 0 100 0 0 0 0 0 0 0 0 0 0 0 0 0	

Investment in co-tenancy.....+ 0 0

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Sch. 2589

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E.L.K.	Energy Inc.		Sch. 2589
E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended: 2003-12-31           Long term investments         0         0           * Long term investments         0         0	)3-12-31		
	n investments		
	* Long term investments	0	0
2301	Foreign shares	0	0
2302	Other types of foreign investments	0	0
2303	Canadian shares	0	0
2304	Government of Canada debt	0	0
2305	Canadian, provincial and municipal government debt,	0	0
2301 2302 2303 2304 2306 2306 2306 2306 2308 2308 2309	Canadian corporate bonds and debentures	0	0
2307	Debt securities	0	0
2308	Equity securities	0	0
2309	Securities purchased under resale agreements.	0	0
	Securities purchased under resaic agreements		

2310	Central credit union shares		0	0	
2311	Other Canadian long term investments		0	0	
	Long term investments	+	0	0	

1	Long term loa	ans					
	2360	*	Long term loans		0	0	
	r 7		Mortgages		0	0	
	<u>ز</u> ا		Personal and credit card loans		0	0	
	2363		Business and government loans		0	0	
	2364		Line of credit		0	0	
			Long term loans	+	0	0	
			-				
- 11							

Other long te	erm *	assets Other long term assets		569,174	866,706	
2421		Deferred income taxes		572,000	572,000	
2422 2423 2424		Deferred pension charges		0	0	
2423		Deferred unrealized exchange losses		0	0	
2424		Other deferred items/charges		0	0	
2426		Reserve fund		0	0	
2427		Cash surrender value of life insurance		U	0	
		Others have been assessed	+	1,141,174	1,438,706	
- 8		Other long term assets				

2425	Accumulated amortization of deferred charges	0	0	

2589	Total Long Term Assets	= 1,1	141,274	1,438,806	
			******		

\* Generic Item

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Sch. 2589

	unt/Bu	ergy Inc. Isiness No.: 866567787RC0001 Year Ended	1:	2003-12-3	Sch. 3139 1
NER	AL INDE	X OF FINANCIAL INFORMATION (GIFI)			
rren	t Liabiliti	es			
I	Account	Description	Amount	Prior year	
0		Bank overdraft +	0	0	
Amo	unts pavab	le and accrued liabilities ————————————————————			
0	*	Amounts payable and accrued liabilities	3,313,941	3,305,484	
1		Trade payables	0	0	
2		Trade payables to related parties	0	0	
3		Holdbacks payable	0	0	
4		Wages payable	0	0	
:5		Management fees payable	0	0	
6		Bonuses payable	0	0	
7		Employee deductions payable	0	0	
		Withholding faxes payable	0	0	
4		Interest payable	0	0	
		Amounts payable to members of NPOs.	0	0	
-		S and a second			
		Amounts payable and accrued liabilities +	3,313,941	3,305,484	
0		Taxes payable+	648,908	0	
Shoi	t term deb	Short term debt	0	0	
=		Short term debt	0	0	
			0	0	
		Loans from Canadian banks	0	0	
2		Liability for securities sold short	0	0	
2		Liability for securities sold short	0	0	
2 3 4		Liability for securities sold short	0 0 0	0 0 0 0	
2 3 4 5		Liability for securities sold short	0	0	
2 3 4 5		Liability for securities sold short	0	0	
2 3 4 5		Liability for securities sold short	0 0 0 0 0	0 0 0 0	
2 3 4 5		Liability for securities sold short	0 0 0 0 0	0 0 0 0 0	
2 3 4 5		Liability for securities sold short	0 0 0 0 0	0 0 0 0	
2 3 4 5		Liability for securities sold short	0 0 0 0 0	0 0 0 0 0	
2 3 4 5 4		Liability for securities sold short	0 0 0 0 0	0 0 0 0 0	
		Liability for securities sold short	0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
	to shareho	Liability for securities sold short	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
2 3 4 5 6 7 0 0 0	to shareho *	Liability for securities sold short Liability for securities sold under repurchase agreements Gold and silver certificates Cheques and other items in transit Lien notes Short term debt + Deferred income + Ider(s)/director(s) - Due to shareholder(s)/director(s)	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
	to shareho *	Liability for securities sold short Liability for securities sold under repurchase agreements Gold and silver certificates Cheques and other items in transit Lien notes Short term debt + Deferred income Lien income the shareholder(s)/director(s) Due to shareholder(s) Due to individual shareholder(s)	0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	-
	to shareho *	Liability for securities sold short Liability for securities sold under repurchase agreements Gold and silver certificates Cheques and other items in transit Lien notes Short term debt + Deferred income tube for shareholder(s)/director(s) Due to shareholder(s) Due to corporate shareholder(s) Due to corporate shareholder(s)	0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	-
	to shareho *	Liability for securities sold short Liability for securities sold under repurchase agreements Gold and silver certificates Cheques and other items in transit Lien notes Short term debt + Deferred income Lien income the shareholder(s)/director(s) Due to shareholder(s) Due to individual shareholder(s)	0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
	to shareho *	Liability for securities sold short Liability for securities sold under repurchase agreements Gold and silver certificates Cheques and other items in transit Lien notes Short term debt + Deferred income tube for shareholder(s)/director(s) Due to shareholder(s) Due to corporate shareholder(s) Due to corporate shareholder(s)	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0	
	to shareho *	Liability for securities sold short Liability for securities sold under repurchase agreements Gold and silver certificates Cheques and other items in transit Lien notes Short term debt + Deferred income tube for shareholder(s)/director(s) Due to shareholder(s) Due to corporate shareholder(s) Due to corporate shareholder(s)	0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
	to shareho *	Liability for securities sold short Liability for securities sold under repurchase agreements Gold and silver certificates Cheques and other items in transit Lien notes Short term debt + Deferred income Hder(s)/director(s) Due to shareholder(s)/director(s) Due to individual shareholder(s) Due to corporate shareholder(s) Due to director(s) Due to director(s)	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
	to shareho *	Liability for securities sold short Liability for securities sold under repurchase agreements Gold and silver certificates Cheques and other items in transit Lien notes Short term debt + Deferred income Hder(s)/director(s) Due to shareholder(s)/director(s) Due to individual shareholder(s) Due to corporate shareholder(s) Due to director(s) Due to director(s)	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
123454 0 Due 0	to shareho *	Liability for securities sold short Liability for securities sold under repurchase agreements Gold and silver certificates Cheques and other items in transit Lien notes Short term debt + Deferred income Hder(s)/director(s) Due to shareholder(s)/director(s) Due to individual shareholder(s) Due to corporate shareholder(s) Due to director(s) Due to director(s)	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	

	Inergy Inc. Business No.:866567787RC0001	Sch. 3139 Year Ended: 2003-12-31		. 3139	
Due to relate	ed parties				
2860	* Due to related parties		0	0	
2861	Demand notes due to related parties	*****	5,850,000	6,500,000	
2862	Interest payable to related parties		0	0	
2860 2861 2862 2863	Advances due to related parties.		0	0	

	Due to related parties	+	5,850,000	6,500,000	
[2920] [2940]	Current portion of long term liability Bankers' acceptances		0 0	0 0	

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*	Other current liabilities	0	0	
	Deposits received	377,665	331,067	
	Dividends payable	0	0	
	Deferred income taxes	0	0	
	Reserve for guarantees, warranties or indemnities	0	0	
	General provisions/reserves	0	0	
	Crew shares	0	0	
		**********	*********	
	Other current liabilities	+ 377,665	331,067	
		************		

Total Current Liabilities	= 10,190,514	10,136,551

\* Generic Item

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E.L.K.	Energy Ind	2.		
Account	/Business	No.: 866567787RC0001	Year	Ended:

## **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

## Long Term Liabilities

-I Account	Description	Amount	Prior year	
Long term del	t			
10		0	0	
1	Mortgages	0	0	
2	Farm credit corporation loan	0	0	
3	Chartered bank loan	0	0	
4	Credit Union/Caisse Populaire loan	0	0	
5	Provincial government loan	0	0	
6	Supply company loan	0	0	
7	Private loan	0	0	
8	Centrals, leagues, and federation loans	0	0	
9	Line of credit	0	0	
0	Liability for securities sold short	0	0	
1	Liability for securities sold under repurchase agreements.	0	0	
-	Lien notes	0	0	
	Long term debt	+ 0	0	
				_
7				
0	Deposit liabilities of financial institutions	+ 0	0	
-				
=	Bonds and debentures	+ 0	0	
0	Deferred income	+ 0	0	
0 20			•	
0	Deferred income	+ 0	0	
Due to shareh	Deferred income	* 0 * 0	0	
Due to shareh	Deferred income	+ 0	0	
Due to shareh	Deferred income	* 0 * 0	0	
Due to shareh	Deferred income	* 0 * 0	0	
Due to shareh	Deferred income	* 0 * 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
Due to shareh	Deferred income         Deferred income taxes         Dider(s)/director(s)         Due to shareholder(s)/director(s)         Due to individual shareholder(s)         Due to corporate shareholder(s)	+ 0 + 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
Due to shareh	Deferred income         Deferred income taxes         Dider(s)/director(s)         Due to shareholder(s)/director(s)         Due to individual shareholder(s)         Due to corporate shareholder(s)	+ 0 + 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
Due to shareh	Deferred income .         Deferred income taxes.         Dolder(s)/director(s)         Due to shareholder(s)/director(s).         Due to individual shareholder(s).         Due to corporate shareholder(s).         Due to director(s).	+ 0 + 0	0 0 0 0 0 0 0	
Due to shareh	Deferred income .         Deferred income taxes.         Dolder(s)/director(s)         Due to shareholder(s)/director(s).         Due to individual shareholder(s).         Due to corporate shareholder(s).         Due to director(s).	+ 0 + 0 	0 0 0 0 0 0 0 0	
Due to shareh	Deferred income .         Deferred income taxes.         Dolder(s)/director(s)         Due to shareholder(s)/director(s).         Due to individual shareholder(s).         Due to corporate shareholder(s).         Due to director(s).	+ 0 + 0 	0 0 0 0 0 0 0 0	
Due to shareh	Deferred income         Deferred income taxes         Dolder(s)/director(s)         Due to shareholder(s)/director(s)         Due to individual shareholder(s)         Due to corporate shareholder(s)         Due to director(s)         Due to shareholder(s)/director(s)         Due to shareholder(s)         Due to shareholder(s)         Due to shareholder(s)         Due to shareholder(s)/director(s)	+ 0 + 0 + 0 + 0 + 0 + 0 + 0	0 0 0 0 0 0 0 0	
Due to shareh	Deferred income	+ 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
Due to shareh	Deferred income	+ 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
Due to shareh	Deferred income	+ 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0		
Due to shareh	Deferred income	+ 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
Due to shareh	Deferred income	+ 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0		
Due to shareh	Deferred income	+ 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0		

Page 1 of 2

E.L.K.	Energy In	с.		
Account	c/Business	No.: 866567787RC0001	Year	Ended:

Sch. 3450 2003-12-31

- Other long term	liabilities			
3320 *	Other long term liabilities	210,371	252,328	
3321 3322 3323 3324 3325 3326 3327 3328	Long term obligations/commitments/capital leases .	0	0	
3322	Reserves for guarantees, warranties or indemnities	644,766	639,105	
3323	Provision for site restoration	0	0	
3324	Contributions to qualifying environmental trust	0	0	
325	General provisions/reserves	0	0	
326	Preference shares restated	0	0	
327	Member allocations	0	0	
1328	Deferred revenue from incomplete contracts	0	0	
		*********		
	Other long term liabilities	+ 855,137	891,433	
	-	***********	************	

3450

**Total Long Term Liabilities** 

855,137 -----

=

\* Generic Item

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891,433

E.L. Acco	K. Ene ount/Bu	ergy Inc. 1siness No.:866567787RC0001 Year End	ed	:	2003-12-3	Sch. 3620 31
ENE	RAL INDE	X OF FINANCIAL INFORMATION (GIFI)				
hare	holder Eq	uity				
SIFI	Account	Description	A	Amount	Prior year	
	Account					
— Sha	areholder eq	uity —				
3500		Common shares	+	100	100	
3520		Preferred shares	+	0	0	
- Cor 3540 3541 3542 3543	ntributed and *	d other surplus Contributed and other surplus Contributed surplus Appraisal surplus General reserve		4,402,373 0 0 0	4,402,373 0 0 0	
		Contributed and other surplus	+	4,402,373	4,402,373	
-						
3570		Head office account	+	0	0	
3600		Retained earnings/deficit		5,698,273	3,623,826	
3620		Total Shareholder Equity	=	10,100,746	8,026,299	

\* Generic Item

Corporate Taxprep / Taxprep des sociétés - TP-08

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## E.L.K. Energy Inc. Account/Business No.: 866567787RC0001

Year Ended:

## 2003-12-31

## **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

## **Retained Earning/Deficit**

GIFI	Account	Description	Amount	Prior year	
3660 3680		Retained earnings/deficit - start			
Div 3700 3701 3702	idends decla *	red — Dividends declared	1	) 0 0 6,500,000 0 0	
		Dividends declared		6,500,000	
1		Prior period adjustments	+	0 1,084,721	
740	ner items affe *	Other items affecting retained earnings		0 0	
741		Share redemptions		0 0 0	
742 743 744 745		Currency adjustments		0 0 0 0	
745		Interfund transfer		0 0	
		Other items affecting retained earnings	+	0	

neric Item

001 002 003	Description	name n of the operation MUNICIPALLY OWNED ELECTRICAL DISTRIBUT Number	TION	COMPANY		
iIFI	Account	Description	,	Amount	Prior year	
Inc	ema Statema	ent Information				
8089 8518	ome stateme	Total sales of goods and services Cost of sales		17,038,327 11,940,399	17,014,804 14,177,688	
8519		Gross profit/loss	=	5,097,928	2,837,116	
9367		Cost of sales Total operating expenses	+	2,924,628	14,177,688 2,608,794	
9368		Total expenses (mandatory field)	=	14,865,027	16,786,482	
8299 9368		Total revenue (mandatory field) Total expenses (mandatory field)	3	14,865,027	17,565,060 16,786,482	
9369		Net non-farming income	=	2,757,447	778,578	
			14			
- Fa 9659	rming Income	Statement Information     Total farm revenue (mandatory field)	+	0	0	
9898		Total farm expenses (mandatory field)		0	0	
9899		Net farm income	=	0	0	

**GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)** 

## **Income Statement**

E.L.K. Energy Inc.

]	l otal sales of goods and services			17,014,004
	Cost of sales	•		14,177,688
519	Gross profit/loss	=	5,097,928	2,837,116
			***********	
	Cost of sales	+	11,940,399	14,177,688
367	Total operating expenses	+	2,924,628	2,608,794
			**********	
9368	Total expenses (mandatory field)	=	14,865,027	16,786,482
			***********	**********
8299	Total revenue (mandatory field)	+	17,622,474	17,565,060
9368	Total expenses (mandatory field)		14,865,027	16,786,482
9369	Net non-farming income	=	2,757,447	778,578
	Nethon-laining meente		-,,	
		_		
		1.5		
	e Statement Information	- 4		
659	e Statement Information Total farm revenue (mandatory field).	+	0	0
— Farming incom			000	0
659	Total farm revenue (mandatory field).		0	0
659	Total farm revenue (mandatory field).		0 0 0	0 0

9970	Net Income/Loss before Taxes and Extraordinary Items	2,757,447	778,578	

Extraordinary items and income taxes (linked to Schedule 140)

Page 1 of 2

## E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:

2003-12-31

Sch. 125

9975	Extraordinary item(s)	0	0
9976 9980	Legal settlements	0	0
9980	Unrealized gains/losses	0	0
9985	Unusual items	0	0
9985 9990	Current income taxes	683,000	13,000
9995	Deferred income tax provision	0	293,000
	Net Income/Loss after Taxes and		
9999	Extraordinary Items (mandatory field)	2,074,447	472,578
		**********	

Page 2 of 2

Year Ended:

## **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

### Revenue

FI	Account	Description	Amount	Prior year	
00		Trade sales of goods and services	- 17,038,327	17,014,804	
020		Sales of goods and services to related parties	- 0	0	
30		Interdivisional sales	- 0	0	
- Sal	es from reso	purce properties			
040	*	Sales from resource properties	0	0	
041		Petroleum and natural gas sales	0	0	
42		Petroleum and natural gas sales to related parties	0	0	
43		Gas marketing	0	0	
44		Processing revenue	0	0	
45		Pipeline revenue	0	0	
46		Seismic sales	0	0	
-		Mining revenue	0	0	
		Coal revenue	0	0	
49		Oil sands revenue	0	0	
50		Royalty income	0	0	
51		Oil and gas partnership/joint venture income/loss	0	0	
52		Mining partnership/joint venture income/loss	0	0	
53		Other production revenue	0	0	
		Sales from resource properties	+ 0	0	
89]		Total sales of goods and services	= 17,038,327	17,014,804	
– Inv 090 091 093 094	estment rev. *	enue Investment revenue Interest from foreign sources Interest from Canadian bonds and debentures. Interest from Canadian mortgage loans Interest from other Canadian sources Dividend income	0 0 0 495,693 0	0 0 0 479,156 0 0	
095 096 097		Dividends from Canadian sources	0	0	
095 096			-	0  479,156	

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E.L.K. En Account/B	ergy Inc. usiness No.:866567787RC0001 Year End	ed:	S 2003-12-31	Sch. 8299
Interest incom	e (financial institutions)			
B100 *		0	0	
8101		ů O	0	
	Loan interest	0	0	
8102	Securities interest	0	0	
8103	Deposits with banks interest	0	0	
	Interest income (financial institutions)	+ 0	0	
Commission re     120     *		0	0	
8121	Contrassion revenue	-	0	
8121	Commission income on real estate transactions	0	0	
	Commission revenue	+ 0	0	
Rental revenue     8140     *		0	0	
8141		0	0	
0141	Real estate rental revenue	0	0	
	Film rental revenue	0	U	
<del>.</del>				
	Rental revenue	+ 0	0	
			**********	
8150	Vehicle leasing	+ 0	0	
Fishing revenu 8160 *		0	0	
8161	Fish products	0	0	
8162		0	0	
8163	Other marine products	0	0	
8163	Fishing grants, credits and rebates	0	0	
	Fishing subsidies	0	U	
8165	Compensation for loss of fishing income or property	0	0	
8166	Sharesman income	0	0	
	Fishing revenue	+ 0	0	
Der l'and de la	/losses on disposal of assets Realized gains/losses on disposal of assets	0	24,625	
			24,025	
8210			U	
8210 * 8211	Realized gains/losses on sale of investments	0	0	
8210 * 8211		0	0	
*	Realized gains/losses on sale of investments		0	
— Realized gains 8210 * 8211 8212	Realized gains/losses on sale of investments		0 24,625	

T.K.Er	nergy Inc.		Sch	. 8299
ccount/H	Business No.: 866567787RC0001 Year End	ed:	2003-12-31	
- NPO amounts	s received			
220	NPO amounts received	0	0	
3221	Membership fees	0	0	
3222	Assessments	0	0	
3222 3223 3224	Gifts	0	0	
3224	Gross sales and revenues from organizational activities.	0	0	
	NPO amounts received	+ 0	0	
		************	***********	
- Other revenue	8			
	* Other revenue	0	0	
231	Foreign exchange gains/losses	0	0	
232	Income/loss of subsidiaries/affiliates	0	0	
9233	Income/loss of other divisions	0	0	
8234	Income/loss of joint ventures	0	0	
		0	0	

come/loss of joint ventures	0 0 0 0 0 0	0 0 0 0 0	
come/loss of partnerships ealization of deferred revenues oyalty income other than resource perta royalty tax credits anagement and administration fees elecommunications revenue	0 0 0 0	0 0 0 0	
byalty income other than resource berta royalty tax credits anagement and administration fees elecommunications revenue	0 0 0 0	0 0 0	
berta royalty tax creditsanagement and administration fees	0 0 0	0 0 0	
anagement and administration fees	0 0	0	
lecommunications revenue	0	0	
	0	^	
	•	0	
onsulting tees	0	0	
	0	0	
le of by-products	0	0	
eposit services	0	0	
edit services	88,454	46,475	
ard services	0	0	
atronage dividends	0	0	
surance recoveries	0	0	
pense recoveries	0	0	
d debt recoveries	0	0	
her revenue	+ 88,454	46,475	
	**********		
	nsulting fees	nsulting fees       0         posities and grants       0         e of by-products       0         posities ervices       0         odit services       88,454         of services       0         ronage dividends       0         urance recoveries       0         of debt recoveries       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0	0       0         0

8299

Total Revenue

= 17,622,474 17,565,060

\* Generic Item

Page 3 of 3

## **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

## **Cost of Sales**

GIFI	Account	Description	Amount	Prior year	
Op	ening invento *		0	0	
8301		Opening inventory	ů 0	0	
8302		Opening inventory - finished goods	Û Û	0	
8303		Opening inventory - raw materials	0	0	
0303		Opening inventory - goods in process	Ū		
		• · · ·	+ 0	0	
		Opening inventory			
8320		Purchases/cost of materials	+ 11,940,399	14,177,688	
8340		Direct wages	+ 0	0	
8350		Benefits on direct wages	+ 0	0	
Ē		Trades and sub-contracts	+ 0	0	
		Production costs other than resource.	+ 0	0	
ب -					
- Re	source produ	ction costs			
8400	*	Resource production costs	0	0	
8401		Pipeline operations	0	0	
8402		Drilling	0	0	
8403		Site restoration costs	0	0	
8404		Gross overriding royalty	0	0	
8405		Freehold royalties	0	0	
8406		Other producing properties rental.	0	0	
8407		Prospect/geological	0	0	
8408		Well operating, fuel and equipment.	0	0	
8409		Well abandonment and dry holes.	0	0	
8410		Other lease rentals	0	0	
8411		Exploration expenses	0	0	
8412		Development expenses	0	0	
1		Development expenses			
		Resource production costs	+ 0	0	
		Resource production costs			
Cro	own charges				
8435	*	Crown charges	0	0	
8436		Crown royalties	0	0	
8437		Crown lease rentals	0	0	
8438		Freehold mineral tax	0	0	
8439		Mining taxes	0	0	
8440		Oil sand leases	0	0	
8441		Saskatchewan resource surcharge	0	0	
		Crown charges	+ 0	0	
				***********	

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	nergy Inc.			ch. 8518			
ccount/	Business No.:866567787RC0001 Year Ende	ed:	2003-12-31				
— Other direct costs							
50	* Other direct costs	0	0				
1	Equipment hire and operation	0	0				
2	Log yard	0	0				
]	Forestry costs	0	0				
]	Logging road costs	0	0				
]	Stumpage costs	0	0				
]	Royalty costs	0	0				
]	Freight in and duty	0	0				
]	Inventory write down	0	0				
]	Direct cost amortization of tangible assets	0	0				
]	Direct cost amortization of natural resource assets	0	0				
]	Overhead expenses allocated to cost of sales	0	0				
			******				
	Other direct costs	+ 0	0				

Closing invento	ory		
8500 * 8501 8502	Closing inventory	0	0
8501	Closing inventory - finished goods	0	0
8502	Closing inventory - raw materials	0	0
	Closing inventory - goods in process	0	0
		**********	****
	Closing inventory	- 0	0
<u></u>			

8518	Cost of Sales	= 11,940,399	14,177,688

\* Generic Item

Page 2 of 2

E.L.K. Energy Inc.	
Account/Business No.: 866567787RC0001	Year Ended:

### GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### **Operating Expenses**

ilFI Account	Description	Amount	Prior year	
- Advortising a	nd promotion			
and the second	* Advertising and promotion	0	0	
521	Advertising	0	0	
3522	Donations.	0	0	
523	Meals and entertainment.	0	0	
524	Promotion	0	0	
	Advertising and promotion	+ 0	0	
			**********	
570	Amortization of intangible assets	+ 0	0	
590	Bad debt expense.		0	
	* Loan losses	0	0	
611	Provision for loan losses	0	0	
		*********		
	Loan losses	+ 0	0	
	Loan losses		0	
- Employee be				
— Employee be	nefits			
620	nefits ————————————————————————————————————			
620 621 622	nefits	0	0	
620 621 622	nefits — * Employee benefits Group insurance benefits Employer's portion of employee benefits	0	0	
620 621 622	nefits	0	0	
620 621 622	hefits         *       Employee benefits         Group insurance benefits         Employer's portion of employee benefits         Contributions to deferred income plans.	0	0	
620 621 622	nefits — * Employee benefits Group insurance benefits Employer's portion of employee benefits	0 0 0 0 0 +	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
620 621 622 623	hefits         *       Employee benefits.         Group insurance benefits.         Employer's portion of employee benefits.         Contributions to deferred income plans.         Employee benefits         Employee benefits	0 0 0 0 0		
620 621 622 623	hefits         *       Employee benefits         Group insurance benefits         Employer's portion of employee benefits         Contributions to deferred income plans         Employee benefits         Amortization of natural resource assets	+ 0 + 0	000000000000000000000000000000000000000	
620 621 622 623	hefits         *       Employee benefits.         Group insurance benefits.         Employer's portion of employee benefits.         Contributions to deferred income plans.         Employee benefits         Employee benefits	+ 0 + 0		
620 621 622 623 650 670 	hefits         *       Employee benefits         Group insurance benefits         Employer's portion of employee benefits         Contributions to deferred income plans         Employee benefits         Employee benefits         Amortization of natural resource assets         Amortization of tangible assets	+ 0 + 617,177	0 0 0 0 0 0 0 694,112	
620 621 622 623 663 660 6670 	* Employee benefits	+ 0 + 617,177	0 0 0 0 0 0 0 694,112	
620 621 622 623 663 660 6670 	hefits         *       Employee benefits         Group insurance benefits         Employer's portion of employee benefits         Contributions to deferred income plans         Employee benefits         Employee benefits         Amortization of natural resource assets         Amortization of tangible assets	+ 0 + 617,177	0 0 0 0 0 0 0 694,112	
620 621 622 6623 6650 6670	hefits   * Employee benefits   Group insurance benefits   Employer's portion of employee benefits   Contributions to deferred income plans   Employee benefits   Amortization of natural resource assets   Amortization of tangible assets   * Insurance   Life insurance on executives	+ 0 + 617,177	0 0 0 0 0 0 0 694,112	

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Corporate Taxprep / Taxprep des sociétés - TP-08

00110	Energy Inc. t/Business No.:866567787RC0001 Year Ended:		2003-12-3	Sch. 9	507
coun	L/Business No. 80050/78/RC0001 Tear Endea.		2005 11		
Interest a	nd bank charges	_			
]	* Interest and bank charges	5,762	92,890		
]	Interest on short term debt	0	0		
]	Interest on bonds and debentures	0	0		
1	Interest on mortgages	0	0		
j	Interest on long term debt	0	0		
]	Bank charges	0	0		
j	Credit card charges	0	0		
วี	Collection and credit costs	0	0		
1					
	Interest and bank charges + 465	5,762	92,890		
Interest p ]	aid (financial institutions) * Interest paid (financial institutions)	0	0		
i	Interest paid (matrical institutions).	0	0		
i	Interest paid on bonds and debentures	0	0		
1		, in the second s			
		0	0		
	Interest paid (financial institutions) +	Ŭ			
-	taxes, licences and memberships				
	* Business taxes, licences and memberships	0	0		
]					
] ]	* Business taxes, licences and memberships				
] ] ]	* Business taxes, licences and memberships				
	* Business taxes, licences and memberships Memberships Business taxes				
] ] ]	* Business taxes, licences and memberships Memberships Business taxes Franchise fees				
] ] ]	* Business taxes, licences and memberships Memberships Business taxes Franchise fees				
Business ] ] ] ]	* Business taxes, licences and memberships. Memberships. Business taxes. Franchise fees. Government fees. Business taxes, licences and memberships +	0 0 0 0	0 0 0 0 0		
] ] ] ]	* Business taxes, licences and memberships. Memberships. Business taxes. Franchise fees. Government fees. Business taxes, licences and memberships +	0 0 0 0	0 0 0 0 0		
] ] ]	* Business taxes, licences and memberships. Memberships. Business taxes. Franchise fees. Government fees. Business taxes, licences and memberships +	0 0 0 0	0 0 0 0 0		
]	* Business taxes, licences and memberships	0 0 0 0	0 0 0 0 0		
] ] ]	Business taxes, licences and memberships,, Memberships,, Memberships,, Memberships,, Business taxes,, Government fees,, Government fees,, Business taxes, licences and memberships	0 0 0 0 0	0 0 0 0 0		
] ] ] ] Office ex	Business taxes, licences and memberships, Memberships, Business taxes, Franchise fees, Government fees, Business taxes, licences and memberships + New Brunswick tax on large corporations, New Brunswick tax on large corporations, + Nova Scotia tax on large corporations, + Penses		0 0 0 0 0 0 0		
] ] ]	Business taxes, licences and memberships. Memberships. Business taxes. Franchise fees. Government fees. Business taxes, licences and memberships + New Brunswick tax on large corporations. New Brunswick tax on large corporations. Your Scotia tax on large corporations. * Office expenses.		0 0 0 0 0 0 0 0 0		
) ] ] ] Office ex	Business taxes, licences and memberships. Memberships. Business taxes. Franchise fees. Government fees. Business taxes, licences and memberships + New Brunswick tax on large corporations. New Brunswick tax on large corporations. Yova Scotia tax on large corporations. + Nova Scotia tax on large corporations. + Office expenses. Office stationery and supplies.		0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		
)   	Business taxes, licences and memberships. Memberships. Business taxes. Franchise fees. Government fees. Business taxes, licences and memberships + Memberships + New Brunswick tax on large corporations. Nova Scotia tax on large corporations. * Office expenses. Office expenses. Office stationery and supplies. Office utilities.				
)               	*       Business taxes, licences and memberships.         Memberships.       Business taxes.         Franchise fees.       Government fees.         Business taxes, licences and memberships       +         Business taxes, licences and memberships       +         New Brunswick tax on large corporations.       +         Nova Scotia tax on large corporations.       +         Office expenses.       Office stationery and supplies.         Office utilities.       Office utilities.		0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		
)   	*       Business taxes, licences and memberships.         Business taxes.       Franchise fees.         Government fees.       Government fees.         Business taxes, licences and memberships       +         New Brunswick tax on large corporations.       +         Nova Scotia tax on large corporations.       +         Office expenses.       Office expenses.         Office stationery and supplies.       Office utilities.         Data processing.       523	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		
] ] ] ] Office ex	*       Business taxes, licences and memberships.         Memberships.       Business taxes.         Franchise fees.       Government fees.         Business taxes, licences and memberships       +         Memberships       +         New Brunswick tax on large corporations.       +         Nova Scotia tax on large corporations.       +         Office expenses.       -         Office stationery and supplies.       Office utilities.         Office utilities.       523				

Page 2 of 5

Energy Inc. /Business No.: 866567787RC0001 Year Ende	d:	Sch. 93 2003-12-31
* Professional fees	0	0
	0	0
	0	0
	0	0
	0	0
Architect fees	0	0
Appraisal fees	0	Õ
Laboratory fees	0	0
Medical fees	0	0
Veterinary fees	0	0
Brokerage fees	~	0
Transfer fees	0	0
Management and administration fees	0	0
Refining and assay	0	0
Registrar and transfer agent fees	0	0
Restructuring costs	0	0
Security and exchange commission fees	0	0
Training expense	0	0
Studio and recording	0	0
Professional fees	- 0	0
	0	0
* Rental	0	0
Real estate rental	0	0
Occupancy costs	0	0
Condominium fees	•	0
Equipment rental	0	0
Motor vehicle rentals	0	0
Moorage (boat)	0	0
	0	0
Storage	0	0
StorageQuota rental	÷	
-		
	 - 0	0

R	lepairs and m	aiı	ntenance				
	*	1	Repairs and maintenance		0	0	
8961			Repairs and maintenance - buildings		0	0	
8962			Repairs and maintenance - vehicles		0	0	
8963			Repairs and maintenance - boats		0	0	
8964			Repairs and maintenance - machinery and equipment		0	0	
						*********	
			Repairs and maintenance	+	0	0	
				2.53	*********	***********	
1							

- Other repairs	s an	d maintenance				
9010	*	Other repairs and maintenance		0	0	
9011 9012 9013 9014		Machine shop expense		0	0	
9012		Road costs		0	0	
9013		Security		0	0	
9014		Garbage removal		0	0	
					***********	
		Other repairs and maintenance	+	0	0	
					***********	

.L.K. En ccount/E	ergy Inc. usiness No.:866567787RC0001 Year Ended:		2003-12-3	Sch. 9367 1
- Salaries and w	-	0	0	
		0	0	
61	Commissions	0	0	
62	Crew share	0	0	
63	Bonuses	0	0	
64	Directors fees	0	0	
65	Management salaries	0	0	
66	Employee salaries	0	0	
	Salaries and wages +	0	0	
	==			
10	Sub-contracts. +	0	0	
	Sub-contracts.			
- Supplies				
30 *	Supplies	0	0	
31	Supplies	0	0	
32	Shop expense	0	0	
33		0	0	
33 34		ů 0	0	
-1	Laundry	0	0	
	Food and catering	v	0	
<u> </u>	Fishing gear	0	0	
37	Nets and traps	0	0	
38	Salt, bait and ice	0	0	
39	Camp supplies	0	0	
50	Computer-related expenses	0	0	
51	Upgrade	0	0	
52	Internet	0	0	
	Supplies +	0	0	
			*********	
80	Property taxes	0	0	
	(m)			
_				
Travel expens	es Travel expenses	0	0	
1	Have expenses	-		
1	Meetings and conventions	0	0	
1		-	0	
1		-	0	
1	Meetings and conventions,	0		
ท]	Meetings and conventions,	0	0	
- Utilities	Meetings and conventions	0	0	
- Utilities	Meetings and conventions	0	0	
- Utilities	Meetings and conventions	0	0	
- Utilities	Meetings and conventions	0	0	
- Utilities	Meetings and conventions Travel expenses + ==  Utilities Electricity Water Heat	0	0	
- Utilities	Meetings and conventions	0	0	
Utilities	Meetings and conventions Travel expenses + ==  Utilities Electricity Water Heat	0	0	
- Utilities	Meetings and conventions	0	0	
- Utilities	Meetings and conventions	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0	

Page 4 of 5

K. Energy Inc. unt/Business No.:866567787RC0001 Year	Ended:	2003-12-31	Sch. 9367
er expenses			
* Other expenses		703,630	
Cash over/short		0	
Reimbursement of parent company expense	0	0	
Selling expenses		0	
Shipping and warehouse expense	0	0	
Delivery, freight and express		0	
Warranty expenses		0	
Royalty expenses - resident	-	0	
Royalty expenses - non-resident		0	
Dumping charges		0	
Land fill fees.		0	
Vehicle expenses		0	
Research and development		0	
Withholding taxes.		0	
General and administrative expenses		680,194	
Interdivisional	_	0	
Interfund transfer		0	

0 ..... ..... 1,318,477 1,383,824 + ------

**Total Operating Expenses** = <u>. . . .</u>

Other expenses

2,924,628 2,608,794 

\* Generic Item

Page 5 of 5

### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:

### **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

### **Income Statement Summary**

These amounts will print on Schedule 125 if only one Schedule 125 has been completed.

1

Total number of schedule 125 forms:

GIFI	Account	Description	Amount	Prior year	
9970		Net income/loss before taxes and extraordinary items+	2,757,447	778,578	
9975		Extraordinary item(s)	0	0	
9976		Legal settlements	0	0	
9980		Unrealized gains/losses	0	0	
9985		Unusual items	0	0	
* T		Current income taxes	683,000	13,000	
9995		Deferred income tax provision	0	293,000	
9999		Net Income/Loss after Taxes and Extraordinary Items (mandatory field)	2,074,447	472,578	

Corporate Taxprep / Taxprep des sociétés - TP-08

### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:

Sch. 141

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

### NOTES CHECKLIST (1998 and later taxation years)

- This form is to be used by all corporations that do not use a software package to prepare financial statement information and are not eligible to use the GIFI-Short form.
- Use this schedule to report a notes checklist for the corporation's financial statement information,
- For more information, see the "Guide to the General Index of Financial Information (GIFI) for Corporations" and the "T2 Corporation Income Tax Guide."
- The following questions have to be answered:
  - questions 100, 101, and 108;
  - if you answer "yes" to question 101, you have to answer questions 102 to 107;
  - if you answer "yes" to question 108, you have to answer question 109.

### – Part 1 - Involvement of accountant –

Who reported on or prepared the corporation's financial statements?	10	0		
		[ X	1	
An independent auditor with a report that expressed no reservation	1	[ X	X	1
An independent auditor with a report that expressed a reservation	2	[		1
An independent accountant with a review engagement report that expressed no reservation		I		1
An independent accountant with a review engagement report that expressed a reservation	4	1		1
An independent accountant who conducted a compilation engagement with no review	5			1
An independent accountant with a compilation and review engagement resulting in no reservation	6	1		1
An independent accountant with a compilation and review engagement resulting in a reservation	7	1		1
Prepared by an employee/associate/management of the company, or a person for the company,				
without a review/audit by an independent accountant/auditor	8	I		1

#### Part 2 - Other information —

		Yes/	No
were notes to the interior statements prepared	101	[ Y	1
Are any values presented at other than cost (	102	[ N	1
there been a change in accounting policies since the last return?	103	[ N	1
subsequent events mentioned in the notes?	104	[ N	1
Is re-evaluation of asset information mentioned in the notes?	105	[ N	1
Is contingent liability information mentioned in the notes?	106	[ Y	1
Is information regarding commitments mentioned in the notes?	107	[ N	1
Does the corporation have investments in joint venture(s) or partnership(s)?	108	[ N	1
If "yes," are you filing financial statements of the joint venture(s) or partnership(s)?	109	[	1

T2 SCH 141 (01)

Corporate Taxprep / Taxprep des sociétés - TP-08

Although your return does not comply with the CCRA's requirements, you have

chosen to print the RSI schedules and ignore the CCRA's diagnostics. The return's

processing may be delayed because of the occurence of these diagnostics.

BN: 86656 7787 RC 0001 Taxation Year End: 2003-12-31

- **[ 001 ]** 86656 7787 RC 0001
- **[ 060 ]** 2003 01 01
- **[ 061 ]** 2003 12 31
- [**099**] TP08

### XXXXXXXXXXXX

- [002] E.L.K. Energy Inc.
- [003] 2
- [ 004 ]

### XXXXXXXXXXX

- [ **010** ]@ 2
- [ 011 ]
- [ 012 ]
- [ 015 ]
- [ 016 ]
- [ 017 ]
- [ 018 ]

2

### 020 ]*@*

- [ 021 ] \_\_\_\_\_\_ [ 022 ] \_\_\_\_\_\_
- [ 023 ]
- [ 025 ]
- [ 026 ]
- [ 027 ]
- [ 028 ]

[ 055 ]	For agency use	

	Х

[ 091 ]	
[ 092 ]	
[ 093 ]	

[ 094 ]	For agency use
[ 095 ]	
[ 096 ]	
[ 097 ]	

# Name: E.L.K. Energy Inc. BN: 86656 7787 RC 0001 Taxation Year End: 2003-12-31

- [ 031 ]@ 172 Forest Avenue
- [ 032 ]
- [035] Essex
- [036] ON
- [ 037 ]
- [038] N8M 3E4

[ 040 ]	5	[ 166 ]		[ 220 ]	
[ 043 ]		[ 167 ]		[ 221 ]	
D63 ]	2	[ 168 ]		[ 226 ]	
[ 065 ]		[ 169 ]		[ 227 ]	
[ 067 ]	2	[ 170 ]		[ 231 ]	
[ 070 ]	2	[ 171 ]		[ 232 ]	
[ 071 ]	2	[ 172 ]		[ 233 ]	1
[ 072 ]	2	[ 173 ]	1	[ 236 ]	1
[ 076 ]	2	[ 201 ]	1	[ 237 ]	1
[ 078 ]	2	[ 202 ]		[ 238 ]	
[ 080 ]	1	[ 203 ]		[ 242 ]	
[ 081 ]		[ 204 ]	1	[ 243 ]	
<b>082</b> ]	2	[ 205 ]		[ 244 ]	
[ 085 ]		[ 206 ]		[ 249 ]	
[ 150 ]	1	[ 207 ]		[ 250 ]	
[ 151 ]		[ 208 ]	1	[ 251 ]	
[ 160 ]		[ 210 ]	1	[ 252 ]	
[ 161 ]		[ 212 ]		[ 253 ]	
[ 162 ]		[ 213 ]		[ 291 ]	2
[ 163 ]		[ 216 ]		[ 292 ]	2
[ 164 ]		[ 217 ]		[ 370 ]	
[ 165 ]		[ 218 ]		[ 435 ]	

BN: 86656 7787 RC 0001 Taxation Year End: 2003-12-31

[ 438 ]		[ 957 ]	1
[ 624 ]		[ 958 ]	<u>12</u>
[ 646 ]		[ 959 ]	
[ 750 ]	ON		XXXXXXXXXXXX
[ 801 ]			
[ 815 ]			
[ 894 ]			
[ 896 ]	2		
[ 898 ]	452 326		
[ 910 ]			
914 ]			
[ 918 ]			
[ 990 ]	1		
	XXXXXXXXXXX		

- [**280**] 2
- [**281**] 2
- [ 282 ]
- [ 283 ]
- [ 284 ] ELECTRICITY
- 286 ]
- [ 288 ]
- **[ 285 ]** 100
- [ 287 ]
- [ 289 ]
- [ **950** ] SLATER
- [951] SANDRA
- [ 954 ] DIRECTOR OF FINANCE
- **[ 955 ]** 2004 04 01
- **[ 956 ]** 519 776 5291

BN: 86656 7787 RC 0001

Taxation Year End: 2003-12-31

[ 300 ]	2 016 518	[ 440 ]		[ 652 ]	
[ 311 ]		[ 445 ]		[ 700 ]	452 326
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12		[ 648 ]			XXXXXXXXXXXX

Name: E.L.K. Energy Inc.	
BN: 86656 7787 RC 0001	Taxation Year End: 2003-12-31

[ 995 ]	

### Certification

I, SANDRA SLATER am an authorized signing officer of the corporation.

certify that the following amounts are, to the best of my knowledge, correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return for the taxation year noted above.

Net income (or loss) for income tax purposes [line 200300]	2 016 518
Part I tax payable [line 200700]	452 326
Part I.3 tax payable [line 200704]	
Part II surtax payable [line 200708]	
Part IV tax payable [line 200712]	
Part IV.1 tax payable [line 200716]	
art VI tax payable [line 200720]	
Part VI.1 tax payable [line 200724]	
Part XIV tax payable [line 200728]	
Net provincial and territorial tax payable [line 200760]	32.
Provincial tax on large corporations [line 200765]	

I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

2004-04-01		DIRECTOR OF FINANCE
Date	Signature of an authorized signing officer of the corporation	Position, office or rank

BN: 86656 7787 RC 0001 Taxation Year End: 2003-12-31

- [ 702 ] Actual capital tax
- [ 703 ]
- [ 704 ]

[ 101 ]	683 000	[ 118 ]		[ 204 ]	
[ 102 ]		[ 119 ]		[ 205 ]	
[ 103 ]		[ 120 ]		[ 206 ]	
[ 104 ]	617 177	[ 121 ]		[ 207 ]	
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[ 107 ]		[ 124 ]		[ 210 ]	
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109 ]		[ 126 ]	644 766	[ 212 ]	
[ 110 ]		[ 127 ]		[ 213 ]	
[ 111 ]		[ 199 ]	380 337	[ 214 ]	
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[ 115 ]		[ 201 ]		[ 218 ]	
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[ 117 ]		[ 203 ]	**	[ 220 ]	

BN: 86656 7787 RC 0001

Taxation Year End: 2003-12-31

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BN: 86656 7787 RC 0001

**Taxation Year End: 2003-12-31** 

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Name: E.L.K. Energy Inc.	
BN: 86656 7787 RC 0001	Taxation Year End: 2003-12-31

- [ **602** ] 1.\_\_\_\_\_ \*
- [ 632 ] 1.\_\_\_\_\_ \*

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- [600] 1.\_\_\_\_\_\*
- [ 630 ] <u>1.</u> \*
- [ 660 ] 1.\_\_\_\_\_ \*

Name: l	E.L.K. Energy Inc.		
BN: 866	56 7787 RC 0001	Taxation Year End: 2003-12-3	L
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### Name: E.L.K. Energy Inc. Taxation Year End: 2003-12-31 BN: 86656 7787 RC 0001 \* 4.\_\_\_\_\_ [101] 2 [207] 1.\_\_\_\_\_ **[200]** 1. 1 2. 2. 8 3. 10 3.\_\_\_\_\_ 4.\_\_\_\_\_ \* 4. 12 \* [**213**] 1,\_\_\_\_\_ **[211]** 1. 107 879 2. 1 196 2.\_\_\_\_\_ 3. 786 3. 4.\_\_\_\_\_ \* 4. 544 \* [**215**] 1. **[212]** 1. 4 2. 20 2.\_\_\_\_\_ 3. 30 3. 4. \* 4. 100 \* XXXXXXXXXXXX **[217]** 1. 384 144 **[201]** 1. 9 495 732 2. 74 814 3, 96 132 2. 372 873 4. 1 170 \* 3. 319 655 4. 626 \* **[ 220 ]** 1. 9 327 346 2. 300 452 [203] 1. 215 758 3. 225 095 2. 2 3 9 3 4. 544 \* 3. 1 572 4. 1 088 \star XXXXXXXXXXXXX [**205**] 1. 2.\_\_\_\_\_

3. \_\_\_\_\_

Name: E.L.K. Energy Inc.	
BN: 86656 7787 RC 0001	Taxation Year End: 2003-12-31

- [ **300** ] 1. 86487 7519 RC 0001 \*
- **[400]** 1. 2 \*

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- [ 100 ] 1. E.L.K. SOLUTIONS INC. \*
- [200] 1. \_\_\_\_\_ \*
- **[ 500 ]** 1. 10 000 **\***
- **[550]** 1. 100 **\***
- [ **600** ] 1.\_\_\_\_\_\*
- [ 650 ] 1.\_\_\_\_\_ \*

10

**[700]** 1. 100 **\*** 

# Name: E.L.K. Energy Inc. BN: 86656 7787 RC 0001 Taxation Year End: 2003-12-31

- **[ 200 ]** 748 822
- [ 222 ]
- [ 224 ]
- [ 226 ]
- **[ 230 ]** 748 822

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- **. 48**]

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- **[ 250 ]** 52 418
- **[ 300 ]** 696 404

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- [ 409 ]
- [ 410 ]

# Name: E.L.K. Energy Inc. BN: 86656 7787 RC 0001 Taxation Year End: 2003-12-31

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- [ 200 ]
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Name: E.L.K. Energy Inc.	
BN: 86656 7787 RC 0001	Taxation Year End: 2003-12-31

- [002] 1.\_\_\_\_\_\*
- [ 008 ]

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- [ **003** ] 1.\_\_\_\_\_ \*
- [ 009 ]

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- [004] 1.\_\_\_\_\_\*
- [ **010** ]

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[001] 1.\_\_\_\_\_\*

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Taxation Year End: 2003-12-31 BN: 86656 7787 RC 0001

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103 ]	100	[ 490 ]	100
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107 ]			****
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112 ]		[ 713 ]	
121 ]	572 000	[ 790 ]	
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			XXXXXXXXXXXX

[ 820 ]	14 876	
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[ 870 ]		

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Name: E.L.K. Energy Inc.	
BN: 86656 7787 RC 0001	Taxation Year End: 2003-12-31

- [ 010 ]
- [020] 2
- **[ 030 ]** 2003
- **[ 300 ]** 1. 86656 7787 RC 0001
  - 2. 86487 7519 RC 0001 \*
- [ 500 ] 1.\_\_\_\_\_
  - 2. \_\_\_\_\_ \*

### XXXXXXXXXXXX

- **[ 400 ]** 1. 10 000 000
  - 2. \_\_\_\_\_ \*

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- [200] 1. E.L.K. Energy Inc.
  - 2. E.L.K. SOLUTIONS INC. \*

[ 115 ]

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[ 120 ]	
[ 220 ]	
[ 320 ]	
[ 420 ]	
[ 600 ]	6 128
[ 820 ]	3
[ 901 ]	6 125
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[ 913 ]	

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037

BN: 86656 7787 RC 0001 Taxation Year End: 2003-12-31

- [100] 1. THE CORPORATION OF THE TOWN OF ESSEX
  - 2. THE CORPORATION OF THE TOWN OF LAKESHORE
  - 3. THE CORPORATION OF THE TOWN OF KINGSVILLE \*
- [200] 1. NR
  - 2. NR
  - 3. NR \*
- [ 300 ] 1.\_\_\_\_\_

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- **[400]** 1. 38
  - 2. 24
  - 3. 38 \*
- **[ 500 ]** 1.
  - 2.
  - 3. \_\_\_\_\_ \*

BN: 86656 7787 RC 0001 Taxation Year End: 2003-12-31

[ 3640 ]	21 146 397	[ 3450 ]	855 137
	XXXXXXXXXXXX	[ 3499 ]	11 045 651
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[ 1000 ]	7 478 565		АЛЛАЛАЛАЛА
[ 1060 ]	1 802 614	[ 3500 ]	100
[ 1062 ]	2 530 295	[ 3540 ]	4 402 373
[ 1120 ]	251 137	[ 3600 ]	5 698 273
[ 1484 ]	37 200	[ 3620 ]	10 100 746
[ 1599 ]	12 099 811		XXXXXXXXXXX
[ 1600 ]	156 387		
_ 1680 ]	2 820 441	[ 3660 ]	3 623 826
[ 1681 ]	# 1 984 428	[ 3680 ]	2 074 447
[ 1740 ]	14 709 438	[ 3849 ]	5 698 273
[ 1741 ]	# 7 796 526		XXXXXXXXXXX
[ 2008 ]	17 686 266		
[ 2009 ]	# 9 780 954		
[ 2242 ]	100		
[ 2420 ]	569 174		
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[ 2589 ]	1 141 274		
2599 ]	21 146 397		
	XXXXXXXXXXX		

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[ 2600 ]

- [ 2620 ] 3 313 941
- [ 2680 ] 648 908
- [ 2861 ] 5 850 000
- [ 2961 ] 377 665
- [ 3139 ] 10 190 514
- [ 3320 ] 210 371
- [ 3322 ] 644 766

Name: E.L.K. Energy Inc.	
BN: 86656 7787 RC 0001	Taxation Year End: 2003-12-31

[ 0001 ]

[ 0002 ] MUNICIPALLY OWNED ELECTRICAL DISTRIBUTION COMPANY

[

### XXXXXXXXXXX

[ 0003 ]

### XXXXXXXXXXXX

[ 8519 ]	5 097 928
[ 9369 ]	2 757 447
[ 9899 ]	
_ 9970 ]	2 757 447
[ 9975 ]	
[ 9976 ]	
[ 9980 ]	
[ 9985 ]	
[ 9990 ]	683 000
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1 0000 1	2 074 447

[ 9368 ]	14 865 027
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[ 8813 ]	523 212
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9370]		
9659]	0	

**[ 9999 ]** 2 074 447

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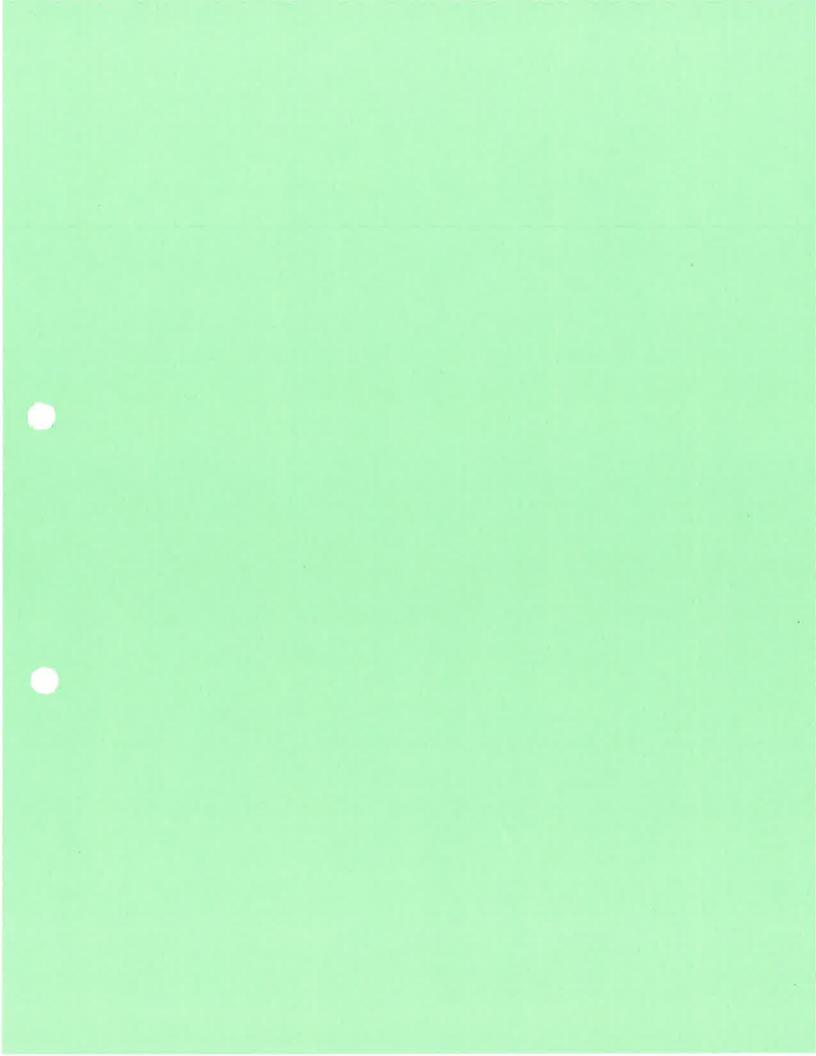
### **3000** ] 17 038 327

- **[ 8089 ]** 17 038 327
- **[ 8094 ]** 495 693
- **[ 8245 ]** 88 454
- **[ 8299 ]** 17 622 474

- [ 8300 ]
- **[ 8320 ]** 11 940 399
- **[ 8518 ]** 11 940 399
- **[ 8670 ]** 617 177

Name: E.L.K. Energy Inc.	
BN: 86656 7787 RC 0001	Taxation Year End: 2003-12-31

- [100] 1
- **[101]** 1
- [**102**] 2
- [103] 2
- [104] 2
- [105] 2
- **[106]** 1
- [107] 2
- [108] 2





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Ministry of Finance

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

This return is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-17, together with the applicable schedules on pages 18-21. Corporations that do not meet the EFF criteria but do meet the Short-18 E

#### **CT23 Corporations Tax and** 2003 For taxation years Annual Return

commencing after September 30, 2001 Corporations Tax Act - Ministry of Finance (MOF)

Corporations Information Act - Ministry of Consumer and Business Services (MCBS) (formerly Ministry of Consumer and Commercial Relations)

The Annual Return (common page 1 and MCBS Schedule A on pages 22 and 23, and Schedule K on page 24) contains non-tax information collected under the authority of the Corporations Information Act for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

B C 123 Return on pages 3-17, togener with the applicable schedul 8-21. Corporations that <u>do not</u> meet the EFF criteria but <u>do</u> mee orm criteria, may request and file the CT23 Short-Form Return (	t the Short-	Ministry Use
ICBS Annual Return Required? (Not required if already filed on Annual Return exempt, Refer	Ves No Page 1 of 24	
Corporation's Legal Name (including punctuation)		Ontario Corporations Tax Account No. (MOF)
		1800085
E.L.K. Energy Inc.		This CT23 Return covers the Taxation Year
Mailing Address		Start 2003-01-01
		Start 2003-01-01
172 Forest Avenue		year month day
		End 2003-12-31
Essex		
ON CA N8M-3E4		
Has the mailing address changed	year month day	Date of Incorporation or Amalgamation
since last filed CT23 Return?	Date of Change	year month day
F ~istered/Head Office Address		2000-01-06
Forest Avenue		
T DIEST AVEILLE		
		Ontario
Essex		Corporation No. 1395434
ON CA N8M-3E4		()
Location of Books and Records		
172 Forest Avenue		Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.
		If applicable, enter
Essex		866567787RC0001
ON CA N8M-3E4		
Name of person to contact regarding this CT23 Return	Telephone No. Fax No.	Jurisdiction
		Incorporated ONTARIO
SANDRA SLATER	519-776-5291	
Address of Principal Office in Ontario (Extra-Provincial Corpora	tions only) (MCBS)	If not incorporated in Ontario, indicate the
		date Ontario business activity commenced and ceased:
		year month day
		Commenced
ON CA -	(1000)	year month day
Former Corporation Name (Extra-Provincial Corporations only)	X Not Applicable (MCBS)	Ceased
		X Not Applicable
	No. of Schedule(s)	Preferred Language/Langue de préférence
Information on Directors/Officers/Administrators must be completed of	n MCBS	English French anglais français
Schedule A or K as appropriate. If additional space is required for Scl only this schedule may be photocopied. State number submitted (MC		Ministry use
If there is no change to the Directors'/Officers'/Administrators' inform submitted to MCBS, please X this box. Schedule(s) A and K are	ation previously No change	
	Certification (MCBS)	
I certify that all information set out in the Annual Return is	true, correct and complete.	
Name of Authorized Person (Print clearly or type in full)		
SANDRA SLATER		
D O P		
Title: X Director Officer Officer	individual having knowledge affairs of the Corporation	

Officer of the affairs of the Corporation

Note: Sections 13 and 14 of the Corporations Information Act provide penalties for making false or misleading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 3 of 24
E.L.K. Energy Inc.	1800085	2003-12-31	
E.L.K. Energy Inc. CT23 Corporations Tax Return Identification continued (for CT23 filers only) Type of Corporation – Please "X" box(es) if applicab 1 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		Ontario Retail (Use Head Offic if applicable, en	ter byer Health Tax Account No. e no.)
<ul> <li>4 Non-share Capital</li> <li>5 X Other (specify)</li> <li>Utility-MEU</li> </ul>	Share Capital with full voting rights owned by Canadian Residents	Specify major	business activity
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>Bare Trustee Corporation</li> <li>Branch of Non-resident s.63(1)</li> <li>Financial institution prescribed by Regulation only</li> <li>Investment Dealer</li> <li>Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale</li> <li>Hydro successor, Municipal Electrical Utility or subsidiary of either</li> <li>Producer and seller of steam for uses other than for the generation of electricity</li> <li>Insurance Exchange s.74.4</li> <li>Farm Feeder Finance Co-operative Corporation</li> <li>Professional Corporation (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) (Note: For discontinued businesses, see Guide.) Final Taxation Year before Amalgamation Floating Fiscal Year End	Corporation establishm Acquisition Date Cont	r Receipt of Asset(s) involving a n having a Canadian permanent nent outside Ontario n of Control fed s.249(4) rol was acquired month day
Was the corporation inactive throughout the taxation year?		Yes No	

Was the corporation inactive throughout 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
	an Overpayment?		X
	a Specified Refundable Tax Credit?		X
Are you a Member of a Partnership or Joint Venture?			x

Each Algority To All       DOLLARS ONLY         Description       DOLLARS ONLY         Series of balance induced in the predictive series and plant description of the asymptotic series and plant description	Corporation's Legal Name	Ontario	Corporations Tax Account No. (MOF) 1800085	Taxation Year End 2003-12-31	СТ23	Page 4 of 24
Albester - Provide a prince to the prince of	E.L.K. Energy Inc.		1800085	2000 12 01	<b>_</b>	
Table Control Control Control on a provide of the distance proved of the distance of the control Cont	Allocation - If you carry on a business through a pe	ermanent establishment in a jurisdiction isdiction, to that jurisdiction (s.39) (Int.B	outside Ontario, you may allocate that "3008).			DOLLARS ONLY
Tacable factors (the state is the function of data is provide out for during property (Minn States 2) States 1: Share is whether a state index of whether 2 (SA1) States 1: Share is whether a state index of whether 2 (SA1) States 1: Share is whether a state index of whether 2 (SA1) States 1: Share is whether 2 (SA1) Tacable is none (Increasing Increasing In	Net Income (loss) for Ontario purposes (per reconci	liation schedule, page 15)		±	From 690	
Default: Transle informer docubility of phate barceled 20 (vid.) 31(2)       Image: Index of the optimized of the transle informer docubility of phate barceled 20 (vid.) 31(2)       Image: Index of the optimized of the transle informer docubility of phate barceled 20 (vid.) 31(2)       Image: Index of the optimized of the transle informer docubility of phate barceled 20 (vid.) 31(2)       Image: Index of the optimized of the transle informer docubility of phate barceled and informer docubility of phate barceled and informer docubility of the optimized of transle informer docubility optin the optimized of transle informer docubi						
Descriptions protein control calls (Adde Markuk 97 (Add. 2000)       Image: Control calls (Adde Markuk 97 (Add. 2000)       Image: Control calls (Add. 2000)	Subtract: Gifts to Her Majesty in right of Canada or a	a province and gifts of cultural property	(Attach schedule 2)		2	
Decret: Folder Per (11 BK       0.       X ×4       From [Tel: 0.0]         Subted: Per year' brees spile/       Not cophriness       From [Tel: 0.0]       0.       X ×4         Subted: Per year' brees spile/       Not cophriness       From [Tel: 0.0]       0.       X ×4         Not cophriness       From [Tel: 0.0]       0.       X ×4       From [Tel: 0.0]         Not cophriness       From [Tel: 0.0]       0.       X ×4       From [Tel: 0.0]         Restrict form [Tel: 0.0]       Not cophriness       From [Tel: 0.0]       Not cophriness       From [Tel: 0.0]         Addition to back income       [D - 1] (1 (1 (1 (1 (1 (1 (1 (1 (1 (1 (1 (1 (1	Subtract: Taxable dividends deductible, per federal	T2 SCH 3			3	
Butted Proyses' bases optid - Non-capital levels $(p_{23}, q_{23}, q_$	Subtract: Ontario political contributions (Attach sche	dule 2A) (Int.B. 3002)			4	
Transition of the standard form basis       From [7:4]       0,         Part basis       S0.000000%       -         Part basis       From [7:4]       0,         Part basis       Links particular basis       From [7:4]       0,         Table basis       Links particular basis       From [7:4]       0,         Adducts basis b	Subtract: Federal Part VI,1 tax	<u> </u>			5	The second s
$\begin{aligned} & \text{Prime basise} & \text{Prime basis} & Prim basis$	Subtract: Prior years' losses applied Non-o		a a la campa a muna avan persona na como prese	****	From 704	141,203.
From base	Net c	From 715 apital losses (page 16)	0. X rate	50.00000% = -	714	
Linets particular to come (Non-deptital loss) Addition is such that the control for under formation to be found particular to the found particular to		(F=3= ···)		*******	From 724	
Tacable income Non-applie Ideal Provided Programs and Provided Provided Provided Provide	Restr	icted farm losses			From 734	
Addition to standak income for unsets foreign the detection for fielded updates Adjusted Tasable income Term Tasable income Term To of the field of the standard income for a standard for the standard income Term To of the field of the standard income for a standard for the stan	Limite	ed partnership losses			From 754	
Adjuend Taxable Income Taxable Income From Taxable Income Taxable Income Taxable Income From Taxable Income From Taxable Income Tax Payable (before deduction of tax cestle) Tax I = Taxable Income Tax Payable (before deduction of tax cestle) Tax I = Taxable Income Tax Payable (before deduction of tax cestle) Tax I = Taxable Income Tax Payable (before deduction of tax cestle) Tax I = Taxable Income Tax Payable (before deduction of tax cestle) Tax I = Tax I = TaxII Business Deduction Indite Provisions of Tex. 125(5) (not Deen applicable in the taxation year Taxable Income Inter Interve Datables Composes (IGA 122(1)) Tax I = Tax I = TaxII Business Deduction Indite Provisions of Tex. 125(5) (not Deen applicable in the taxation year Taxable Income Interve Datables Composes (IGA 122(1)) Tax I = Tax I = TaxII Business Deduction Indite Provisions of Tex. 125(5) (not Deen applicable in the taxation year Taxable Income Interve Datables Composes (IGA 122(1)) Tax I = Tax I = TaxII Business Deduction Indite Provisions of Tex. 125(5) (not Deen applicable in the taxation year Taxable Income Interve Datables Composes (IGA 122(1)) Tax I = TaxII Business Deduction Indite Provisions of Tex. 125(5) (not Deen applicable in the taxation year Taxable Income Interve Datables Composes (IGA 122(1)) Tax I = TaxII Business Deduction Indite Provisions of Tex. 125(5) (not Deen applicable in the taxation year Tax I = TaxII Business Deduction Indite Provisions of Tex. 125(5) (not Deen applicable in the taxation year TaxII = TaxII Business Deduction Indite Provisions of Tex. 125(5) (not Deen applicable in the taxation year TaxII = TaxIII				********	10	1,875,315.
Number of Days in Taustion Year         Tauable income         From 10 (or (2) if applicable)       1,875,315, x 30 100,000,0 x x 12,5000 x x 14,0000 x x 14,00000 x 14,00000 x 14,00000 x 14,0000 x x 14,0000 x x 14,0000 x x 14,	Addition to taxable income for unused foreign tax de	eduction for federal purposes		0.		
Taxable Income       1,875,315,x 32       100.000,9x,2       12,5000,8x       33       365       + 73       365         From 120 (or 22) # applicable)       1,875,315,x 32       100.000,9x,2       12,0000,9x       12,0000,9x </td <td>Adjusted Taxable Income 10 + 11 (</td> <td>if 10 is negative, enter 11)</td> <td> = 20</td> <td>1,875,315.</td> <td></td> <td></td>	Adjusted Taxable Income 10 + 11 (	if 10 is negative, enter 11)	= 20	1,875,315.		
Taxable Income       1,875,315,x 32       100.000,9x,2       12,5000,8x       33       365       + 73       365         From 120 (or 22) # applicable)       1,875,315,x 32       100.000,9x,2       12,0000,9x       12,0000,9x </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>						
1 accele in theome       indication       indi			Number	of Days in Taxation Year		
From       10 (ef 20) # speticable)       1,875,315, x       10,0,000,% x, 12,000,% x       13,365       +73,365       +73,365       ++73,365	Taxable Income					
Income Tax Payable (before deduction of tax credits)	From 10 (or 20 if applicable) 1.8	75 315 × 30 1 00 000		sectors in the sector sectors	= + 29	234,414.
From       B (or 20) if applicable)       1,875,315,*       20       100,0000 % x _ 14,0000 % x _ 14,00000 % x _ 14,00000 % x _ 14,00000 % x _ 14,000000 % x _ 14,00000 % x _ 14,000000 % x _ 14,0000000 % x _ 14,00000000 % x _ 14,00000000 % x _ 14,00000000 % x _ 14,00000000 % x _ 14,000000000 % x _ 14,000000000000000000000000000000000000			0/0X 12.0000 /0 X 40	ec 31 2003		
Income Tax Payable (before decuction of lax credits) 29 + 32 = 0 234,414. Income Tax Payable (before decuction of lax credits) 29 + 32 = 0 234,414. Incontive Deduction for Small Business Corporations (IDSBC) (s.41) ( <i>if this section is not completed, the IDSBC will be denied.</i> ) Did you claim the federal Small Business Deduction had the provisions of fed.s.125(51) not been applicable in the taxation year? (x) ves $x$ No Income from active business and other purposes (eds.125(51) not been applicable in the taxation year? (x) ves $x$ No Income from active business and other purposes (eds.125(51)) + 65 0 0. Federal Business Init for forsign tax credit (eds.125(10)) + 65 0 0. Federal Business Init for the year deducted for fortign purposes (eds.11) + 65 0. Federal Business Init for the year deducted for fortign purposes (eds.11) + 65 0. Add: Charlos enhancement of forsign tax credit (eds.125(51)) + 65 0. Add: Charlos enhancement of forsign tax credit (eds.125(51)) + 65 0. Federal Business Init for the year deducted for fortign purposes (eds.11) + 65 0. Federal Business Init for the year before the applicable of the applicable applicable of the applicable of the applicable of the appl	· · · · · · · · · · · · · · · · · · ·		and before	Jan. 1, 2005 Total Days		
Income Tax Payable (before deduction of fax credits) $22 + 32 = (2 - 234,414, 1)$ Incentive Deduction for Small Business Corporations (IDSBC) (s.41) (If this section is not completed, the IDSBC will be denied.) DId you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(1)(1) in the taxation year? (N) \ves \ket Ne  Income from acive business and eating to finderal purposes (fed.s.125(1)(1)) $(0)  (0) $	From 10 (or 20 if applicable) 1,8			0 + 73 365	= + 32	0.
Income Tax Payable (eldere deduction of tax credit)  23 + 22  Incentive Deduction for Small Business Corporations (IDSBC) (s.41)  If this section is not completed, the IDSBC will be denied)  Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(1)(a)  Did you claim the federal Small Business Deduction (fed.s.125(1)(a))  Foderal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(a))  Foderal Business of other years deducted for federal purposes (fed.s.125(1)(a))  Adv: Losses of other years deducted for federal purposes (fed.s.125(1)(a))  Adv: Losses of other years deducted for federal purposes (fed.s.125(1)(a))  Adv: Dust of the year before the applicable in the taxation year or would you have claimed		Ontario Allocatio	Π			
Income Tax Payable (eldere deduction of tax credit)  23 + 22  Incentive Deduction for Small Business Corporations (IDSBC) (s.41)  If this section is not completed, the IDSBC will be denied)  Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(1)(a)  Did you claim the federal Small Business Deduction (fed.s.125(1)(a))  Foderal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(a))  Foderal Business of other years deducted for federal purposes (fed.s.125(1)(a))  Adv: Losses of other years deducted for federal purposes (fed.s.125(1)(a))  Adv: Losses of other years deducted for federal purposes (fed.s.125(1)(a))  Adv: Dust of the year before the applicable in the taxation year or would you have claimed						
Income Tax Payable (eldere deduction of tax credit)  23 + 22  Incentive Deduction for Small Business Corporations (IDSBC) (s.41)  If this section is not completed, the IDSBC will be denied)  Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.125(1)(a)  Did you claim the federal Small Business Deduction (fed.s.125(1)(a))  Foderal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(a))  Foderal Business of other years deducted for federal purposes (fed.s.125(1)(a))  Adv: Losses of other years deducted for federal purposes (fed.s.125(1)(a))  Adv: Losses of other years deducted for federal purposes (fed.s.125(1)(a))  Adv: Dust of the year before the applicable in the taxation year or would you have claimed					- 40	234 414
Did you claim the federal Small Business Deduction (fed.s.122(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.122(5.1) not been applicable in the taxation year? Noto: Charle of the set of the se	Income Tax Payable (before deduction of tax	credits) 29 + 32	**************			204,4144
Did you claim the federal Small Business Deduction (fed.s.122(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.122(5.1) not been applicable in the taxation year? Noto: Charle of the set of the se						
Did you claim the federal Small Business Deduction (fed.s.122(1)) in the taxation year or would you have claimed the federal Small Business Deduction had the provisions of fed.s.122(5.1) not been applicable in the taxation year? Noto: Charle of the set of the se						( he denied )
the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a)) Federal Business adjustment for foreign tax credit (fed.s.125(1)(b)) + $\frac{41}{52}$ 0, $A^{++}$ Losses of other years deducted for federal purposes (fed.s.111) + $\frac{52}{52}$ 0, C Losses of other years deducted for federal purposes (fed.s.125(5.1) (not exceeding § 200,000)	Incentive Deduction for Small Bu	isiness Corporations (ID:	(SBC) (S.41)	ection is not completed, i	ine idado wi	i be demed.)
the federal Small Business Deduction had the provisions of fed.s.125(5.1) not been applicable in the taxation year? Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a)) Federal Business adjustment for foreign tax credit (fed.s.125(1)(b)) + $\frac{41}{52}$ 0, $A^{++}$ Losses of other years deducted for federal purposes (fed.s.111) + $\frac{52}{52}$ 0, C Losses of other years deducted for federal purposes (fed.s.125(5.1) (not exceeding § 200,000)	Did you claim the federal Small Business	Deduction (fed.s.125(1)) in the	taxation year or would you have	e claimed	(X) Yes	<b>V</b> No
Federal taxable income, less adjustment for foreign tax credit (fed.s. 125(1)(b)) + $\frac{51}{52}$ 0, Ar-4. Losses of other years deducted for federal purposes (fed.s. 111) + $\frac{52}{52}$ 0, ct. Losses of other years deducted for Ontario purposes (s.34) - $\frac{53}{53}$ 0, Federal Business timit for the year before the application of fed.s. 125(5.1) (not exceeding \$ 200,000)	the federal Small Business Deduction ha	d the provisions of fed.s.125(5.1	<ol> <li>not been applicable in the tax</li> </ol>	ation year?		
Federal taxable income, less adjustment for foreign tax credit (fed.s. 125(1)(b)) + $\frac{51}{52}$ 0, Ar-4. Losses of other years deducted for federal purposes (fed.s. 111) + $\frac{52}{52}$ 0, ct. Losses of other years deducted for Ontario purposes (s.34) - $\frac{53}{53}$ 0, Federal Business timit for the year before the application of fed.s. 125(5.1) (not exceeding \$ 200,000)						
A <sup>A-A</sup> Losses of other years deducted for federal purposes (fields.111) + $\frac{62}{53}$ 0, ct: Losses of other years deducted for Ontario purposes (s.34) = $\frac{53}{53}$ 0, Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding \$ 200,000) + $\frac{55}{55}$ 0, Add: Ontario enhancement of federal business limit Number of Days in Taxation Year $\int \frac{Days after}{Sept. 30, 2001 and}$ Total Days $\int \frac{Days after}{Sept. 30, 2001 and}$ Total Days $\int \frac{Days after}{Sept. 31, 2002 and}$ Total Days $\int \frac{Bays after}{Sept. 31, 2003 and}$ Total Days $\int \frac{Bays after}{Sept. 31, 2004 and}$ Total Days $\int \frac{Bays after}{$	Income from active business carried on in Canada	for federal purposes (fed.s.125(1)(a))		50	0.	
A <sup>A-A</sup> Losses of other years deducted for federal purposes (fields.111) + $\frac{62}{53}$ 0, ct: Losses of other years deducted for Ontario purposes (s.34) = $\frac{53}{53}$ 0, Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding \$ 200,000) + $\frac{55}{55}$ 0, Add: Ontario enhancement of federal business limit Number of Days in Taxation Year $\int \frac{Days after}{Sept. 30, 2001 and}$ Total Days $\int \frac{Days after}{Sept. 30, 2001 and}$ Total Days $\int \frac{Days after}{Sept. 31, 2002 and}$ Total Days $\int \frac{Bays after}{Sept. 31, 2003 and}$ Total Days $\int \frac{Bays after}{Sept. 31, 2004 and}$ Total Days $\int \frac{Bays after}{$	Enderal taxable income less adjustment for foreign	tax credit (fed s 125(1)(b))	51 0			
ct: Losses of other years deducted for Ontario purposes (s.34) Federal Business limit for the years before the application of fed.s.125(5.1) (not exceeding \$ 200,000) Add: Ontario enhancement of federal business limit Number of Days in Taxation Year $\begin{bmatrix} & & & Bays after \\ & & & Bays after \\ & & & & From & 55 & 0 + 200,000 \\ & & & & & 10 & 0 + 73 & 365 \\ & & & & & & 55 & 0 + 200,000 \\ & & & & & & & & & & & & & & & & & $						
Federal Business limit for the year before the application of fed.s. 125(5.1) (not exceeding \$ 200,000) + $\overline{55}$ 0. Ad: Ontario enhancement of federal business limit Number of Days in Taxation Year $\begin{array}{c} & & & & \\ & $						
Federal Business limit for the year before the application of fed.s. 125(5.1) (not exceeding \$ 200,000) Add: Ontario enhancement of federal business limit Number of Days in Taxation Year $\begin{bmatrix} & & & & & & & & & & & & & & & & & & & $	icit. Losses of other years deducted for only			54	0.	
Add: Ontario enhancement of faderal business limit Number of Days in Taxation Year $\begin{bmatrix}                                    $	Federal Business limit for the year before the applic				0.	5
Number of Days after Sept. 30, 2001 and Days after Sept. 30, 2001 and Total Days $28 \ 0 + 73 \ 365$ $28 \ 0 + 200,000$ =+ 43 $28 \ 0 + 73 \ 365$ $28 \ 0 + 200,000$ =+ 46 0. $100 \ 200 \ 31 \ 0 + 73 \ 365$ 0 + 200,000 =+ 46 0. 0	(not exceeding \$ 200,000)	*	55 0.			
$\begin{bmatrix} & & & & & & & & & & & & & & & & & & &$						
$\begin{bmatrix} 0 \times 28 & 0 & + & 73 & 365 \\ \times From & 55 & 0 & + & 200,000 & =+ & 43 & 0. \\ \hline Dec. 31, 2002 and & Total Days before Jan 1, 2004 & 0. \\ \hline Dec. 31, 2003 and & Total Days before Jan 1, 2004 & 0. \\ \hline Dec. 31, 2003 and & Total Days before Jan 1, 2005 & 0. + & 200,000 & =+ & 46 & 0. \\ \hline Dec. 31, 2003 and & Total Days before Jan 1, 2005 & 0. + & 200,000 & =+ & 47 & 0. \\ \hline Ontario enhancement of & 13 & 0 & + & 73 & 365 & =+ & 47 & 0. \\ \hline Ontario enhancement of & 43 & + & 46 & + & 47 & -= & 0. & 444 & 0. \\ \hline Gederal business limit & 43 & + & 46 & + & 47 & -= & 0. & 445 & 0. \\ \hline Income eligible for the IDSBC & From & 30 & 100,0000 \% \times & 56 & 0. & = & 60 & 0. \\ \hline ^{\circ} Ontario Allocation & Least of & 50 & 54 & or & 45 \\ \hline ^{\circ} Note: Ontario Allocation for IDSBC purposes may differ from & 30 & if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)). \\ \hline \end{array}$						
$\begin{bmatrix} 0 \times 28 & 0 & + & 73 & 365 \\ \times From & 55 & 0 & + & 200,000 & =+ & 43 & 0. \\ \hline Dec. 31, 2002 and & Total Days before Jan 1, 2004 & 0. \\ \hline Sec. 31, 2003 and & Total Days before Jan 1, 2004 & 0. \\ \hline Dec. 31, 2003 and & Total Days before Jan 1, 2005 & 0. + & 200,000 & =+ & 46 & 0. \\ \hline Dec. 31, 2003 and & Total Days before Jan 1, 2005 & 0. + & 200,000 & =+ & 47 & 0. \\ \hline Ontario enhancement of & 13 & 0 & + & 73 & 365 & =+ & 47 & 0. \\ \hline Ontario enhancement of & 43 & + & 46 & + & 47 & -= & 0. & 444 & 0. \\ \hline Gederal business limit & 43 & + & 46 & + & 47 & -= & 0. & 445 & 0. \\ \hline Income eligible for the IDSBC & From & 30 & 100,0000 \% \times & 56 & 0. & = & 60 & 0. \\ \hline ^{\circ} Ontario Allocation & Least of & 50 & 54 & or & 45 \\ \hline ^{\circ} Note: Ontario Allocation for IDSBC purposes may differ from & 30 & if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)). \\ \hline \end{bmatrix}$	Days after Sept. 30, 2001 and Total D	avs				
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$						
$\begin{bmatrix} & & Days after \\ Dec. 31, 2002 and \\ before Jan 1, 2004 \\ X From 55 \\ 0 + 200,000 \\ E + 46 \\ 0 + \\ \hline Dec 31, 2003 and \\ Dec 31, 2003 and \\ Total Days before Jan 1, 2005 \\ 0 + 200,000 \\ E + 47 \\ \hline Dec 31, 2003 and \\ Total Days \\ before Jan 1, 2005 \\ 0 + 200,000 \\ E + 47 \\ \hline Dec 31, 2003 and \\ Total Days \\ before Jan 1, 2005 \\ 0 + 200,000 \\ E + 47 \\ \hline Dec 31, 2005 \\ 0 + 200,000 \\ E + 47 \\ \hline Dec 31, 2005 \\ 0 + 200,000 \\ \hline Dec 31, 2003 \\ 0 + 73 \\ 36 \\ 55 \\ - 44 \\ \hline Dec 31, 2005 \\ 0 + 200,000 \\ \hline Dec 31, 2005 \\ 0 + 200,000 \\ \hline E + 47 \\ \hline Dec 31, 2005 \\ 0 + 200,000 \\ \hline E + 47 \\ \hline Dec 31, 2005 \\ 0 + 200,000 \\ \hline E + 47 \\ \hline Dec 31, 2005 \\ 0 + 200,000 \\ \hline E + 47 \\ \hline Dec 31, 2005 \\ \hline$			)_			
before Jan 1, 2004 $0 \times 31 0 + 73 365$ =+ 46 0. X From 55 0 + 200,000 =+ 47 0. Deasa after Dec 31, 2003 and Total Days before Jan 1, 2005						
$\begin{bmatrix} 0 \times 31 & 0 + 73 & 365 \\ \times From & 55 & 0 + 200,000 \\ \hline Days after \\ Dec 31, 2003 and \\ before Jan 1, 2005 \\ 0 \times 31 & 0 + 73 & 365 \\ \times From & 55 & 0 + 200,000 \\ \hline Ontario enhancement of \\ federal business limit & 43 + 46 + 47 \\ \hline Harrow & 100,000 \\ \hline Harrow &$	Dec. 31, 2002 and Total D before Jan 1, 2004	ays				
$\begin{array}{c c c c c c c c c c c c c c c c c c c $		5	2			
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$		00 _= =+ <u>46(</u>	<u>.</u>			
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	Days after Dec 31, 2003 and Total D	ays				
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	before Jan 1, 2005					
Ontario enhancement of federal business limit       43       +       46       +       47       -=       0.+       44       0.+         Business Limit for Ontario purposes       55       +       44       0.+       0.+       45       0.+         Income eligible for the IDSBC       55       +       44       -       -       0.+       45       0.+         * Ontario Allocation       Least of 50,54       -       60       0.+       0.+       60       0.+         * Note: Ontario Allocation for IDSBC purposes may differ from       30       if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).			1			
federal business limit       43       43       44	Ontario enhancement of					
Income eligible for the IDSBC From 30 100.0000 % X 56 0. = 60 0. * Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).	federal business limit 43 + 46 + 4				0.	
* Ontario Allocation Least of 50, 54 or 45 * Note: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).			100.0000			0.
			* Ontario Allocation	Least of 50, 54 o		
continued on Page 5		y differ from 30 if Taxable Incom	ne is allocated to foreign jurisdictions. S	ee special rules (s.41(4)).		

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23	Page 5 of 24
E.L.K. Energy Inc.	1800085	2003-12-31		DOLLARS ONLY
Income Tax continued from Page 4				
		mber of Days in Taxation Year	-	
Colouistics of IDSBC Bets	Sept	Days after t. 30, 2001 and Total Days re Jan 1, 2003		
Calculation of IDSBC Rate	<u> </u>	0 + 73 365	= + 79	.0000
	Dec	Days after . 31, 2002 and Total Days re Jan. 1, 2004		
*******	7.00% x 31	365 + 73 365	= + 89	7.0000
	Dec	Days after . 31, 2003 and Total Days		
	8.50 % x 34	0 ÷ 73 365	= + 90	.0000
IDSBC Rate for Taxation Year 79 + 89 + 90	*****	*******	. = 78	7.0000
Claim 60	0. X From 78	7.0000%	= 70	0.
Corporations claiming the IDSBC must complete the Surtax section to greater than the amount in 114 below.	below if the corporation's taxable income (or if associat	ted, the associated group's taxable inc	ome) is	
Surtax on Canadian-controlled priv	ate corporations (s.41.1)			
Applies if you have claimed the Incentive Deduction for Small Busin	ess Corporations.			
** Short Taxation Years - Special rules apply where the taxation year Associated Corporation - The taxable income of associated corpor * 'ion year end.	ar is less than 51 weeks for the corporation and/or any ations is the taxable income for the taxation year endi	v corporation associated with it, ng on or before the date of this corpora	ation's	
able Income of the corporation	Fr	om 10 (or 20 if applicable)	+ 80	0.
If you are a member of an associated group (X)	(Yes)			
Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End		Taxable Income (if loss, enter nil)
See attached	(ii applicable)		+ 82	27,768.
		4 (4)	+ 83	
			+ 84	0.
Aggregate Taxable Income 80 + 82 + 83	+ <u>84</u> , etc.		= 85	0.
Number of Days in Taxation	Year			
	otal Days			
Subtract:         0         x         28         0         +         73	365 = + 113 0.			
Days after Dec. 31, 2002 and	iotal Days	-		
0 x 31 0 + 73	365 = + 1150			
Days after Dec 31, 2003 and	Total Days			
before Jan 1, 2005 0 x 34 0 + 73	365 = + [116] 0.			
113 + 11	5 + 116 =0	L	- 114	0.
(If negative, enter nil)		****************	= 86	0.
	N	umber of Days in Taxation Year		
	Sept	Days after t. 30, 2001 and Total Days ore Jan 1, 2003		
Calculation of Specified Rate for Surtax	4.3330% × 28	0 + 73 365	= + 95	.0000
	Dec	Days after . 31, 2002 and Total Days		
	4.6670 <sub>%</sub> x 31	re Jan. 1, 2004 365 + 73 365	= + 96	4.6670
		Days after 31, 2003 and Total Days		
	befo	0 + 73 365	= + 97	.0000
Specified rate of surtax for Taxation Year 95 + 96	. <u>4.6670</u> % x <u>34</u>	0 + [73] 505	= 94	.0000
		nanaran termenik takini dalah dalah d		
	. X From 94 .0000 %	·····	= 87	<u> </u>
From 87	. X From 60	From 114 (	). = 88	0.
Surtax Lesser of 70 or 88			= 100	0

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	СТ2:	B Page 6 of 24
E.L.K. Energy Inc.	1800085	2003-12-31		DOLLARS ONLY
Income Tax continued from Page 5				
Additional Deduction for Credit L	Inions (s.51(4)) (Attach schedule 17)		110	0.
Manufacturing and Processing P	rofits Credit (M&P) (s.43)			
Applies to Eligible Canadian Profits from manufacturing and pro		Canada, as determined by regulation	ns.	
Eligible Canadian Profits from mining are the "resource profits fro and resource allowances but excluding amounts from sale of Ca schedule 27.	om the mining operations", as determined for Ontario depl nadian resource property, rentals or royalties, If you are c	etion purposes, after deducting deple laiming this credit, attach a copy of O	etion Intario	
The whole of the active business income qualifies as Eligible Car mining, farming, logging or fishing is 20% or less of the total activ	nadian Profits if: a) your active business income from sou e business income and b) the total active business incom	rces other than manufacturing and pr he is \$250,000 or less.	ocessing,	
Eligible Canadian Profits			+ 120	0.
Subtract: Income eligible for the Incentive Deduction for Small	Business Corporations (IDSBC)		– From 56	0.
Add: Adjustment for Surtax on Canadian-controlled private	corporations			
From 100 0. + From 30 1 (	0.0000 % + From 78 7.000	)% = 121	0.	
Lesser of 56 or 121 *0	ntario Allocation		+ 122	0.
120 - 56 + 122			= 130	0.
Taxable Income		*****************	+ From 10	1,875,315.
Subtract: Income eligible for the Incentive Deduction for Small	Business Corporations (IDSBC)		– From <u>56</u>	0.
Add: Adjustments for Surtax on Canadian-controlled privat			+ From 122	0.
		.0000%	- 140	<u> </u>
ct: Amount by which Canadian and foreign investment in	come exceeds net capital losses		- 141	1,875,315.
10 – 56 + 122 – 140 – 141			= 142	1,070,010
Claim				
Giann	Num	ber of Days in Taxation Year		
		Days after		
		: 30, 2001 and Total Days re Jan 1, 2004	·	0
143O. X From 30 1(	0.0000 % × <u>1.5000</u> % × <u>33</u>	0 ÷ 73 365	= + 154	0.
Lesser of 130 or 142	ntario Allocation			
	Dec	Days after 31, 2003 and Total Days		
[143] 0. X From [30] 1(		re Jan 1, 2005	= + 156	0.
	ntario Allocation	0 ÷ 73 365	·	
M&P claim for taxation year 154 + 156			= 160	0.
		indiations. Concentration to 42(4)	1	
* Note: Ontario Allocation for M&P Credit purposes may differ fr	om 30 if Taxable Income is allocated to foreign ju	nsaictions, See special fules (s.43(1)	)	
Includatoring and Processing Profits Credit	for Electrical Generating Corporations		= 161	0.
	for Original substance that Duradu as			
Manufacturing and Processing Profits Credit and Sell Steam for uses other than the Gener			= 162	0.
	,			
Credit for Foreign Taxes Paid (s.4	40)			
Applies if you paid tax to a jurisdiction outside Canada		h schedule).	170	0.
.,				
Credit for Investment in Small Bu	isiness Development Corpora	tions (SBDC)		
Applies if you have an unapplied, previously approved	credit from prior years' investments in new issues	of equity shares in Small Busin	iess Developme	nt Corporations.

Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)
Eligible Credit 175 0. Credit Claimed 180 0.

## Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 ..... = 190 234,414. continued on Page 7

Corporation's Legal Name	Ontario Corporations Tax Account No.	(MOF)	Taxation Year End	СТ23	Page 7 of 24
E.L.K. Energy Inc.	1800085		2003-12-31		DOLLARS ONLY
Income Tax continued from Page 6 Specified Tax Credits (Refer to Guide)					
Ontario Innovation Tax Credit (OITC) (s.43.3) Applies to res	search and development in Ontario.				
Eligible Credit From 5620 OITC Claim Form (Attach original Claim	Form)			191	0.
Co-operative Education Tax Credit (CETC) (s.43.4) Applies	s to employment of eligible students.				
				192	0.
Ontario Film & Television Tax Credit (OFTTC) (s.43.5)					
Applies to qualifying Ontario labour expenditures for eligible Canadia	an content film and television produc	tions.			
Eligible Credit From 5899 either Claim Form from Ontario Media D or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.	Development Corporation (OMDC)				
(Attach the original Certification/Claim Form received from the OMDC received from the OMDC along with a completed MOF CT Schedule				193	0.
Graduate Transitions Tax Credit (GTTC) (s.43.6)		No. of Graduates	From 6596		
Applies to employment of eligible unemployed post secondary gradu	uate.	194	0		
Eligible Credit From 6598 Summary Schedule G				195	0.
Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)					
Applies to qualifying expenditures in respect of eligible literary works	s by eligible Canadian authors.				
Finishe Credit From 6900 OBPTC Claim Form (Attach both the or	riginal Claim Form and the Certificati	on Form)		196	0.
Untario Computer Animation and Special Effects Tax Cr	edit (OCASE) (s.43.8)				
Applies to labour relating to computer animation and special effects					
Eligible Credit From 6700 Claim Form Certified by Ontario Media I	Development Corporation				
(Attach the original Claim/Certification Form with the CT23 Tax Retu				197	0.
Ontario Business-Research Institute Tax Credit (OBRIT					
Applies to qualifying R&D expenditures under an eligible research in					0
Eligible Credit From 7100 OBRITC Claim Form (Attach original Cla	aim Form)			198	0.
Ontario Production Services Tax Credit (OPSTC) (s.43.10	)				
Applies to qualifying Ontario labour expenditures for eligible product	tions where the OFTTC has not been	n claimed.			
Eligible Credit From 7300 either Claim Form from Ontario Media D or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.					
(Attach the original Certification/Claim Form received from the OMDC received from the OMDC along with a completed MOF CT Schedule	C <b>or</b> the original Certification Form 193/199, as applicable.)			199	0.
Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.	.43.11)				
'es to qualifying labour expenditures of eligible products for the					
Eligible Credit From 7400 Claim Form certified by Ontario Media				_	
(Attach original Claim/Certification Form.)				200	0.
Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)					
Applies to qualifying expenditures in respect of eligible Canadian so	und recordings.				
Eligible Credit From 7500 OSRTC Claim Form (Attach both the or	riginal Claim Form and the Certificati	on Form)		201	0.
Other (specify)	*****			201.1	0.
Total Specified Tax Credits [191] + [192] + [193] + [19	95 + 196 + 197 + 198 + 19		v] + 2011 -	= 220	0.
Specified Tax Credits Applied to reduce Income Tax		• • • • • • • • • • • •		= 225	0.
Income Tax 190 - 225 OR Enter NIL if reporting Non-Ca	apital Loss (amount cannot be nega	tive)		230	234,414.
To determine if the Corporate Minimum Tax (CMT) is applicable CMT on <b>Page 8</b> . If CMT is not applicable, transfer amount in				ne	
OR If CMT is not applicable for the current taxation year but your co	rporation has CMT Credit Carryover	s that you want to	apply to reduce		

Corporation's Legal Name	Ontario Corporations Tax Account No.	(MOF)	Taxation Year End	CT23	Page 8 of 24
E.L.K. Energy Inc.	1800085		2003-12-31		DOLLARS ONLY
Corporate Minimum Tax (CMT)					
Determination of Applicability					
Applies if either Total Assets 249 exceeds \$5,000,000 or * These amounts include the corporation's and associated corp			al assets and total revenue	е.	
Short Taxation Years - Special rules apply for determining tot period of any partnership(s)/joint venture(s) of which the corport	al revenue where the taxation year of the ration or associated corporation is a mem	corporation or ber, is less that	any associated corporation 51 weeks.	on or any fis	cal
Associated Corporation - The total assets or total revenue of before the date of the claiming corporation's taxation year end.		ets or total reve	nue for the taxation year e	ending on or	
* Total Assets of the corporation		+ 240	21,146,397.		
* Total Revenue of the corporation			•••••••	+ 241	<u> </u>
If you are a member of an associated group (x)	2 X (Yes)				
Name of associated corporation (Canadian & foreign) Acc	ario Corporations Tax ount No. (MOF) Taxation Year Enc pplicable)	1	* Total Assets	* To	otal Revenue
See attached		+ 243	384.464.+	+ 244	147,740.
ł		+ 245		+ 246	
Aggregate Total Assets 240 + 243 + 245 +	247 , etc.	+ 247	21.530.861	+ [240]	•
	_			250	17,770,214.
Subtract: Foreign Tax Credit for CMT purposes (Attach schedu           Subtract: Income Tax	2,757,447。 X From 30 gative, enter zero Ont ule) arryover, transfer 230 from Page 7 to r, complete A & B below.	ario Allocation	- From 1	77 90 80	<u>110,298.</u> <u>0.</u> <u>234,414.</u> <u>0.</u> overs, on Page 20.
CMT Credit Carryover available			From 23	807	16,246.
		awa 27509 900			
Application of CMT Credit Carryovers			+ From 1	90]	234,414.
If 276 - 277 is negative, enter NIL in 290	+ From 276 - From 277 =		<u>110,298.</u> <u>0.</u> <u>110,298.</u> – 2	90	<u>110,298.</u> 124,116.
B. Income tax (after deduction of specified credits) Subtract: CMT credit used to reduce income taxes				30	<u>234,414.</u> 16,246.
	******		= 3	20	218,168.
If A & B apply, 310 cannot exceed the lesser of 230	, 300 and your CMT credit carryover	<sup>.</sup> available	2307		Transfer lo page 17
If only B applies, 310 cannot exceed the lesser of	30 and your CMT credit carryover ava	ilable 230	7.		

2003-12-31

#### E.L.K. Energy Inc.

#### Capital Tax (Refer to Guide and Int.B. 3011)

If your corporation is a Financial Institution (s.58(2)), complete lines 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital tax for the taxation year. A Corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If

Investment Allowance is claimed. Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Inf.B. 3017).

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

Paid-up Capital of Non-resident: Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose business is not carried on solely in Canada is deemed to be the greater of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B 3010).

## **Paid-up Capital**

Paid-up capital stock (Int.B. 3012 and 3015)	+ 350 100
Retained earnings (if deficit, deduct) (Int.B. 3012)	<u>+ 351</u> <u>5,698,273</u>
€ <sup>1</sup> 'al and other surpluses, excluding appraisal surplus (Inf.B.3012)	+ 352 4,402,373
and advances (Attach schedule) (Int.B. 3013)	+ 353 6,438,036
Bank loans (Int.B. 3013)	+ 354
Bankers acceptances (Int.B. 3013)	+ 355 (
Bonds and debentures payable (Int.B. 3013)	+ 356
Mortgages payable (Int.B. 3013)	+ 357
Lien notes payable (Int.B. 3013)	+ 358 (
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013)	+ 359 - 572,000
Contingent, investment, investment, investory and similar reserves (Int.B. 3012)	+ 360 644,766
Other reserves not allowed as deductions for income tax purposes ( <i>Attach schedule</i> ) (Int.B. 3012)	+ 361
	+ 362
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	= 370 16,611,548
Subtract: Amounts deducted for income tax purposes in excess of amounts blocked (Retain calculations. Do not submit.) (Int.B. 3012)	_ 371 159,46_
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	- 372 ((
Tetal Paid-up Capital	= 380 16,771,009
ct: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	- 381
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any 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 as prescribed by regulation	_ 382(
Net Paid-up Capital	= 390 16,771,009

1800085

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

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

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ 402	0.
Mortgages due from other corporations	+ 403	0.
Shares in other corporations (certain restrictions apply) (Refer to Guide)	+ 404	100.
Loans and advances to unrelated corporations	+ 405	0.
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	+ 406	0.
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	+ 407	0.
Total Eligible Investments	= 410	100.

## continued on Page 10

Corporation's Legal N	lame	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 10 of 24
E.L.K. Energy Inc.		1800085	2003-12-31	DOLLARS ONLY
<b>Capital Tax</b>	continued from Page 9			
Total Assets (I	nt.B. 3015)			
Share of partnershi Subtract: Investmen Total Assets as ac Amounts in 360 a Subtract: Amounts Subtract: Appraisal	liabilities deducted from assets p(s)/joint venture(s) total assets (Attack in in partnership(s)/joint venture(s) <b>djusted</b> and <u>361</u> (if deducted from assets) in <u>371</u> , <u>372</u> and <u>381</u> surplus if booked ther adjustments (specify on an attacked			$\begin{array}{c} + 420 \\ - 21,146,397. \\ + 421 \\ - 0. \\ + 422 \\ - 423 \\ - 423 \\ - 423 \\ - 440 \\ - 441 \\ - 159,461. \\ - 442 \\ - 442 \\ - 0. \\ + 443 \\ - 442 \\ - 0. \\ + 443 \\ - 159,858. \end{array}$
Investment All Taxable Capita		10 No	ot to exceed 410	= 460 <u>79</u> . = 470 <u>16,770,930</u> .
Gross Revenue	(as adjusted to include the share of an	y partnership(s)/joint venture(s) Gross Revenue)	480	17,622,474.
Total Assets (as			From 430	21,146,397.
lculation	of Capital Tax for all co	orporations except Financial Instit	tutions	
Note: This version	n (2003) of the CT23 may only be use	ed for a taxation year that commenced after Septemb	oer 30, 2001.	
(Financial Institut	ions use calculations on page 13.)			
Important:	If the corporation is a family farm of Financial Institution, complete onl	corporation, family fishing corporation or a credit un y Section A below.	ion that is not a	
OR	If the corporation is NOT a membe calculations in Section B below ar the corporation.	r of an associated group and/or partnership, review id select and complete the one specific subsection (	only the capital tax e.g. B3) that applies to	5
OR	if applicable, complete Section D o	an associated group and/or partnership, complete Se r Section E on page 12. Note: if the corporation is a m 03 CT23 guide for additional instructions before com	ember of a connected	l

### SECTION A

section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial .ution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

SECTION B	S	ECT	ION	B
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This section applies if the corporation is NOT a member of an associated group and/or partnership.

B1.	If the taxation year commences after September 30, 2001 and 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.
B2.	If taxable capital, 470 on page 10, is \$5,000,000 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 \$5,000,000, complete the following calculation and transfer the amount From $523$ to $543$ on page 12, and complete the return from that point. + From $470$
** If f	loating taxation year, refer to Guide.
cont	inued on Page 11

Corporation's Legal Name	Ontario	Corporations Tax Account No. (MO	F) Taxation Year End	CT23 Page 11 of 24
E.L.K. Energy Inc.		1800085	2003-12-31	DOLLARS ONLY
<b>Capital Tax Calculation</b>	<b>on</b> continued from page 10			
SECTION C				
This section applies ONLY to a c	orporation that is a member of an assoc ou must check either <u>509</u> or <u>524</u> and I E.	iated group (exluding financ I complete this section befor	ial institutions and corpo e you can calculate your o	rations exempt from capital tax calculation
C1. 509 (X if applicable)	All corporations that you are associat	ed with <u>do not have a</u> perma	nent establishment in Car	nada.
	If taxable capital 470 on page 10 is \$5,	000,000 or less, enter NIL in [	on page 12 and comple	te the return from that point.
	If taxable capital 470 on page 10 exceed Section D and the return from that point.	eds \$5,000,000 proceed to Sec	tion D, enter \$5,000,000 in	542 Section D, and complete
C2. X 524 (X if applicable)	One or more of the corporations that	you are associated with mair	<u>ntains a permanent establ</u>	ishment in Canada.
	If the taxation year ends before January	y 1, 2003, you must complete t	he Calculation below.	
	If the taxation year ends after December allocate the \$5,000,000 taxable capital er group may file an election under subser used to allocate the taxable capital exem filed, all members of the group will then b portion (portion is henceforth referred to \$5,000,000 taxable capital exemption, to corporation's total assets multiplied by its	xemption by completing the Ca ction 69(2,1) of the Corporation ption among the associated gro- pe required to file in accordance as <b>Net Deduction</b> ) of the \$15, each corporation in the group	<i>dculation</i> below. Or, the ass as Tax Act, whereby total as oup. Once a ss.69(2.1) elect with the election and alloc: 000 capital tax effect, relating on the basis of the ratio that	ociated ssets are stion is ate a ng to the
	The total asset amounts and Ontario allo from each corporation's financial informa calendar year.	cation percentages to be used tion from its last taxation year e	for this calculation must be ending in the immediately pr	taken receding
	In addition, although each corporation in apportioned by the total asset formula, th Deduction among the group on what eve reallocated amounts does not exceed the associated group.	e group may, at the group's op r basis the corporate group wis	tion, reallocate the group's shes, as long as the total of	total Net the
Calculation Do NOT complete	this calculation if ss.69(2.1) election is	filed		
Taxable Capital From 470 on p				From 470 16,770,930.
Determine aggregate taxable ca corporations exempt from capi	apital of an associated group (excluding tal tax) and/or partnership having a peri	g financial institutions and manent establishment in Car	nada	
mes of associated corporations (exc corporations exempt form capital to wing a permanent establishment in C (if insufficient space, attach schedule)	ax) or related partners	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
See attached		· · · · · ·		+ 531 76,914.
				+ 532
				+ 533
Aggregate Taxable Capital	'0 + 531 + 532 + 533, etc.			=[540]
	bove is \$5,000,000 or less, the corporation in 523 in section D on page 12, as applie		vear, is NIL.	<u>.</u>
	bove is greater than \$5,000,000, the corpor order to calculate its Capital Tax for the tax			1
	16,770,930. + From 540	<u>16,847,844.</u> ×	5,000,000	= 541 4 , 977 , 174 . Transfer to 542 in Section D on page 12
	ilection filed. Attach a copy of the electi proceed to Section E on page 12.	on with this CT23 Return.		

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF) 1800085	Taxation Year End 2003-12-31	CT23 Page 12 of 24
E.L.K. Energy Inc.	1800085	2000-12-01	DOLLARS ONLY
Capital Tax Calculation continued from Page	11		
SECTION D			
This section applies if the corporation IS a member of an a taxable capital, 540 <i>on page 11, exceeds \$5,000,000.</i>	ssociated group and/or partnership whose total .	AGGREGATE	
Complete the following calculation and transfer the amount $\ \mbox{From}$	m 523 to 543, and complete the return from that	t point.	
+ From 470 16,770,930. - 542 4,977,174. = 471 11,793,756. x From 30		<u>365</u> 365	Total Capital Tax for the taxation year = + 523 35,381. Transfer to 543 and complete the return from that point
SECTION E			
This section applies if a corporation is a member of an ass	ociated group and the associated group has file	d a ss.69(2.1) election	
+ From 470 X From 30	<u>100.0000</u> % x <u>.3000%</u> Ontario Allocation		= + 561 0.
Capital tax deduction From 995 relating to your	corporation's capital tax deduction, on ss.69(2.1) elec	ction form F	= 562 0.
Capital Tax		<u>365</u> 365	= 563 0. Transfer to 543 and complete the return from that point.
** If floating taxation year, refer to Guide.			
P			
Capital Tax before application of specified credits Subtract: Specified Tax Credits applied to reduce capital tax	payable (Refer to Guide)		= 543 35,381. - 546 0.
Capital Tax 543 – 546 (amount cannot be negative)		********	= 550 35,381. Transfer to Page 17

Calculation of Capital Tax for Financial Institutions	
I.1. Credit Unions only	
For taxation years commencing after May 4, 1999 enter NiL in 550 on page 12, and complete the return from that point.	
I.2. Other than Credit Unions	
(Retain details of calculations for amounts in boxes $565$ and $570$ . Do not submit with this tax return.)	
565       0 + X       0.6%       X From       30	+ <u>569</u> <u>0.</u>
570       0.1       0.00 % X From       30 </td <td>+ 574 0.</td>	+ 574 0.
Capital Tax for Financial Institutions – other than Credit Unions (before Section II)	= 575 0.
** If floating taxation year, refer to Guide.	
II. Small Business Investment Tax Credit	
(Retain details of eligible investment calculation and, if claiming an investment in CSBIF, retain the original letter approving the credit issued in accordance with the Community Small Business Investment Fund Act. Do not submit with this tax return.)	
Allowable Credit for Eligible Investments	- 585 0.
Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x)	
Capital Tax – Financial Institutions 575 – 585	= 586 0. Transfer to 543 on Page12
• <b></b>	
(1) Uninsured Benefits Arrangements	= 588 0.
<ul> <li>(2) Unlicensed Insurance (enter premium tax payable in 588 and attach a detailed schedule of calculations. If subject to tax under</li> <li>(1) above, add both taxes together and enter total tax in 588 .)</li> </ul>	
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.	
Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)	- 589 0.
Premium Tax 588 - 589	= 590 0. Transfer to page 17

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DOLLARS ONLY

1800085

Ontario Corporations Tax Account No. (MOF)

Taxation Year End 2003-12-31

Corporation's Legal Name

Capital Tax continued from Page 12

-

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1		+ 600	2,016,518, Transfer lo Page 15
Add:         Federal capital cost allowance         Federal cumulative eligible capital deduction         Ontario taxable capital gain         Federal non-allowable reserves. Balance beginning of year         Federal allowable reserves. Balance end of year         Ontario non-allowable reserves. Balance end of year         Ontario allowable reserves. Balance end of year         Ontario allowable reserves. Balance beginning of year         Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)         Federal resource allowance         Federal foreign exploration and development expenses         Management fees, rents, royalties and similar payments to non-arms' length non-residents	+ 606	18, 0, 26, 0,	
Number of Days in Taxation Year         Days after         Sept. 30, 2001 and Total Days         before Jan, 1, 2004         33 $365 + 73$ $365$ Days after         Days after       Days after         Dec. 31, 2003 and Total Days       before Jan, 1, 2005         612 $0.x$ $5 + 14.0000$ X         34 $0 + 73$ $365$ = + 634	<u> </u>		
Total add-back amount for Management fees, etc.       633 + 634       =         Federal Scientific Research Expenses claimed in year from line 460 of fed, form T661         excluding any negative amount in 473 from Ont. CT23 schedule 161	0.+613 +615	0. 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 allowed federally (Attach schedule)          T - ^al of Additions       601       10       611       +       615       +       616       +       614	2 077 2	0. 70. 640	2,977,270. Transfer to Page 15
Deduct:         Ontario capital cost allowance (excludes amounts deducted under [575])         Ontario cumulative eligible capital deduction         Federal taxable capital gain         Ontario non-allowable reserves. Balance beginning of year         Ontario allowable reserves. Balance end of year         Federal allowable reserves. Balance end of year         Federal allowable reserves. Balance beginning of year         Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)         Ontario depletion allowance         Ontario current cost adjustment (Attach schedule)         Incentive for new electricity supply (section 13.6 deduction from income)         (Applies only to electrical generating corporations.)         CCA for investments in qualifying energy-efficient equipment and for assets	+ 655	18. 0. 26. 0.	

.....

681

650 to 659 + 661 + 674 + 675

Ontario Corporations Tax Account No. (MOF)

1800085

continued on Page 15

2,977,270.

Transfer to Page 15

Taxation Year End

2003-12-31

DOLLARS ONLY

# Reconcile net income (loss) for federal income tax purposes with net income (loss)

Corporation's Legal Name

E.L.K. Energy Inc.

Corporation's Legal Name		Ontario Corporations Tax Account No. (MOI	F) Taxation Year End	CT23	8 Page 15 of 24
E.L.K. Energy Inc.		1800085	2003-12-31		DOLLARS ONLY
for Ontario purposes	e (loss) for federal in s if amounts differ	come tax purposes with	n net income (loss)		
continued from Page 14				+ [000]	2,016,518.
Net Income (loss) for federal inc	come tax purposes, per federal T	2 SCH 1	Fro		25 - 220 - 740 / 2000
Total of Additions	· · · · · · · · · · · · · · · · · · ·		Fro	m = 640	2,977,270.
Subtotal of deductions on page	14 and the second and the second activities of	From :	= 681 2,977,27	<u>0.</u>	
(Applies only to those corpora	x Incentive (ONTTI) Gross-up ations whose Ontario allocation is le io) (CCA) on prescribed qualifying	ess than 100% in the current taxation ye	ear.)		
intellectual property deducted i	in the current taxation year	662 0.			
ONTTI Gross-up deduction of From Gross-up 662 0 From	o of CCA x100	From 662 0.	= 663	0.	
Workplace Child Care Tax In	ncentive	7			
Qualifying expenditures:	<u>665</u> <u>O.</u> X	30.00% × 100 From 30 100.0000 Ontario Allocation	= 666	0	
Workplace Accessibility Tax	Incentive	7			
Qualifying expenditures:	667 0. ×	From 30 100.0000	= 668	0.	
Number of L Employees accommodated	669 0	Ontario Allocation			
Ontario School Bus Safety T	Fax Incentive (OSBSTI): (Applies 1999 and before January 1, 2006.)	to the eligible acquisition of school (Refer to Guide)		_	
Qualifying expenditures:	<u>670</u> <u>0</u> ×	30.00% x 100 From 30 100.0000 Ontario Allocation	= 671	0.	
Educational Technology Tax	x Incentive: (Applies to qualifying	amounts incurred after May 2, 2000.)			
Qualifying expenditures:	- <u>0.</u> ×	15.00% x From 30 100.000 Ontario Allocation	= [673]	0.	
Ontario allowable business	investment loss		+ 678	0.	
	Expenses claimed in year in	477	* 679	0.	
	derally for an amount that was n	egative	+ 677	0.	
	lowed by Ontario (Attach schedule)		+ 664	0.	
Total of Deductions	+ 663 + 666 + 668 + 671 + 6	73 + 678 + 679 + 677 + 664	=2,977,2	7 <b>0.</b> 680	2,977,270.
Net income (loss) for	r Ontario Purposes	<b>600</b> + <b>6</b> 40 - <b>6</b> 80		= 690	<b>2,016,518,</b> Transfer to Page 4

Corporation's	Legal	Name
Corporations	regai	namo

E.L.K. Energy Inc.

Ontario corporations Tax Account No. (MOF) 1800085 Taxation Year End 2003-12-31 CT23 Page 16 of 24 DOLLARS ONLY

	Continuity of Losses Carried Forward						
·	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)	
Balance at Beginning of Year	700 (2) 141,203	710 (2)	720 (2)	730	740	750	
Add: Current year's losses (7)	701 0	711 0	721 0	731	0	[751] C	
Losses from predecessor corporations (3)	702 0	0	722 0	732 0		752	
Subtotal	703 0	0	723 0	733 0	743	753	
Subtract: Utilized during the year to reduce taxable income	704 (2) 141,203 705	715 (2) (4) 0	724 (2) 0 725	734 (2) (4) 735	744 (4) 0 745	(4) 0	
Expired during the year Carried back to prior vears to reduce	0 706 (2) to Page 17	716 (2) to Page 17	0 726 (2) to Page 17	0 736 (2) to Page 17	0 746 0		
taxable income (5)	707	717 0	727 0	737 0	0	757	
Balance at End of Year	709 (8) O	0	729 0	739	749	759 C	

:S:

- (1) 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.

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

- (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.

	Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
	9th preceding taxation year			(*) (**)	850	870
800	······································				0	0
1	1995-09-30 Bth preceding taxation year		1		7	871
·	2. 354				851	Laure and the second seco
	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	831	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
000	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
000	2002-12-31	0	0		0	0
	Current taxation year		836	846	859	879
809		<u>826</u> 0	0		0	0
	2003-12-31				· · · · · · · · · · · · · · · · · · ·	
Total		829	839	849	869	889
		0	0	0	d Comorata Tavaraa 20	0

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

1800085

Taxation Year End 2003-12-31

## E.L.K. Energy 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.
- 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 the Minister, or
- the day on which the Minister receives a request in writing from the 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 Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss	910	920	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
i) 3rd preceding	911	921	931	941
nd preceding 902	912	922	932	942
iii) 1st preceding	913 0	923	933	943 0
Total loss to be carried back	From 706	From 716	From 726 0	From 736
Balance of loss available for carry-forward	919	929	939	949

Summ	ary	
Income ta:	<b>x</b> + From 230 or 320	218,168.
Corporate	Minimum Tax + From 280	0.
Capital Ta	<b>x</b> + From 550	35,381.
Premium 7	<b>Fax</b> + From 590	0.
ı Tax	Payable = 950	253,549.
Subtract:	Payments	52,588
	Capital Gains Refund (s.48) _ 965	0.
	Qualifying Environmental Trust Tax Credit (Refer to Guide) _ 985	0.
	Specified Tax Credits (Refer to Guide) - 955	0.
	Other (specify) =	0.
Balance	= 970	200,961.
If payment	t due Enclosed * 990	200,961.
lf overpay	ment: Refund (Refer to Guide) = 975	0.
А	pply to	0.
+ Maka un	r cheque (drawn on a Canadian financial institu	(Includes credit interest)

#### Make your cheque (drawn on a Canadian financial institution) or a money order in Canadian funds, *payable to the Minister of Finance* 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)

SANDRA SLATER

Title

DIRECTOR OF FINANCE

Full Residence Address

Signature

Date
2004-04-01

Note: Section 76 of the Corporations Tax Act provides penalties for making false or misleading statements or omissions.

Light Keinstein       100005       2004-123-1       Page 16 of 24         Corporate Minimum Tax - Schodule A:       Light Keinstein       Light Keinstein       Doubles and the school of	Corporation's Legal Name	Ontario Corporations Tax Account No, (MOF)	Taxation Year End	CT2	3 Schedule A
Calculation of CMT Base Base-Shallowskie approximate coordinate by Super-Interdent of Fluancell Interductions (SF1) and on Hause Act (Catanal, Splander to control of the CAPP) Subtract (to the sector trained control on accombare with CAPP) Subtract (to the sector trained control on accombare with CAPP) Subtract (to the sector trained control on accombare with CAPP) Subtract (to the sector trained control on accombare with CAPP) Subtract (to the sector trained control on accombare with CAPP) Subtract (to the sector trained control on accombare with CAPP) Subtract (to the sector trained control on accombare with CAPP) Subtract (to the sector trained control on accombare with CAPP) Subtract (to the sector trained control on accombare with CAPP) Subtract (to the sector trained control on accombare with CAPP) Subtract (to the sector trained control on accombare with CAPP) Subtract (to the sector trained control on accombare with CAPP) Control on comparison Subtract (to the sector trained control on accombare with the income loss  Subtract (to the sector trained control on accombare with the income loss  Subtract (to the sector trained control on accombare with the income loss  Subtract (to the sector trained control on accombare with the income loss  Subtract (to the sector trained control on accombare with the income loss  Subtract (to the sector trained control on accombare with the income loss  Subtract (to the sector device) (sector than income loss  Subtract (to the sector device) (sector than income loss  Subtract (to the sector device) (sector than income loss  Subtract (to the sector device) (sector than income loss  Subtract (to the sector device) (sector than income loss  Subtract (to the sector device) (sector than income loss  Subtract (to the sector device) (sector than income loss  Subtract (to the sector device) (sector than income loss  Subtract (to the sector device) (sector than income loss  Subtract (to the sector device) (sector than income lose  Subtract (to the sector device) (sector than incom			2003-12-31		Page 18 of 24
Banks - Net incorrelates as preport accepted by Superficience of Financial Institutions (SF)       Intermediate         Not incorrelates (consequence)       2 (200)       2 . 074 . 447.         Subtract (10 the consequence)       2 (200)       0 .         Provision for accouncy of incorne tases / beside of current incorne tases       2 (200)       0 .         Banks - Statistic (consequence)       2 (200)       0 .         Dividends reacouncy of incorne tases / beside of current incorne tases       2 (200)       0 .         Dividends reacouncy of incorne tases / beside of current incorne tases       2 (200)       0 .         Dividends reacouncy of incorne tases / beside of current incorne tases       2 (200)       0 .         Dividends reacounce/secoluble divide of case 3 (200)       2 (200)       0 .         Subtract (10 the center the (loce 10 case 3 (200)       2 (200)       0 .         Subtract (200)       Carrent loce 1 case 1 (200)       0 .       2 (200)         Subtract (200)       Carrent loce 1 case 1 (200)       0 .       2 (200)       0 .         Subtract (200)       Carrent loce 1 case 1 (200)       0 .       2 (200)       0 .         Subtract (200)       Carrent loce 1 case 1 (200)       0 .       2 (200)       0 .       2 (200)         Subtract (200)       Carrent loce 1 case 1 (200)	<b>Corporate Minimum Tax - Schedule A</b>				DOLLARS ONLY
under the Jamk Act (Canada), upiquetal so consolitation/equity methods are at used.          Viet informations: dimensionalized, defamined in accordance with GAMP)       12100       2,074,447.         Subtract (to the extent reflected in net income/loss):       0       0         Provision for defamed nonze taxes (codid): horell to fulue income taxes       12000       0         Equity income/solventiable deductible under fes. 512       12000       0         Dividends research/equity income taxes       12000       0       10000         Dividends research/equity income taxes       12000       0       10000         Dividend research/equity income taxes       12000       0       10000         Dividend research/equity income for disposal est. of property for cument/prop ysm       12000 </td <td></td> <td></td> <td></td> <td></td> <td></td>					
Subtract (to the extent reflected in net income/loss): Provision for accere of income taxes / bandle of autom taxes and income taxes / bandle of autom taxes and income taxes / bandle of autom taxes and income taxes / bandle of autom taxes / bandl	Banks - Net income/loss as per report accepted by Superinten- under the Bank Act (Canada), adjusted so consolidation/equity	dent of Financial Institutions (SFI) methods are not used.			
Provision for accessory of particulars (sound): heard if dura income taxes       - 2000       0,         Bow Sol for defined income taxes       - 2000       0,         Bow Sol for accessor theorem income taxes       - 2000       0,         Bow Sol for accessor theorem income taxes       - 2000       0,         Decidend recent values (alcolub under ford, s. 13)       - 12000       0,         Decidend recent values (alcolub under ford, s. 13)       - 12000       0,         Decidend recent values (alcolub under ford, s. 13)       - 12000       0,         Bow Sol for accessor for alcolub under ford, s. 130       - 12000       0,         Provision for current taxes / cast of current torome taxes       - 12100       0,         Provision for current taxes / cast of current torome taxes       - 12100       0,         Balbotal       - 21100       0,       - 12100       0,         States of accessor for accessor	Net Income/Loss (unconsolidated, determined in accordance w	ith GAAP)		<u>+</u> 2100	2,074,447.
Provision for deterred income taxes <ul> <li>Even 0</li> <li>Even 0<!--</td--><td>•</td><td>Law 201</td><td>0</td><td></td><td></td></li></ul>	•	Law 201	0		
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Exploit State if particulations <ul> <li>Even 0.</li> <li>Even 0.</li></ul>					
Divides transmit provides the under red ± 112       • Evel       0.         Divides relevation deductible under red ± 113       • Evel       0.         Divides relevation deductible under red ± 113       • Evel       0.         Divides relevation deductible under red ± 113       • Evel       0.         Divides relevation deductible under red ± 113       • Evel       0.         Divides relevation deductible under red ± 101(1)       • Evel       0.         Subtail       • Evel       0.       • Evel       0.         Add (to extern reflected in net income/loss):       • Evel       0.       • Evel       0.         Provision for current taxes / Cast of durate income taxes       • Evel       0.       • Evel       0.         Dividend tax inder doese taxes (deltal/ cast of at net income per France/B deltant version taxes       • Evel       0.       • Evel       0.         Dividend tax       • Evel       0.       • Evel       0.       • Evel       0.         Subtail       • Evel       0.       <					
Dividends resided extractible under focs 113					
Dividend meak-elementative deductible under fed a 23(2)       +       207       0,         Redeal Part VI, ten reduct on dividues       0, x + 4       208       0,         Subtail       =       0,       200       0,         Subtail       =       0,       200       0,         Subtain       =       0,       200       0,         Subtain       =       0,       200       0,         Provision for diemed income taxes       +       2010       0,         Subtain       =       0,       0,       2010       0,         Add/Subtract:       Anounts relating to s.57.9 election/regulations for disposate of or disposate of or disposate of or 2010       -       2010       -         ** Fed.s.85       +       2118       0, or - 2121       0,       -         ** Anounts relating to s.57.9 election/regulations for disposate of or disposate of or 2010       -       2010       -         ** Anounts relati				-	
Perior Diract V1 tax set on dividends deciminal ropids, under feds. 191. (1)      X x 4					
declared and paid, under folds 191.111)       Q_x X84       + [2109]       Q_x         Add (to extent reflected in net income/loss):       + [2109]       Q_x       Q_x         Provision for current lasses / cost of current income lasses       + [2110]       Q_x       Q_x         Equiviposas from corporations       + [2110]       Q_x       Q_x         Dividends first have been deducted to arrive at hell income per Financial Statements s 07.41 (including advidual under folds.137(4.11))       + [2110]       Q_x         Subtotal       =       683., 000.4       [2110]       Q_x         Add/Subtract:       Amounts relating to s.57.9 election/regulations for current/per years       + [2100]       Q_x         ** Feds.85       + [2120]       Q_x or - [2120]       Q_x         ** Pads.85.1       + [2120]       Q_x or - [2120]       Q_x         ** Amounts relating to analyzamations (red.s.87) as presented in negulations for current/pror years       + [2120]       Q_x or - [2120]       Q_x         ** Amounts relating to induction for the statement of the obstate into the statement of the st		· · · · · · · · · · · · · · · · · · ·	0		
Subtrail       -       <	declared and paid, under fed.s.191.1(1)				0
Provision for current taxes / cost of current income taxes       + 2110       6.6.3.,000.,         Provision for deferred income taxes (bible) / cost of future income taxes       + 2112       0,         Equity losses from coproceed income taxes (bible) / cost of future income taxes       + 2112       0,         Share of partnership(s)/joint venture(s) losses       + 2112       0,         Builded       = 68.3,000,       2112       0,         Subtotal       = 68.3,000,       2112       0,         Add/Subtract:       Anounts relating to s.57.9 election/regulations for disposals etc. of property for current/pior years       + 2112       0,         ** Feds.85       - (2113)       0, or - (2127)       0,         ** Feds.85.1       + (2118)       0, or - (2127)       0,         ** Feds.85.1       + (2122)       0, or - (2122)       0,         ** Feds.85.1       + (2122)       0, or - (2122)       0,         ** Feds.85.1       + (2120)       0, or - (2122)       0,         ** Preds.810 no solves tells algorithms (bids.87) as prescribed in regulations to current/prior years       + (2120)       0,         ** Feds.8.5.1       + (2120)       - (2122)       0,       - (2122)       0,         ** Texts relating to bis 57.0 decin/regulations for disposelse to current/prior years	Subtotal		0	- [2109]	
Provision to culture labels Costs do culture line to the set of future income taxes Provision for culture (a) losses Share of partnership(s)/joint vonture(s) losses Dividends that have board adducted to arrive at nel income per Provision Statements S7.4(1)(sectuding dividends under fed.s.137(4.1)) Subtoral Add/Subtract: Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years ** Fed.s.85 ** Fed.s.85 ** Fed.s.85 ** Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years ** Fed.s.85 ** Amounts relating to an algometions (fed.s.87) as prescribed in regulations for current/prior years ** Amounts relating to an algometions (fed.s.87) as prescribed in regulations for current/prior years ** Amounts relating to an algometions (fed.s.87) as prescribed in regulations for current/prior years ** Amounts relating to an algometions (fed.s.87) as prescribed in regulations for current/prior years ** Amounts relating to an algometions (fed.s.87) as ** Control and assometions (for all the relations (for all the relations (for all the relations (for all the relations (for all the remained	Add (to extent reflected in net income/loss):				
$\begin{array}{c} 2112 \\ Equity losses from corporations \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\$	Provision for current taxes / cost of current income taxes	+ 2110		-	
Equity losses from corporations $\frac{1}{2112}$ 0, Share of partnership(s)joint verture(s) losses $\frac{1}{2113}$ 0, Dividends that have been deducid to arrive at net income per Frinandial Statements 5.7.0 election/regulations for disposals etc. of property for current/prior years $\frac{1}{2113}$ 0, Subtoal $\frac{1}{2114}$ 0, $\frac{1}{2114}$ 0, $\frac{1}{2114}$ 0, $\frac{1}{2113}$ 0, $\frac{1}{$	Provision for deferred income taxes (debits) / cost of futu	re income taxes + 21.11			
Shall of partnersingleyinin vehicle() bases Dividends that have been deducled to arrive at net income per Financial Statements 57.41.1) (excluding dividends under feds. 137(4.1)) $+ 114 0$ , $114 0$ , $683,000$ , $2116 0$ , $683,000$ , $2116 0$ , $683,000$ , $2116 0$ , $683,000$ , $2116 0$ , $683,000$ , $2116 0$ , $683,000$ , $2116 0$ , $683,000$ , $2116 0$ , $683,000$ , $2116 0$ , $683,000$ , $2116 0$ , $683,000$ , $2116 0$ , $683,000$ , $2116 0$ , $683,000$ , $2116 0$ , $683,000$ , $2116 0$ , $683,000$ , $2116 0$ , $683,000$ , $114 0$ , $1116 0$ ,	Equity losses from corporations	+ 2112		_	
Financial Statements 5.57.4(1.1) (excluding dividends under [od.s.137(4.1)) $(2115)$ 683,000, $(2115)$ 6,000, $(2$	Share of partnership(s)/joint venture(s) losses	+ 2113	0	•	
Financial Statements 5.57.4(1.1) (excluding dividends under [od.s.137(4.1)) $(2115)$ 683,000, $(2115)$ 6,000, $(2$					
Subtotal       683,000.+       2115       683,000.+         Add/Subtract:       Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years       ••       Fed.s.85       ••       2119       0.         ••       Fed.s.85       ••       2119       0.       0.       0.         ••       Fed.s.85       ••       2120       0.       0.       0.         ••       Fed.s.87       ••       2122       0.       0.       0.         ••       Fed.s.87       ••       2120       0.       0.       0.         ••       Amounts relating to maigligenations (fed.s.87) as prescribed in regulations for current/prior years       ••       2122       0.       or - (2125)       0.         ••       Amounts relating to vinde.51.3(4).1(4) and 44 for the start not otherwise deducted in determining CMT eductor + (2128)       0.       or - (2126)       0.         ••       Amounts relating to s.20(1)(c) or (d) of 1TA to the extent not otherwise deducted in determining CMT eductor extent not otherwise deducted in determining CMT eductor extent not otherwise deductors       = (2128)       0.       2(129)       0.         ••       Other adjustments       ± (2120)       = (2130)       2., 757., 447.       •         Subtotal (Additions)	Dividends that have been deducted to arrive at net incom	ne per	0		
Add/Subtract:         Anounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years         ** Fed.s.85         ** Fed.s.85         ** Fed.s.85.1         ** Fed.s.97         ** Anounts relating to analgamations (fied.s.87) as prescribed in regulations for current/prior years         ** Anounts relating to wind-ups (led.s.87) as prescribed in regulations for current/prior years         ** Anounts relating to s.57.10 election/regulations for current/prior years         ** Anounts relating to s.57.10 election/regulations for current/prior years         ** Anounts relating to s.57.10 election/regulations for current/prior years         ** Anounts relating to s.57.10 election/regulations for current/prior years         ** Anounts relating to s.57.10 election/regulations for current/prior years         ** Anounts relating to s.57.10 election/regulations for current/prior years         ** Anounts relating to s.57.10 election/regulations for current/prior years         ** Anounts relating to s.57.10 election/regulations         ** Anounts relating to s.57.10 election/regulations         ** Anounts relating to s.57.10 election/regulations         ** On election/regulations         ** Anounts relating to s.57.10 election/regulations         ** Contravise deducted in determination         ** Contravise deducted in determination         ** Contregulations         *			683,000	2115	683,000.
Amounts relating to s.57.9 election/regulations for disposals etc. of property for current/prior years ** Fed.s.85		······			
** Fed.s.85 + $\frac{2116}{2120}$ , or $-\frac{2117}{213}$ , $\frac{1}{2113}$ , $\frac{1}{2123}$ , $\frac{1}{2133}$	Add/Subtract:				
$ \begin{array}{c} 1 \\ 1 \\ 1 \\ 2118 \\ 1 \\ 1 \\ 2118 \\ 1 \\ 1 \\ 1 \\ 1 \\ 1 \\ 1 \\ 1 \\ 1 \\ 1 $	Amounts relating to s.57.9 election/regulations for dispos	als etc. of property for current/prior years			
$ \begin{array}{c} 1 \\ 1 \\ 1 \\ 2118 \\ 1 \\ 1 \\ 2118 \\ 1 \\ 1 \\ 1 \\ 1 \\ 1 \\ 1 \\ 1 \\ 1 \\ 1 $	++ <b>F</b> -4 - 05	[2116] O. er [2117]	0	20	
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years			174		
prescribed in regulations for current/prior years $\dots + [2122]$ $0 \cdot \text{or} - [2123]$ $0 \cdot o$	** Fea.s.97		, in the second s	-	
prescribed in regulations for current/prive years $\dots + \frac{2124}{2126}$ $0 \cdot \text{or} - \frac{2125}{2127}$ $0 \cdot \text{er}$ ** Amounts relating to s.57.10 election/regulations for replacement reds. 31(4). 14(6) and 44 for $\dots + \frac{2126}{2126}$ $0 \cdot \text{or} - \frac{2127}{2127}$ $0 \cdot \text{errent/prive years}$ Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income $1 - \frac{2150}{2129}$ $0 \cdot \text{errent/prive}$ Subtotal (Additions) $\dots = 0 \cdot \frac{2129}{2129}$ $0 \cdot \frac{2129}{2129}$ $0 \cdot \frac{2130}{2 \cdot 757 \cdot 447}$ , ** Other adjustments $\frac{1}{2100} - \frac{2109}{2109} + \frac{2115}{2115} + \frac{2128}{2129} \pm \frac{2130}{2130}$ $\frac{2}{2131} - \frac{2}{2} \cdot 757 \cdot 447$ , ** Share of partnership(s)/joint venture(s) adjusted net income/loss $\frac{1}{2132} = 0 \cdot \frac{2133}{2 \cdot 757 \cdot 447}$ , Adjusted net income (loss) (if loss, transfer to $\frac{2202}{202}$ in Schedule B: Continuity of CMT Losses Carried Forward, Page 19.) = \frac{2133}{2 \cdot 757 \cdot 447}, * CMT losses: pre-1994 Loss $\frac{1}{2134} = \frac{1}{2134} = \frac{1}{2} \cdot 1$	** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	+ 2122 0 • or - 2123	0	•	
for replacement re fed s. 13(4), 14(6) and 44 for $+ [2128] 0$ , or $- [2127] 0$ . Interest allowable under ss. 20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income $- [2150] 0$ , Subtotal (Additions) $- [2128] 0$ , $+ [2128] 0$ , $- [2129] 0$ , Subtotal (Subtractions) $- [2120] 0$ , $+ [2128] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2129] 0$ , $- [2130] 0$ , $- [2130] 0$ , $- [2131] 2, 757, 447$ , $- [2132] 0$ , $- [2132] 0$ , $- [2133] 2, 757, 447$ , $- [2132] 0$ , $- [2133] 2, 757, 447$ , $- [2132] 0$ , $- [2133] 2, 757, 447$ , $- [2132] 0$ , $- [2134] 0$ , $- [2136] 2, 757, 447$ .		+ 2124 0. or - 2125	0	•	
current/prior years $(1, 1, 2, 2, 2, 5, 7, 4, 4, 7, 4$		412			
Interest allowable under ss. 20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income Subtotal (Additions) =	for replacement re fed.s.13(4), 14(6) and 44 for current/prior vears	+ 2126 0. or - 2127	0	•	
otherwise deducted in determining CMT adjusted net income $-[2130]$ $C_*$ Subtotal (Additions)= $0_*$ $\frac{1}{2122}$ $0_*$ Subtotal (Subtractions)= $0_*$ $\frac{1}{2122}$ $0_*$ ** Other adjustments= $0_*$ $\frac{1}{2130}$ $\frac{1}{2130}$ Subtotal $\pm 2100 - 2109 \pm 2115 \pm 2128 - 2129 \pm 2130$ = $2131 - 2,757,447,$ ** Share of partnership(s)/joint venture(s) adjusted net income/loss $\pm 2130$ =Adjusted net income (loss) (if loss, transfer to $2202$ in Schedule B: Continuity of CMT Losses Carried Forward, Page 19.)=2133 - 2,757,447.+From $2210$ $0_*$ * CMT losses: pre-1994 Loss++ $0_*$ * CMT losses: other eligible losses++* CMT losses: other eligible losses++* CMT losses: applied cannot exceed adjusted net income or increase a loss= $0_*$ ** Retain calculations. Do not submit with this tax return.= $0_*$ CMT Base= $2,757,447.$		xtent not			
Subtotal (Subtractions) = $0_{-}$ [2129] $0_{-}$ ** Other adjustments ± [2100] - [2109] + [2115] + [2128] - [2129] ± [2130] = [2131] 2,757,447. ** Share of partnership(s)/joint venture(s) adjusted net income/loss ± [2132] 0. Adjusted net income (loss) (if loss, transfer to [2202] in Schedule B: Continuity of CMT Losses Carried Forward, Page 19.) = [2133] 2,757,447. Deduct: * CMT losses: pre-1994 Loss + From [2210] 0. * CMT losses: other eligible losses + From [2210] 0. * CMT losses applied cannot exceed adjusted net income or increase a loss +* Retain calculations. Do not submit with this tax return. CMT Rase = [2136] 2,757,447.	otherwise deducted in determining CMT adjusted net inco	ome 2150 _	0	•	
Subtotal (Subtractions) = $0_{-}$ [2129] $0_{-}$ ** Other adjustments ± [2100] - [2109] + [2115] + [2128] - [2129] ± [2130] = [2131] 2,757,447. ** Share of partnership(s)/joint venture(s) adjusted net income/loss ± [2132] 0. Adjusted net income (loss) (if loss, transfer to [2202] in Schedule B: Continuity of CMT Losses Carried Forward, Page 19.) = [2133] 2,757,447. Deduct: * CMT losses: pre-1994 Loss + From [2210] 0. * CMT losses: other eligible losses + From [2210] 0. * CMT losses applied cannot exceed adjusted net income or increase a loss +* Retain calculations. Do not submit with this tax return. CMT Rase = [2136] 2,757,447.		0		2128	0
<b>Subtotal</b> (Subtrations) $\pm$ Other adjustments $\pm$ [2130] $\pm$ [2130] $\pm$ [2130] $\pm$ [2131] $2,757,447.$ <b>Subtotal</b> $\pm$ [2100] $\pm$ [2115] $\pm$ [2128] $\pm$ [2129] $\pm$ [2130] $\pm$ [2131] $2,757,447.$ <b>**</b> Share of partnership(s)/joint venture(s) adjusted net income/loss $\pm$ [2132] $0.$ <b>Adjusted net income (loss)</b> (if loss, transfer to[2202] in Schedule B: Continuity of CMT Losses Carried Forward, Page 19.) $=$ [2133] $2,757,447.$ Deduct: $\star$ CMT losses: pre-1994 Loss $\pm$ From[2210] $0.$ $\star$ CMT losses: other eligible losses $\pm$ From[2211] $0.$ $\star$ CMT losses applied cannot exceed adjusted net income or increase a loss $\pm$ Retain calculations. Do not submit with this tax return. $=$ [2135] $2,757,447.$			0		
Subtotal $\pm$ [2100] - [2109] + [2115] + [2128] - [2129] $\pm$ [2130       = [2131] 2,757,447.         ** Share of partnership(s)/joint venture(s) adjusted net income/loss $\pm$ [2132] 0.         Adjusted net income (loss) (if loss, transfer to       [2202] in Schedule B: Continuity of CMT Losses Carried Forward, Page 19.)       = [2133] 2,757,447.         Deduct:       * CMT losses: pre-1994 Loss       + From       [2210] 0.         * CMT losses: other eligible losses       - 0.       = 0.         ** Retain calculations. Do not submit with this tax return.       = 0.       [2135] 2,757,447.	Subtotal (Subtractions)	······ = -	v	· [2120]	
Subtotal $\pm$ [2100] - [2109] + [2115] + [2128] - [2129] $\pm$ [2130] $=$ [2131] 2,757,447,*** Share of partnership(s)/joint venture(s) adjusted net income/loss $\pm$ [2132] 0.Adjusted net income (loss) (if loss, transfer to[2202] in Schedule B: Continuity of CMT Losses Carried Forward, Page 19.) $=$ [2133] 2,757,447.Deduct:* CMT losses: pre-1994 Loss $+$ From[2210] 0.* CMT losses: other eligible losses $+$ $=$ 0.[2131] 0.* CMT losses applied cannot exceed adjusted net income or increase a loss $=$ 0.[2134] 0.* Retain calculations. Do not submit with this tax return. $=$ [2135] 2,757,447.	** Other adjustments			± 2130	0.
Subtotal       1 (2100)       - (2109)       + (2113)       + (2130)         ** Share of partnership(s)/joint venture(s) adjusted net income/loss       + (2132)       0.         Adjusted net income (loss) (if loss, transfer to       (2202) in Schedule B: Continuity of CMT Losses Carried Forward, Page 19.)       = (2133)       2,757,447.         Deduct:       * CMT losses: pre-1994 Loss       + From (2210)       0.         * CMT losses: other eligible losses       + (2134)       0.         * CMT losses applied cannot exceed adjusted net income or increase a loss       = (2134)       0.         ** Retain calculations. Do not submit with this tax return.       = (2135)       2,757,447.					
Adjusted net income (loss) (if loss, transfer to       2202 in Schedule B: Continuity of CMT Losses Carried Forward, Page 19.)       = 2133 2,757,447.         Deduct: * CMT losses: pre-1994 Loss       + From 2210 0.       0.         * CMT losses: other eligible losses       - 0.       - 0.         * CMT losses applied cannot exceed adjusted net income or increase a loss       - 0.       - 2134 0.         ** Retain calculations. Do not submit with this tax return.       = 2135 2,757,447.	Subtotal ± 2100 - 2109 + 2115 + 2128 -	2129 ± 2130	******	= 2131	2,757,447.
Adjusted net income (isss) (in loss, italister to Deduct: * CMT losses: pre-1994 Loss + From 2210 0. * CMT losses: other eligible losses + 2211 0. * CMT losses applied cannot exceed adjusted net income or increase a loss + 2134 0. * Retain calculations. Do not submit with this tax return. CMT Base = 2135 2,757,447.	** Share of partnership(s)/joint venture(s) adjusted net incom	e/loss		+ 2132	0.
Adjusted net income (ibss) (in loss, iterister to Deduct: * CMT losses: pre-1994 Loss + From 2210 0. * CMT losses: other eligible losses			ward Page 10	- 2133	2,757,447.
CMT losses other eligible losses     * CMT losses applied cannot exceed adjusted net income or increase a loss     ** Retain calculations. Do not submit with this tax return.     (CMT Base)     (CMT Base)	Adjusted net income (loss) (if loss, transfer to 2202 in So	chequie B: Continuity of CMT Losses Carried For	walu, Faye 13.)		
CMT losses other eligible losses     * CMT losses applied cannot exceed adjusted net income or increase a loss     ** Retain calculations. Do not submit with this tax return.     (CMT Base)     (CMT Base)		+ From [2210]	0		
<ul> <li>CMT losses applied cannot exceed adjusted net income or increase a loss</li> <li>** Retain calculations. Do not submit with this tax return.</li> <li>CMT Base</li> </ul>					
** Retain calculations. Do not submit with this tax return. <b>CMT Base</b>	··· CIVIT IUSSES, UNER ENGINE IUSSES				0,
		increase a loss			
				2425	2 757 447
	CMT Base				and the second s

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	••••	Schedule B & C Page 19 of 24
Corporate Minimum Tax (CMT)	1800085	2003-12-31	dollars only
Schedule B: Continuity of CMT Loss	ses Carried Forward		
Balance at Beginning of year (1), (2)		+ 2201	]0.
Losses from predecessor corporations on amalgan Losses from predecessor corporations on wind-up	(3) + 2204	30.	
	ind-up (x) 2206 Yes =	0. + 2207	]0.
Adjustments (attach schedule)		<u>+</u> 2208	]0.
CMT losses available 2201 + 2207 ± 2208		= 2209	]0.
		1 <u>0.</u>	]0.
ances at End of Year (5) 2209 - 2213		= 2214	]0.
Notes:			
<ol> <li>Pre-1994 CMT loss (see s.57.1(1)) should be included in beginning of the year. Attach schedule showing compute loss.</li> </ol>	tion of pre-1994 CMT to which fe	nd indicate whether CMT losses are a ree ed.s.87 applies and/or a wind-up to which 5(8) and s.57.5(9))	
(2) Where acquisition of control of the corporation has occu CMT losses can be restricted. (see s.57.5(3) and s.57.5	(7)) income	es must be used to the extent of the less 2133 and CMT losses available 2209 2214 must equal sum of 2270 +	

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

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

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year	2260	2280
	2001-12-31	0	0
· 7	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
Less I.C.		0	0
2245	4th preceding taxation year	2265	2285
		0	0
2246	3rd preceding taxation year	2266	2286
[LLIO]		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
		2270	2290
Totals	i	0	0

e sum of amounts 2270 + 2290 est equal amount in 2214

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Schedule D & E
E.L.K. Energy Inc.	1800085	2003-12-31	Page 20 of 24
Corporate Minimum Tax (CMT)			DOLLARS ONLY
Schedule D: Continuity of CMT Cred	lit Carryovers		
Balance at Beginning of year (1)		+	2301 16,246.
Add: Current year's CMT Credit ( 280 on page 8. If n CMT Credit Carryovers from predecessor corporat	ions (2) + 2302	<u> </u>	
Amalgamation (x) 2303 Yes W	/ind-up (x) 2304 Yes	0.+	2305 0.
Adjustments (Attach schedule)		e example a receiver a rec	2306O.
CMT credit carryover available 2301 + 2305	± 2306	=	2307 <u>16,246.</u> Transfer to Page 8
Subtract:       CMT Credit utilized during the year to reduce in CMT Credit expired during the year         Subtotal	+ 2308	<u>    16,246.</u> <u>    0.</u> 16,246	2309 16,246.
Balance at End of Year (3) 2307 - 2309		erener i	2310 0.

### Notes:

(1) Where acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in 2310 must equal sum of 2370 + 2390

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

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)	
2340	9th preceding taxation year	2360	2380	
	2001-12-31	0	0	
Ĩ	8th preceding taxation year	2361	2381	
	2002-12-31	0	0	
2342	7th preceding taxation year	2362	2382	
	2003-12-31	0	0	
2343	6th preceding taxation year	2363	2383	
		0	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	,
Totals		2370	2390	The sum of amounts
		0	0	must equal amount in

70 + 2390 2310



Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)			Taxation Year End
E.L.K. Energy Inc.		1800085		2003-12-31
				1
Name of Associated Corporation (Canadian and Foreign)		Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
				+ 27,768
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
		Transfer to 85	Total	= 27,768
		Tansfer to 85	01 118 0123	21,100

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Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2003-12-31

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
E.L.K. SOLUTIONS INC.	1800362	2003-12-31	+ 384,464	+ 147.740
			+	+
			+	+
			+	+
			÷	+
		1	+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
		Totals	= 384,464 Transfer to 249 of the CT23	= 147,740 Transfer to 250 of the CT23

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Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2003-12-31

Loans or Advances Credited or Advanced to Corporation (includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)		
Shareholders' promissory notes	+	5,850,000
Current portion of cistomer deposits	+	377,665
Customer deposits	+	210,371
	+	0
	+	0
	÷	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	÷	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
	+	0
Total Transfer to 353 of the CT23	=	6,438.036

T	0	ы	4	S	9	7	80	თ	10	11	12	13
Class	Ontario	Cost of	Net	Proceeds	Ontario	50% rule	Reduced	CCA	Recapture	Terminal	Ontario	Ontario
number	unde-	acquisitions	acquisitions adjustments	of	unde -	(1/2 of	unde-	rate	of	loss	capital	unde -
	preciated	during the	(show	dispositions	preciated	the amount,	preciated	٥ŀ٩	capital		cost	preciated
	capital	year (new	negative	during the	capital	if any, by	capital		cost		allowance	capital
	cost at the	property	amounts in	year	cost	which the	cost		allowance		(column 8	cost
	beginning	must be	brackets)	(amount	(column 2	net cost	(column 6				multiplied	at the end
	of the year	available		not to	plus	of	snurm				by	of the year
	(unde-	for use)		exceed	column 3	acquisitions column 7)	column 7)				column 9;	(column 6
	preciated			the capital	or minus	exceeds					or a lower	minus
	capital			cost)	column 4	column 5)					amount)	column 12)
	cost at the				minus							
	end of the				column 5)							
	prior year's											
	CCA	See note 1				See note 2						
	schedule)	below				below						
										*******		
н	9,495,732	215,758	0	0	9,711,490	107,879	9,603,611	4	0	0	384,144	9,327,346
8	372,873	2,393	0	Ð	375,266	1,196	374,070	20	0	0	74,814	300,452
10	319,655	1,572	0	0	321,227	786	320,441	30	0	0	96,132	225,095
12	626	1,088	0	0	1,714	544	1,170	100	0	0	1,170	544
Total	10,188,886	220,811	0	0	10,409,697	110,405	10,299,292		0	0	556,260	9,853,437
	**********									*****		

ont. Sch. 008 2003-12

Year Ended:

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

Summary of Capital Cost Allowance

E.L.K. Energy Inc. Corp. Tax Acct. No. : 1800085 Note 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.

[650] on the CT23

[650]

[650]

Enter in boxes

(Canada) List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act" Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3 If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss. CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver. 3-2003

Ø	Ontario
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## Ontario Cumulative Eligible Capital Deduction Schedule 10

#### or taxation years 2000 and later)

(For t	axation	years	2000	and	later)	

Corporation's Legal Name	Ontario Corporations Tax Account No. Taxation Year End (MOF)
E.L.K. Energy Inc.	1800085 2003-12-31
<ul> <li>For use by a corporation that has eligible capital property.</li> </ul>	
• A separate cumulative eligible capital account must be kept for each business.	
Part 1 - Calculation of current year deduction and carry-forward	
Ontario Cumulative eligible capital - balance at end of preceding taxation year (if negative, enter zero)	
Add: Cost of eligible capital property acquired during the taxation year	0 <sup>B</sup>
Amount transferred on amalgamation or wind-up of subsidiary	0 <sup>°</sup>
Other adjustments +	$\begin{array}{c} 0^{D} \\ 0 \end{array} \times 0.75 = 0 \end{array}$
Total of B + C + D =	
Subtotal A + E	= 748,822
<b>Deduct:</b> Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year +	0 <sup>G</sup>
The gross amount of a reduction in respect of a forgiven debt obligation	0 H
as provided for in subsection 80(7) of the <i>Income Tax Act</i> (Canada)	0 1
Total of G + H + I = [	0 X 0.75 = 0
Ontario cumulative eligible capital balance F – J	
If K is negative, enter zero at line M and proceed to Part 2	
	(
Current year deduction 748,822 X 7.00% *	=52,418
* The maximum current year deduction is 7%. However, you can claim any amount up to the maximum	Enter amount in box 651 of the CT23
Ontario cumulative eligible capital - closing balance K – L (if negative, enter zero)	= 696,404 <sup>N</sup>
Note: Any amount up to the maximum deduction of 7% may be claimed. Taxation years starting after I	December 21, 2000, the
deduction may not exceed the maximum amount prorated for the number of days in the taxation	year divided by 365 or 366 days.
Part 2 - Amount to be included in income arising from disposition	
Only complete this part if the amount at line K is negative	
Amount from line K above (show as a positive amount)	0'
Total cumulative eligible capital deductions from income for axation years beginning after June 30, 1988	01
rotal of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA	0 <sup>2</sup>
Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988	
Negative balances in the cumulative eligible capital account	
that were included in income for taxation years beginning 04 before July 1, 1988	
Line 3 deduct line 40	05
Total lines 1 + 2 + 5	0,6
Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000	07
Deduct line 7 from line 6	0
N - O (cannot be negative)	
Amount on line 5 0 X 1/2	
P - Q	0
Amount on line R 0 X 2/3 *	
Lesser of line N or line O	
Amount to be included in income S + T	0

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



## **Taxable Capital of Associated Corporations**

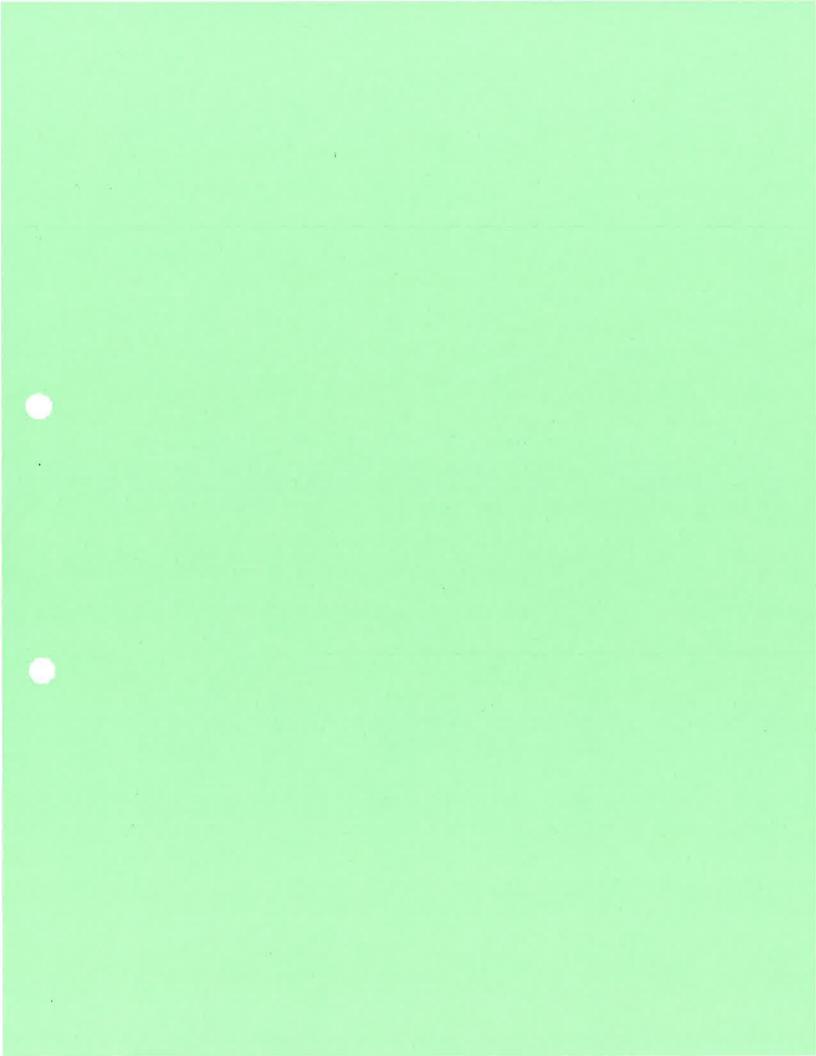
(Applicable to an associated group that has a permanent establishment in Canada)

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	
E.L.K. Energy Inc.	1800085	2003-12-31	

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 (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
E.L.K. SOLUTIONS INC.	1800362	2003-12-31	+ 76,914
			+
			+
			+
			+
			+
			+
			+
			( <del>+</del>
			+
			÷
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
	Aggrega	te of taxable capital Transfer	= 76,914 to box 540 of the CT23



E.L.K. Energy Inc. Account/Business No.: 866567787RC0001	Year Ended:	Instal-1 2003-12-31

- FEDERAL TAX INSTALMENTS

For The Taxation Year Ended: 2004-12-31

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made either to an authorized financial institution or filed with form T9 (instalment form) and addressed to the appropriate Revenue Canada Taxation Centre.

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
2004-01-31	. 37,694	0	0	37,694
2004-02-29	37,694	0	0	37,694
2004-03-31	37,694	0	0	37,694
2004-04-30	37,694	0	0	37,694
2004-05-31	37,694	0	0	37,694
^^04-06-30	37,694	0	0	37,694
)4-07-31	37,694	0	0	37,694
2004-08-31	37,694	0	0	37,694
2004-09-30	37,694	0	0	37,694
2004-10-31	37,694	0	0	37,694
2004-11-30	37,694	0	0	37,694
2004-12-31	37,694	0	0	37,694
Total	452,328	0		452,328

Page 1 of (1 or 3)

Fed.

Corporate Taxprep / Taxprep des sociétés - TP-08

E.L.K. Energy Inc. Account/Business No.:866567787RC0001 Year	Ended:	2003-12-	Instal-Fed.
Indicate Instalment Method Chosen [1-3]: 1 1st Instalment Base Method			
If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.) $1$			
— 1. 1st INSTALMENT BASE METHOD			
1st Instalment Base Amount (Amount (I) Below)	452,326 /	12 =	37,694
	Monthly Instal	ments Required	37,694
2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD     2nd Instalment Base Amount: Indicate:     Part   Tax Part I.3, VI & VI.I Tax Provincial Tax	0 11,648 0		
Total	11,648 /	12 = (A)	971
Less: 1/12 of Estimated Current Yr Credits [(H) below / 12]			0
Each of the first 2 Instalment Payments			
Total tax from (I) below			
	450,384	10 =	45,039
Each of the remaining 10 Instalment Payments			45,039
- 3. ESTIMATED TAX METHOD			
Instalment Base Amount (Amount (I) Below)	•5:	0 / 12 =	= 0
	Monthly Instal	ments Required	0
			Page 2 of 3

# E.L.K. Energy Inc. Account/Business No.: 866567787RC0001

Year Ended:

Instal-Fed. 2003-12-31

INSTALMENT BASE CALCULATION		
	1st Instalment Base Method	Estimated Tax Method
Taxable Income	1,875,315	0
CALCULATION OF TAX PAYABLE Total of:		
Federal Part I Tax.       Federal Part I Tax.         Federal Surtax.       Refundable Tax on a CCPC's Investment Income.	712,620 21,004 0	0 0 0
Subtotal (A)	733,624	0
Less Total of: Small Business Deduction	0 0 187,532 0 0 93,766 0 0	0 0 0 0 0 0 0 0 0
Investment ax credit per Schedule ST and         resource deduction	0 0 281,298	0 0 0
Total Part   Tax Payable.       (A) - (B)       = (C)         Add:       Part I.3 Tax.       (D)         Part VI Tax.       (D.1)         Part VI.I Tax.       (D.2)         Provincial/Territorial Tax.       (E)	452,326 0 0 0 0	0 0 0 0 0
Parts I, I.3, VI, VI.I and Provincial/Territorial Tax = (F)	452,326	0
stment for Short Taxation Years: x عن5/# of days in year if < 365	365 / 365 452,326	365 / O O
Less - Estimated Current Year Credits: Investment Tax Credit Refund	0 0 0	0 0 0
Provincial and Territorial Capital Gains Refund	0 0 0 0	0 0 0 0
Total Estimated Current Year Credits         (H)	0	0
INSTALMENT BASE AMOUNT	452,326	0

Page 3 of 3

E.L.K.	. Ene	ergy I	nc.	
Corp.	Tax	Acct.	No.	:1800085

Year Ended:

2003-12-31

## - ONTARIO TAX INSTALMENTS

## For The Taxation Year Ended: 2004-12-31

The following is a list of Ontario instalments payable for the current taxation year. The last column indicates the instalments payable to the Ontario Ministry of Revenue. The instalments are due no later than on the dates indicated otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Minister of Finance. Payment may be made either to a chartered bank in Ontario or filed with an instalment form and addressed to:

> Ministry of Revenue (Ontario) **Corporation Tax Branch** P.O. Box 620 33 King Street West Oshawa, Ontario L1H 8E9

#### **Quarterly Instalment**

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
2004-03-31	- 0	0	0	0
2004-06-30	0	0	0	0
2004-09-30	0	0	0	0
2004-12-31	Õ	Ō	0	0
	0	0		0
		===========		==========

	Instalments	Instalments Paid	Cumulative Difference	Instalments Payable
Date	Required	Palo	Difference	
2004-01-31	21,130	0	0	21,130
2004-02-29	21,130	0	0	21,130
2004-03-31	21,130	0	0	21,130
)4-04-30	21,130	0	0	21,130
2004-05-31	21,130	0	0	21,130
2004-06-30	21,130	0	0	21,130
2004-07-31	21,130	0	0	21,130
2004-08-31	21,130	0	0	21,130
2004-09-30	21,130	0	0	21,130
2004-10-31	21,130	0	0	21,130
2004-11-30	21,130	0	0	21,130
2004-12-31	21,130	0	0	21,130
Total	253,560	0		253,560
				=========

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver. 3-2003 Page 1 of (1 or 3)

E.L.K. Energy Inc. Corp. Tax Acct. No. :1800085 Yea	r Ended:	In 2003-12-31	stal-Ont.
ndicate Instalment Method Chosen [1-3]: $1$			
I. 1st Instalment Base Method 2. Combined 1st and 2nd Instalment Base Method 3. Estimated Tax Method			
Do not used the quarterly payment even if applicable "X" to continue monthloayments	y 		[]
f instalments are starting late, indicate the MONTH in which you want them o start (1=January, 2=February, etc.) 1			
- 1. 1st INSTALMENT BASE METHOD			
1st Instalment Base Amount (Amt (I) Below)	253,549 /	12 =	21,130
	Monthly Ins	alments Required	21,130
	Quarterly Ins	alments Required	0
— 2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD			
2nd Instalment Base Amount:			
Indicate: Income Tax, C.M.T	16,246 28,644		
Total	44,890	/ 12 = (A)	3,741
Each of the first 2 Instalment Payments		= (B)	3,741
Total tax from (I) below	253,549 7,482		
	246,067	/ 10 =	24,607
Each of the remaining 10 Instalment Payments			24,607
	Quarterly Instalme		0
Instalment Base Amount (Amt (I) Below)	0	/ 12 =	0
	Monthly Ins	talments Required	0
	Quarterly Ins	talments Required	0
	CCH Canadian Ltd (	Corporate Taxprep, 200	03 CT23, ver. 3-200

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver. 3-2003 Page 2 of 3

Instal-Ont. E.L.K. Energy Inc. 2003-12-31 Corp. Tax Acct. No. :1800085 Year Ended: - INSTALMENT BASE CALCULATION Estimated 1st Instalment Tax Method Base Method 0 1,875,315 \_\_\_\_\_\_ =========== CALCULATION OF TAX PAYABLE 234,414 0 (A) Gross Ontario Tax..... Less Total of: 0 0 Incentive Deduction for an S.B.C., net of surtax..... 0 0 0 0 0 0 Credit for Investment in S.B.D.C.... 0 0 0 0 ---0 0 (B) 234,414 0 Income Tax.....(A) **=**2 (C) (B) 12 0 35,381 (D) Capital Tax.... **:** 0 -16,246 (E) Corporate minimum tax paid (credited)..... 0 0 Premium Tax..... (F) ------0 253,549 (C+D+E+F) = (G) Total Income Tax and Other Taxes Adjustment for Short Taxation Years 365 1 365 1 365 365 0 253,549 (H) 0 0 -----\_\_\_\_\_ 0 253,549 (I) \_\_\_\_\_ ===========

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

Solution State Corporations Tax Brance Corporations Tax Brance PO Box 620 33 King Street West Oshawa ON LIH BE9	Hydro PIL	Electricity . 998	of Account Corporations Tax Act, R.S.O. to and including 2004/07	
-		Account No.	Statement Date (year, month, day)	Page
EL.K. ENERGY INC.		1800085	2004/07/09	1 of 1 BIC
TRANSACT	IONS BY ASSESSED	TAXATION YEAR	ीरम	This
FFEC., ve DATE ID NUMBER DESCRIPTION 2004/06/05 OPENING BALANCE FOR 2004/06/24 47 return assess 2004/06/24 48 interest - asse 2004/07/09 50 interest * BALANCE DUE **	ment	AMOUNT 705,875.000 √705,875.00 4,306.01 13.12		
TRANSACTIO	ONS BY UNASSESSED	TAXATION YEAR		
2004/06/05 OPENING BALANCE FOR 2004/07/05 49 PIL payment BALANCE	8: 2004/12/31	127,072.000 <u>58,824.000</u> 185,896.000	CR	
**Remember to include additional intere the balance is compounded daily from th payment is received by the Ontario Elec The current interest rate is 0.0191780%. The 2001 Ontario Budget simplified insta with total tax payable in the current or p less than \$10,000. For tax years commer now pay quarterly instalments.	ne date of this Notice/ tricity Financial Corpo alment requirements for receding year of \$2,0	Statement until bration (OEFC) or corporations 00 or more and		
				• • • •
		a standarda Angeleria	• •	•
	2 v	•		
•.		<b>-</b> .		
ax (Re)Assessment Enquiries: • Toronto (416) 730-5585 • FAX (416) 730-5593	Account Billing Enqui • Oshawa and Local • Toronto (416) 920-5		0-262-0784 ext. 3036	003 PX5000
	0000138			

Vagreed to tax returns filed for 2004.

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1	
2	APPENDIX 9-Q
3	2004 Audited Financial Statements, Tax Returns and Assessment

Non-Consolidated Financial Statements of

## E.L.K. ENERGY INC.

Year ended December 31, 2004

## AUDITORS' REPORT TO THE DIRECTORS

We have audited the non-consolidated balance sheet of E.L.K. Energy Inc. as at December 31, 2004 and the non-consolidated statements of earnings, retained earnings and cash flows for the year then ended. These non-consolidated financial statements have been prepared for tax return filing purposes. These non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance the basis of accounting described in note 1 to the non-consolidated financial statements.

These non-consolidated financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are intended for the information and use of the Directors of E.L.K. Energy Inc. and the federal and provincial income tax authorities for income tax purposes. The non-consolidated financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

KPMG LLP

**Chartered Accountants** 

Windsor, Canada March 9, 2005

# E.L.K. ENERGY INC.

Non-Consolidated Balance Sheet

December 31, 2004, with comparative figures for 2003

	2004	2003
Assets		
Current assets:		
Cash:		
Unrestricted	\$ 6,202,997	\$ 6,552,279
Restricted	926,286	926,286
Accounts receivable	1,686,887	1,746,664
Work in process	21,738	55,950
Prepaid expenses	73,547	37,200
Unbilled revenue	2,753,894	2,530,295
Inventories	338,326	251,137
	12,003,675	12,099,811
Capital assets, at cost (note 3)	18,102,055	17,686,266
Less accumulated amortization	10,388,863	9,780,954
	7,713,192	7,905,312
Regulatory assets (note 4)	46,502	569,174
Future payments in lieu of income taxes (note 12)	990,000	572,000
Investment in subsidiary – E.L.K. Solutions Inc.	100	100
	\$ 20,753,469	\$ 21,146,397

	2004	2003
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,561,458	\$ 3,313,941
Payment in lieu of income taxes payable	360,515	648,908
Current portion of customer deposits	340,419	377,665
Shareholders' promissory notes (note 5)	5,200,000	5,850,000
	8,462,392	10,190,514
Long-term liabilities:	0 40 000	010 071
Customer deposits	248,996	210,371
Employee future benefits (note 6)	653,229	644,766
	902,225	855,137
Shareholders' equity:		
Share capital (note 7)	100	100
Retained earnings	6,986,379	5,698,273
Contributed surplus	4,402,373	4,402,373
i	11,388,852	10,100,746
Contingency (note 8)		
	\$ 20,753,469	\$ 21,146,397

See accompanying notes to non-consolidated financial statements.

# E.L.K. ENERGY INC.

Non-Consolidated Statement of Earnings

## Year ended December 31, 2004, with comparative figures for 2003

	2004	2003
Service revenue	\$ 16,227,060	\$ 17,454,657
Service revenue adjustment	223,599	(416,330)
	16,450,659	17,038,327
Cost of electricity	12,574,922	11,940,399
Gross margin on service revenue	3,875,737	5,097,928
Other operating revenue:		
Interest and other	445,719	495,693
Late payment charges	67,219	88,454
	512,938	584,147
	4,388,675	5,682,075
Expenditures:		
Administration	705,839	679,507
Billing and collecting	521,215	523,212
Amortization	607,909	617,177
Interest	428,047	465,762
Operations and maintenance	447,559	638,970
	2,710,569	2,924,628
Income before payments in lieu of income taxes	1,678,106	2,757,447
Payments in lieu of income taxes:		
Current	808,000	683,000
Future	(418,000)	_
	390,000	683,000
Net earnings	\$ 1,288,106	\$ 2,074,447

See accompanying notes to non-consolidated financial statements.

# E.L.K. ENERGY INC.

Non-Consolidated Statement of Retained Earnings

Year ended December 31, 2004, with comparative figures for 2003

	2004	2003
Balance, beginning of year	\$ 5,698,273	\$ 3,623,826
Net earnings	1,288,106	2,074,447
Balance, end of year	\$ 6,986,379	\$ 5,698,273

See accompanying notes to non-consolidated financial statements.

Non-Consolidated Statement of Cash Flows

Year ended December 31, 2004, with comparative figures for 2003

	2004	2003
Cash provided by (used in):		
Operations:		
Net earnings	\$ 1,288,106	\$ 2,074,447
Items not involving cash:		
Amortization of capital assets	607,909	617,177
Increase in employee future benefits	8,463	5,661
Future payments in lieu of income taxes	(418,000)	-
Changes in non-cash operating working capital	(1,331,268)	954,246
	155,210	3,651,531
Financing:		
Decrease in shareholders' promissory notes	(650,000)	(650,000)
Increase (decrease) in long-term customer deposits	38,625	(41,957)
	(611,375)	(691,957)
Investing:		
Capital assets additions, net	(415,789)	(220,810)
Decrease in regulatory assets	522,672	297,532
	106,883	76,722
Increase (decrease) in cash	(349,282)	3,036,296
Cash, beginning of year	7,478,565	4,442,269
Cash, end of year	\$ 7,129,283	\$ 7,478,565

See accompanying notes to non-consolidated financial statements.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2004

E.L.K. Energy Inc. supplies and distributes electric power and maintains electrical distribution systems in the following communities: Essex, Harrow, Belle River, Comber, Kingsville, and Cottam.

E.L.K. Energy Inc. also performs the billing function for the Municipality of the Town of Essex Water Department.

#### 1. Basis of presentation:

The non-consolidated financial statements have been prepared in accordance with the significant accounting policies set out below. These non-consolidated financial statements materially differ from Canadian generally accepted accounting principles because they are non-consolidated. The Company's investment in its wholly-owned subsidiary, E.L.K. Solutions Inc., is accounted for using the cost method. Earnings from the investment are recognized only to the extent dividends are received or receivable. Consolidated financial statements are available for distribution.

#### 2. Significant accounting policies:

(a) Restricted cash:

Included within the cash balance is an amount of \$926,286 which consists of an irrevocable standby letter of credit issued in favour of the Independent Electricity Market Operator ('IMO") as collateral in support of the Company's purchase of electricity.

(b) Inventories:

Inventories are valued at the lower of cost and market.

(c) Capital assets:

Capital assets are stated at cost. Buildings, plant and equipment and the transmission and distribution system are amortized on the straight-line basis at rates suggested by the Ontario Energy Board. These rates of amortization range from 2% to 25%.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2004

#### 2. Significant accounting policies: (continued)

(d) Revenue recognition:

Revenue from the sale of electrical energy is recognized when power is delivered to customers. Billings from the last meter reading date prior to December 31 are adjusted based on a number of factors to reflect estimated usage to the year end date. These estimates are reflected on the balance sheet as unbilled revenue. Unbilled revenue is the amount of electricity that has been shipped to customers but not billed by the end of the year.

(e) Employee future benefits:

The Company provides post retirement benefits for employees who retire from active employment. The Company measures the costs of its obligation based on its best estimate.

The Company accrues its obligations under employee benefit plans as the employees render the services necessary to earn employee future benefits.

The cost of retirement benefits earned by employees is actuarially determined using the projected cost method pro rated on service and the actuary's best estimate of expected plan investment performance, salary escalation, retirement ages of employees and expected health care costs.

Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

(f) Payments in lieu of taxes ("PILs"):

The Company is currently exempt from taxes under the Income Tax Act (Canada) ("ITA") and the Ontario Corporations Tax Act ("OCTA").

Pursuant to the Electricity Act, the Company is required to compute taxes under the ITA and OCTA and remit such amounts thereunder computed to the Ministry of Finance (Ontario). These amounts, referred to as PILs under the Electricity Act, are applied to reduce certain debt obligations of the former Ontario Hydro continuing as Ontario Electricity Financial Corporation.

The Company provides for amounts in lieu of corporate income taxes using the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2004

#### 2. Significant accounting policies: (continued)

(f) Payments in lieu of taxes ("PILs"): (continued)

Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

(g) Pension plan:

The Company provides a pension plan for its employees through the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The Fund is a contributory defined benefit pension plan.

(h) Customer deposits:

Customer deposits comprise cash collections from electricity customers which are applied against any unpaid portion of individual customer accounts. Customer deposits in excess of unpaid account balances are refundable to individuals upon termination of their electricity service.

(i) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of the financial statements. Certain estimates are also required as regulations, which will ultimately determine the actual results, have yet to be finalized and are dependent on the completion of regulatory proceedings or decisions. Due to these uncertainties, actual results reported in future periods might differ from those estimates.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2004

#### 3. Capital assets:

					2004	2003
		Cost		nulated tization	Net book value	Net book value
Land Building, plant and	\$	156,387	\$	_	\$ 156,387	\$ 156,387
equipment Transmission and		2,960,271	2,1	62,535	797,736	836,013
distribution system	1	4,985,397	8,2	226,328	6,759,069	6,912,912
	\$ 1	8,102,055	\$ 10,3	888,863	\$ 7,713,192	\$ 7,905,312

#### 4. Regulatory assets:

	2004	2003
Transition costs	\$ 255,488	\$ 425,180
Post-market opening retail settlement variances	(208,986)	143,994
	\$ 46,502	\$ 569,174

Regulatory assets represent costs incurred by the Company for the purpose of supporting the deregulation of the electricity industry in Ontario. These amounts have been accumulated pursuant to regulation underlying the Electricity Act ("EA") and deferred in anticipation of their future recovery in electricity distribution charges.

Transition costs represent specific and incremental costs to the Company for systems and process changes to support the opening of the competitive electricity market in Ontario on May 1, 2003 ("Market Opening"). These costs have been deferred pursuant to regulation underlying the Electricity Act and are subject to review and approval for recovery by the OEB. Expenditures determined to be ineligible for recovery will be expensed in the period of such determination.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2004

#### 4. Regulatory assets: (continued)

Post-market opening retail settlement variances represent amounts that have accumulated since Market Opening and comprise:

- a) variances between amounts charged by the Independent Electricity Market Operator ("IMO") for the operation of the wholesale electricity market and grid, various wholesale market settlement charges and transmission charges, and the amounts billed to customers by the Company based on the OEB approved market service rate; and,
- b) variances between the amounts charged by the IMO to allow for purchases of imported electricity and the amounts billed to customers by the Company based on the OEB approved rates.

#### Restructuring of the electricity industry in Ontario

The Ontario Energy Board Act, 1998 (Ontario) ("OEBA"), conferred on the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity consumers, and the responsibility for ensuring the distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and conditions to electricity distributors which may include, among other things, specified accounting records, regulatory accounting principles, separation of accounts for distinct business and filing and processing requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory treatments that may result in accounting treatments that differ from Canadian generally accepted accounting principles for enterprises operating in a non-rate regulated environment.

Under the OEBA, electricity distributors must receive approval of the Ministry of Energy to apply to the OEB for a change in the rates they may charge. On December 19, 2003, the Minister of Energy notified all distributors in Ontario advising them to apply to the OEB for recovery of deferred costs referred to as regulatory assets. It is the government's intention that regulatory assets be recovered over a four-year period. The Board's intention is to provide for recovery of 25% of the regulatory assets as at December 31, 2002 on amended rate schedules, to be issued April 1, 2004, with a March 1, 2004 effective date. During 2004, the Company has recovered \$169,692 of deferred costs.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2004

#### 5. Shareholders' promissory notes:

The shareholders' promissory notes are payable on demand, accrue interest at 7.25% payable annually, and are secured by a general security agreement.

#### 6. Employee future benefits:

E.L.K. Energy Inc. pays certain benefits on behalf of its retired employees.

The Corporation measures its accrued benefit obligation for accounting purposes as at December 31 each year. A valuation date of December 31, 2002 has been used with the initial valuation period 12 months ended December 31, 2003. Extrapolations from the initial calculations are performed for subsequent periods. Management intends to obtain the next valuation in 2006.

Information about E.L.K. Energy Inc.'s defined benefit plans, which are unfunded, is as follows:

	2004	2003
Accrued benefit obligation, beginning of year Service cost Interest cost Benefits paid	\$ 644,766 5,038 37,806 (34,381)	\$ 639,105 4,753 37,394 (36,486)
Projected accrued benefit obligation, end of year, as determined by actuarial valuation	\$ 653,229	\$ 644,766

The main actuarial assumptions employed for the valuations are as follows:

	2004	2003
Discount rate Rate of compensation increase	5.75% 3%	6% 3%
Medical trend rate: Initial Ultimate	9.4% 4%	10% 4%

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2004

#### 6. Employee future benefits (continued):

The approximate impact of a 1% change in health insurance trend rates is as follows:

Change in obligation for 1% increase in trend rates	\$ 57,000
Change in obligation for 1% decrease in trend rates	(49,000)

#### 7. Share capital:

The authorized and issued share capital is as follows:

	2004	2003
Authorized: Unlimited common shares Issued: 10,000 common shares	\$ 100	\$ 100

The common shares were issued as follows:

	# of Common shares	An	nount paid
Town of Essex Town of Lakeshore Town of Kingsville	3,800 2,400 3,800	\$	38 24 38
	10,000	\$	100

#### 8. Contingency:

The Company belongs to the Municipal Electrical Association Reciprocal Insurance Exchange ("Exchange"). This is a pooling of the public liability insurance risks of many Ontario electrical distribution utilities. All members of the pool are subject to assessment for losses experienced by the pool for the years in which they were members on a pro rata basis based on the total of their respective service revenues. It is anticipated that should such an assessment occur, it would be funded over a period of up to five years. Since joining the Exchange, the Company has not been subject to any assessments for loss experiences.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2004

#### 9. Pension costs:

The Company makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS") which is a multi-employer plan, on behalf of 20 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2004 was \$85,432 (2003 – \$44,523) for current service and is included as an expense on the statement of earnings.

In 2004 the contribution rates were 6.0% for employees earnings below the year's maximum pensionable earnings and 8.8% thereafter. The contribution rates remain the same for 2005.

#### 10. Supplemental cash flow information:

	2004	2003
Cash paid during the year for: Interest Payments in lieu of income taxes	\$  428,047 1,133,393	\$    465,762 52,588
Cash received during the year for: Interest Payments in lieu of income taxes	181,467 _	142,447 45,777

#### 11. Related party transactions:

The amounts due to/from shareholders and subsidiary are as follows:

	2004	2003
Due to shareholders, included in accounts payable Due from shareholders, included in accounts receivable Due from subsidiary, included in accounts receivable	\$ 386,694 1,750 588,447	\$ 257,596 23,260 331,737

These amounts are measured at the exchange amount, which is the amount of consideration paid or received as established and agreed to by the related parties.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2004

#### 12. Future payments in lieu of income taxes:

Future income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's future tax liabilities and assets are as follows:

	2004	2003
Future tax liabilities:		
Regulatory assets	\$ 127,000	\$ 128,000
Investment	11,000	9,000
Total future tax liabilities	\$ 138,000	\$ 137,000
Future tax assets:		
Capital assets	\$ 658,000	\$ 636,000
Employee future benefits	236,000	233,000
Intangible assets	234,000	252,000
Total future tax assets before valuation allowance	1,128,000	1,121,000
Valuation allowance for future tax assets	_	(412,000)
Total future tax assets	1,128,000	709,000
Net future tax assets	\$ 990,000	\$ 572,000

#### 13. Fair value of financial assets and liabilities:

The fair value of the Company's cash, accounts receivable, accounts payable and accrued liabilities, customer deposits and shareholders' promissory notes approximate their carrying values.

It is not practical to determine the fair value of the investment in subsidiary as it is not publicly traded.

Financial assets held by the Company expose it to credit risk. As at December 31, 2004, there were no significant concentrations of credit risk with respect to any class of financial assets.

The Company earns its revenue from a broad base of customers located principally in the towns of Essex, Lakeshore, and Kingsville. No single customer would account for revenue or an accounts receivable balance in excess of 10% of the respective reported balances.

OntarioMinistry of Final Corporations Tax PO Box 642 33 King Street W Oshawa ON Life	k Branch /est					Certificate turn CT23
				Corporation	's Ontario Tax A	
	-				1800085	
<ul> <li>First Year of Filing</li> <li>Amended Return</li> <li>Taxation Year End has changed (approval by Revenue Canada required)</li> <li>Exempt From Filing</li> </ul>	Final Taxation Year up to Dissolution Final Taxation Year before Amalgamation Floating Fiscal Year End Subject to CMT	L fe	hange of Control d. s.249(4) ate Control was acquired year month day	]Start	Date of Incorpora year month 2000-01 Return for Taxati year month 2004-01 year month	day -06 on Year day -01
Change of Information? Yes No X				End	2004-12	2-31
Corporation's Legal Name E.L.K. Energy Inc. Mailing Address					venue Canada T If incorrect or missi 866567787 Jurisdiction Incor	RC0001
172 ⊢orest Avenue					ONTARIO	
Essex		N8M-3E4	Certification			· · · · · · · · · · · · · · · · · · ·
Transmitter Data Transmitter Number: 0009036 Transmitter Name: KPMG Name of Person to Contact: Telephone Number: 519-251-3500 Facsimile Number: 519-251-3530 Transmitter Address:			I am an authorized signi this Return, including all part of this Return, and and complete Return, ar the books and records of financial statements acc operating results of the the Corporations Tax Ac taxation year is consiste specifically disclosed in Name	schedules and st been examined by id that the informa if the corporation. urately reflect the corporation as rec dr. The method of nt with that of the	atements filed wi v me and is a true ation is in agreen I further certify th financial position juired under sect computing incom previous year, e	th or as e, correct lent with nat the a and on 75 of le for this
			SANDRA SLATER			
Disk rence Number: 120				E		
250 Aggregate of Total Revenue:	17,242,569		Full Residence Address			
249 Aggregate of Total Assets:	21,471,476					
10 Taxable Income (Non-capital Loss):	2,222,958					
950 Total Tax Payable:	348,693					
960 Payments:	0					
990 Enclosed:	348,693					
Apply Refund to Year: 980 Amount to apply: 975 Refund: 0	0 Yes No X		Signature	U	Date 2005-04-08	Phone Number 519-776-5291
If Yes, Due to: Loss Carryback:	Yes No					
Overpayment:	Yes No					
Refundable Tax Credit:	Yes No		Ministry Use Only Return I.D.		20050408143	

KEH

<b>%</b> 0	ntario G	Ilnistry of Finance Corporations Tax Branch O Box 642 3 King Street West Oshawa ON L1H 8T1		Enter the amount of paym	nent and indi	Payment Advice
Corporation	n's Ontario Tax Account	Number	Date of Incorporation	Taxation Year End		Payment Amount
		year month day		year month day		
	1800085		2000-01-06	2003-12-31	\$	0
Corporation	n's Legal Name			year month day		
E.L.K. Energy Inc.		2004-12-31	\$	348,693		
				Total Payment	\$	348.693
Submit you	ur cheque (drawn on a C	Canadian financial ins	titution) or money order, in Cana	dian funds, payable to the Minis	ter of Financ	сө.
Send to:	Ontario Ministry of Fin Corporations Tax Bra PO Box 642 33 King Street West Oshawa ON L1H 8T1	nch				

18

Page 2 of 2

Inc >te information will result in a delay processing an assessment

.

32

(Vous pouvez obtenir ce formulaire en français à www.adrc.gc.ca ou au 1 800 959-3376.)

Canada Corporate Taxprep / Taxprep des sociétés - TP-10

Page 1 of 8



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.

ldentification	
Business Number (BN)	
Business Number (BN) 001 866567787RC0001 Corporation's name	
002 E.L.K. Energy Inc.	
Has the corporation changed its name since the last time we were notified? 003 1 Yes 2 No X	If Yes, do you have a copy of the articles of amendment?
Address of head office	To which taxation year does this return apply?
Has the address changed since the last time we were notified?	Taxation year start Taxation year-end
The State Polynemic of Decay of the State Stat	060 2004-01-01 061 2004-12-31 YYYY/MM/DD YYYY/MM/DD
011 172 Forest Avenue	Has there been an acquisition of control
City Province, territory, or state	to which subsection 249(4) applies since
015 Essex 016 ON	the previous taxation year?
Country (other than Canada) Postal code/ZIP code	If Yes, give the date control was
018 N8M-3E4	acquired
Mailing address (if different from head office address)	Is the corporation a professional
Has the address changed since the last time we were notified?	corporation that is a member of
	a partnership?
021 <u>c/o</u>	Is this the first year of filing after:
022	Incorporation?
023	Amalgamation?
City Province, territory, or state	If Yes, complete and attach Schedule 24.
025         026           Country (other than Canada)         Postal code/ZIP code	Has there been a windup of a subsidiary
	under section 88 during the current taxation year?     072     1 Yes     2 No
Location of books and records	If Yes, complete and attach Schedule 24.
Has the location of books and records changed since the last time we were	Is this the final taxation year before
notified?	amalgamation?
031 172 Forest Avenue	Is this the final return up to
,2	dissolution?
City Province, territory, or state	Le die gewenne die en en eiden te of Connede 2
035 Essex 036 ON Country (other than Canada) Postal code/ZIP code	Is the corporation a resident of Canada?
	080 1 Yes X 2 No If <i>No</i> , give the country of residence.
	081
040 Type of corporation at the end of the taxation year	Is the non-resident corporation claiming
1 Canadian-controlled 4 Corporation controlled by a public corporation	an exemption under an income tax treaty?
	If Yes, complete and attach Schedule 91.
2 Corporation 5 X Other corporation (specify, below)	If the corporation is exempt from tax under section 149, tick
	one of the following boxes:
3 Corporation Utility-MEU	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	3 Exempt under paragraph 149(1)(t)
date of the change	4 Exempt under other paragraphs of section 149

#### Agence des douanes **T2 CORPORATION INCOME TAX RETURN** et du revenu du Canada

1

Canada Customs

and Revenue Agency

E.L.K. E	nergy Inc. 866567787RC0001			2004-12-31
<u> </u>	Attachments			- hadidaa
Financ	tial statement information: Use GIFI schedules 100, 125, and 141. * We do not pulse – Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.	rint the	ese s	cneaules.
Sched	ules – Answer the following questions. For each response, attach to the 12 return the schedule that upplies.	`	/as	Schedule
Guide		150		9
27	Is the corporation related to any other corporations?	151	<u>×</u>	19
28	Does the corporation have any non-resident shareholders?	160		23
29	Is the corporation an associated Canadian-controlled private corporation?		-	23 49
30	Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161		49
32	Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162		11
33	If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163		44 14
34	Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	_	
35	Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	_	15 TE004
37	Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166	-	T5004
38	Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167		T5013
40	Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168		22
41	Did the corporation have any foreign affiliates during the year?	169		25
42	Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of	170		29
	the federal Income Tax Regulations?	171	-	T106
43	Has the corporation had any non-arm's length transactions with a non-resident?	172		
47	Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?			
46	For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	173	X	50
55	Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201	X	1
78-81	Has the corporation made any charitable donations, gifts to Canada, a province or a territory, or gifts of cultural or	202	X	2
82 104	ecological property? Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203		3
6	Is the corporation claiming any type of losses?	204		4
าม	Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in	205		5
56	more than one jurisdiction? Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206	-1) 13 	6
	i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends			
103	<ol> <li>I) is the corporation claiming the small business deduction and reporting income inclusion of a property (claim table and the deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or         <ul> <li>ii) is the corporation claiming the refundable portion of Part I tax?</li> <li></li></ul></li></ol>	207		7
57	Does the corporation have any property that is eligible for capital cost allowance?	208	X	8
58	Does the corporation have any property that is eligible capital property?	210	X	10
59	Does the corporation have any resource-related deductions?	212		12
60	Is the corporation claiming reserves of any kind?	213		13
61	Is the corporation claiming a patronage dividend deduction?	216		16
62	Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217		17
150	Is the corporation an investment corporation or a mutual fund corporation?	218		18
131	Was the corporation carrying on business in Canada as a non-resident corporation?	220		20
118	Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221		21
155	Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226		26 *
	Does the corporation have any Canadian manufacturing and processing profits?	227		27
121	Is the corporation claiming an investment tax credit?	231		31
63	Is the corporation claiming any scientific research and experimental development expenditures?	232		T661
124	Is the corporation subject to gross Part I.3 tax?	233		33/34/35
124	Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	236	X	36
124	Is the corporation claiming a surtax credit?	237		37
128	Is the corporation subject to gross Part VI tax on capital of financial institutions?	238		38
128	Is the corporation claiming a Part I tax credit?	242		42
120	Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243		43
129	Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244		45
129	Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249		46
128	For financial institutions: is the corporation a member of a related group of financial institutions	250		39
4-0	with one or more members subject to gross Part VI tax?	253		T1131
152	Is the corporation claiming a Canadian film or video production tax credit refund?	254		T1177
153		255		92 *
130	Is the corporation subject to Part XIII.1 tax?	-	_	

#### E.L.K. Energy Inc.

	ttachments – continued from page 2	_	
	e item		Schedule
44	Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256	T1134-A
44	Did the corporation have any controlled foreign affiliates?	258	Т1134-В
44	Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	259	T1135
		260	T1141
44	Did the corporation datable of four property to a new reserves	261	T1142
44	Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?		T1145
	Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262	_
	Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263	T1146
	Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264	T1174

A statistics of the foregraphic or						
Additional information     Is the corporation inactive?     Has the major business activity changed since the last return	 was fi	led? (enter Yes for first-time filers) 280 1 Yes 281 1 Yes	2 No X 2 No X			
		,				
What is the corporation's major business activity? (Only complete if Yes was entered at line 281.)				-		
If the major activity involves the resale of goods, indicate whether it is wholesale or retail						
Specify the principal product(s) mined, manufactured,	284	LELOIIdelli	285 100%	6		
sold, constructed, or services provided, giving the opproximate percentage of the total revenue that each	286		2870%	•		
oduct or service represents.	288		<b>289</b> %	6		
Did the corporation immigrate to Canada during the taxation y	/ear?	291 1 Yes	2 No X			
Did the corporation emigrate from Canada during the taxation	ı year?	292 1 Yes	2 No X	1		

— Та	xable income				
Net incon	ne or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI			300	<u>2,222,983</u> A
Deduct:	Charitable donations from Schedule 2	311	25		
	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	ubtotal	25		<u>25</u> в
	Subtotal (amount A m	inus an	nount B) (if negative, enter "	0")	<u>2,222,958</u> c
Add:	Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions			355	<u> </u>
Taxable	income (amount C plus amount D)	• • • • •		360 =	<u>2,222,958</u>
Income e	xempt under paragraph 149(1)(t)			370	0
	income for a corporation with exempt income under paragraph 149(1)(t) (line 360 n	ninus lin	ie 370)	=	<u>2,222,958</u> z
* This an	nount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.				

E.L.K. Energy Inc.	8	66567787RC0001	2004-12-3
Small business deduction			
Canadian-controlled private corporations (CCPCs) throughout the taxa			400 0 A
Income from active business carried on in Canada from Schedule 7			400 <u> </u>
Taxable income from line 360 on page 3, minus 10/3 of the amount at line 6 the amount at line 636** on page 7, and minus any amount that, because of	32* on page 7, <b>minus</b> 3 ti federal law, is exempt fro	imes om Part I tax ••••	405 O B
Calculation of the business limit:			
For all CCPCs, calculate the amount at line 4 below. 200,000 x Number of days in the taxation year before 2003	0 -	0 1	
200,000 x Number of days in the taxation year before 2003 Number of days in the taxation year	0 =		
	0	0 2	
225,000 x Number of days in the taxation year in 2003 Number of days in the taxation year	0 =	02	
250,000 x Number of days in the taxation year in 2004	366 =	0 3	
Number of days in the taxation year	0		
300 000 x Number of days in the taxation year after 2004	0 =	0 3.1	
300,000 x Number of days in the taxation year			
Add amounts at lin	es 1, 2, 3, and 3.1	0 4	
Business limit (see notes 1 and 2 below)			410 <u>0</u> C
Notes: 1. For CCPCs that are note associated, enter the amount from line	4 at line 410. However, if	the corporation's	2 March 19 M
taxation year is less than 51 weeks, prorate the amount from line	e 4 by the number of days	in the taxation year	
divided by 365, and enter the result on line 410.			
2. For associated CCPCs, use Schedule 23 to calculate the amour	nt to be entered at line 410	Э.	
Business limit reduction:			
Amount C 0 x 415 ***	0 D =		O E
11,2	250		
Reduced business limit (amount C minus amount E) (if negative, enter "0")			425 <u> </u>
Small business deduction - 0.00% of whichever amount is least: A, B, C,	, or F		430 <u> </u>
(enter amount G on line 9 of page 7)			11 00D01
<ul> <li>Calculate the amount of foreign non-business income tax credit deducti investment income (line 604) and without reference to the corporate tax</li> </ul>	ble at line 632 without refe	erence to the refundable ta:	x on the CCPC's
<ul> <li>** Calculate the amount of foreign business income tax credit deductible a</li> </ul>	at line 636 without reference	ce to the corporate tax redu	uctions under section 123.4.
<ul> <li>*** Large corporation tax</li> <li>The large corporation tax to be entered at line 415 is the gross Part I.</li> </ul>	3 tax, which is the amoun	t before deducting the surta	ax credits, increased to
reflect a full-year tax liability if the taxation year is less than 51 weeks	. For the purpose of the b	usiness limit reduction, the	gross Part I.3 tax is equal
to 0.225% x (taxable capital employed in Canada minus \$10,000,000)	).		
<ul> <li>If the corporation is not associated with any corporation in both the cu</li> </ul>	urrent and the preceding ta	axation years, enter the cor	poration's gross Part 1.3
<ul><li>tax for its preceding taxation year.</li><li>If the corporation is not associated with any corporation in the current</li></ul>	tovation year but was as	sociated in the preceding t	axation year, and its
current taxation year:			
<ul> <li>starts before December 21, 2002, enter the corporation's gross P</li> </ul>	art I.3 tax for its precedin	g taxation year; or	
<ul> <li>starts after December 20, 2002, enter the corporation's gross Par</li> </ul>	t I.3 tax for its current tax	cation year.	
<ul> <li>For corporations associated in the current taxation year, see Schedul</li> </ul>	le 23 for the special rules	that apply.	
Accelerated tax reduction	that sistered the small	husiness deduction	
Canadian-controlled private corporations throughout the taxation year	r that claimed the small	300,000	
Reduced business limit (amount from line 425)		0 × line 4 above	= <u> </u>
		1	0.5
Net active business income (amount from line 400) *			<u>О</u> в
axable income from line 360 on page 3 minus 3 times the amount at line 6	336** on page 7,	0 c	
and minus any amount that, because of federal law, is exempt for Part I tax	· · · · · · · · · · · · · · · · · · ·	<u> </u>	
Deduct:		<u>0</u> d	
		0	0 е
Amount C minus amount D (if negative, enter "0")		0	<u> </u>
Amount A, B, or E above, whichever is less			<u> </u>
	0_ x 100/7 =	0 g	
Amount Z from Part 9 of Schedule 27	X 100// -	<u>0</u> е О н	
Amount QQ from Part 13 of Schedule 27		0.1	
	· · · · · · · · · · · · · · · · · · ·		
Amount used to calculate the credit union deduction (amount E in Part 3 of 3		0 ı	
Amount on line 400, 405, 410, or 425 of the small business deduction, which	hever is less	<u> </u>	
Total of amounts G, H, I, J, and K		0	0 L
			<u> </u>
Accelerated tax reduction - 7% of amount M (enter amount N on line 637			<u> </u>
* If the amount at line 450 of Schedule 7 is positive, members of partners	hins need to use Schedul		business income.
<ul> <li>If the amount at line 450 of Schedule 7 is positive, members of parties at a second sec</li></ul>	at line 636 without reference	ce to the corporate tax redu	uctions under section 123.4.

		8665677871	RC0001	2004-12-31	
Resource deduction     axable resource income [as defined in s	ubsection 125.11(1)]		[435]	<u> </u>	
		Number of days in the taxation year in 2003	<u> </u>	O e	
Amount A	0 ×	Number of days in the taxation year	$\frac{-3}{366} \times 1\% =$		
	0 ,	Number of days in the taxation year in 2004	<u>366</u> x 2% =	0 0	
Amount A	<u> </u>	Number of days in the taxation year	366		
A	0 .	Number of days in the taxation year in 2005	<u>    0                                </u>	0 0	
Amount A	<u>0    x                            </u>	Number of days in the taxation year	366		
	0 x	Number of days in the taxation year in 2006	0 x 5% =	0	
Amount A	<u>U</u> _x	Number of days in the taxation year	366		
esource deduction – total of amounts	B, C, C.1, and C.2		438	0	
nter amount D on line 10 of page 7)					
— General tax reduction for	Canadian-control	led private corporations			
anadian-controlled private corporat					
				0	
axable income from line 360 on page 3	)				
mount Z from Part 9 of Schedule 27		<u> </u>	<u> </u>		
mount QQ from Part 13 of Schedule 2	7		0.0		
axable resource income from line 435			<u>0</u> H		
mount used to calculate the credit unio			0		
Amount used to calculate the cleuit unic	n deduction (amount I		<u>v</u>		
			J		
Amount on line 400, 405, 410, or 425 or	n page 4, whichever is				
Amount on line 400, 405, 410, or 425 or Aggregate investment income from line	n page 4, whichever is 440 of page 6	less	0 J		
Amount on line 400, 405, 410, or 425 or Aggregate investment income from line Amount used to calculate the accelerate	n page 4, whichever is 440 of page 6 ed tax reduction (amou	less	<u>0</u> ј О к	0	
Amount on line 400, 405, 410, or 425 or Aggregate investment income from line Amount used to calculate the accelerate Fotal of amounts F, G, H, I, J, K, and L	n page 4, whichever is 440 of page 6 ad tax reduction (amou	less	<u>О</u> г О к О л		
Amount on line 400, 405, 410, or 425 or Aggregate investment income from line Amount used to calculate the accelerate	n page 4, whichever is 440 of page 6 ad tax reduction (amou	less	<u>О</u> г О к О л		
Amount on line 400, 405, 410, or 425 or Aggregate investment income from line Amount used to calculate the accelerate Fotal of amounts F, G, H, I, J, K, and L mount E minus amount M (if negative,	n page 4, whichever is 440 of page 6 ad tax reduction (amou	less	<u>О</u> г О к О л	0	
mount on line 400, 405, 410, or 425 or ggregate investment income from line mount used to calculate the accelerate fotal of amounts F, G, H, I, J, K, and L	n page 4, whichever is 440 of page 6 ed tax reduction (amou  enter "0")	less	0 J 0 K 0 L 0	0	
Amount on line 400, 405, 410, or 425 or Aggregate investment income from line Amount used to calculate the accelerate Fotal of amounts F, G, H, I, J, K, and L mount E minus amount M (if negative, Amount N	n page 4, whichever is 440 of page 6 ed tax reduction (amou  enter "0")	less int M of page 4) Number of days in the taxation year in 2002	$ \begin{array}{c} 0 \\ 0 \\ 0 \\ 0 \\ - \\ 0 \\ - \\ 0 \\ - \\ 366 \\ 0 \\ 0 \\ - \\ - \\ 0 \\ - \\ - \\ 0 \\ - \\ - \\ 0 \\ - \\ - \\ - \\ - \\ - \\ - \\ - \\ - \\ - \\ -$	0	
Amount on line 400, 405, 410, or 425 or Aggregate investment income from line Amount used to calculate the accelerate Fotal of amounts F, G, H, I, J, K, and L mount E minus amount M (if negative,	n page 4, whichever is 440 of page 6 ed tax reduction (amou  enter "0") <u>0</u> x -	less		0	
Amount on line 400, 405, 410, or 425 or Aggregate investment income from line Amount used to calculate the accelerate Fotal of amounts F, G, H, I, J, K, and L mount E minus amount M (if negative, Amount N	n page 4, whichever is 440 of page 6 ed tax reduction (amou  enter "0") 0x 0x	less	$\begin{array}{c} 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 1 \\ 0 \\ 0$	0 0 0 0	
Amount on line 400, 405, 410, or 425 or Aggregate investment income from line Amount used to calculate the accelerate Fotal of amounts F, G, H, I, J, K, and L mount E minus amount M (if negative, Amount N	n page 4, whichever is 440 of page 6 ed tax reduction (amou  enter "0") <u>0</u> x -	less	$\begin{array}{c} 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 $	<u> </u>	
Amount on line 400, 405, 410, or 425 or Aggregate investment income from line Amount used to calculate the accelerate Fotal of amounts F, G, H, I, J, K, and L mount E minus amount M (if negative, Amount N Amount N Amount N	n page 4, whichever is 440 of page 6 ed tax reduction (amou  enter "0") 0x	less	$\begin{array}{c} 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 1 \\ 0 \\ 0$	<u> </u>	

Corporations other than a Canadian-controlled priv a mutual fund corporation, or a non-resident-owned	rate corporation, an investment corporation, a mortgage d investment corporation	nvestment corporation,	3
		····· —	<u>2,222,958</u> s
Amount Z from Part 9 of Schedule 27 Amount QQ from Part 13 of Schedule 27 Taxable resource income from line 435 above Amount used to calculate the credit union deduction (ar	x 100/7 = mount E in Part 3 of Schedule 17)	0 T 0 U 0 V 0 W	
Total of amounts T, U, V, and W		0	<u> </u>
Amount S minus amount X (if negative, enter "0")		=	2,222,958 Y
Amount Y <u>2,222,958</u>	xNumber of days in the taxation year in 2002	$\frac{0}{366} \times 3\% =$	<u>0</u> z
Amount Y 2,222,958	xNumber of days in the taxation year in 2003	366 x 5% =	<u>0</u> AA
Amount Y 2,222,958	Number of days in the taxation year Number of days in the taxation year after 2003	366 <u>366</u> x 7% = _	<u>155,607</u> вв
General tax reduction - total of amounts Z, AA, and E	Number of days in the taxation year	366	<u>155,607</u> cc
(enter amount CC on line 639 of page 7)			nade

E.L.K. Energy Inc.	866567787RC0001	2004-12-31
Refundable portion of Part I tax		
Canadian-controlled private corporations throughout the taxatic	on year	
Aggregate investment income 440(amount P from Part 1 of Schedule 7)	<u>0</u> x 26 2/3% =	A
Foreign non-business income tax credit from line 632 on page 7	0	
Deduct:		
Foreign investment income 445 (amount O from Part 1 of Schedule 7)	0 x 9 1/3% = 0 (if negative, enter "0")0	<u>О</u> В
Amount A minus amount B (if negative, enter "0")		<u> </u>
Taxable income from line 360 on page 3	0	
Deduct: Amount on line 400, 405, 410, or 425 on page 4, whichever is less	0_	
Foreign non-business income tax credit from line 632 of page 7 0 x 25/9	=0	
Foreign business income tax credit from line 636 of page 7 0 x 3	=	0 D
		0 E
Net amount		0 F
Refundable portion of Part I tax – Amount C, D, or E, whichever is	s less	

Refundable dividend tax on hand	No.
Refundable dividend tax on hand at the end of the preceding taxation year       460         Deduct: Dividend refund for the previous taxation year       460         =       =	0 0 0 0 A
Add the total of:         Refundable portion of Part I tax from line 450 above         Total Part IV tax payable from line 360 on page 2 of Schedule 3	<u>0</u>
Net refundable dividend tax on hand transferred from a predecessor corporation on amalgamation, or from a wound-up subsidiary corporation	<u>О</u> ОВ
Refundable dividend tax on hand at the end of the taxation year – Amount A plus amount B	

Private and subject corporations at the time taxable dividends were paid in the taxation year	
Taxable dividends paid in the taxation year from line 460 on page 2 of Schedule 3 0 x 1/3	A
Refundable dividend tax on hand at the end of the taxation year from line 485 above	В
Dividend refund – Amount A or B, whichever is less (enter this amount on line 784 of page 8)	0

page 6 Corporate Taxprep / Taxprep des sociétés - TP-10

L.K. Energy Inc.	866567787RC0001				
Part I tax					
Base amount of Part I tax – 38.00% of taxable income (line 360 or amount Z, whichever app	lies) from page 3	550	<u>844,724</u> A		
Corporate surtax calculation					
Base amount from line A above		844,724 1			
10% of taxable income (line 360 or amount Z, whichever applies) from page 3		<u>222,296</u> 2 <u>0</u> 3 0 4			
Federal logging tax credit from line 640 below          Federal qualifying environmental trust tax credit from line 648 below		0 5			
For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is less:					
28.00% of taxable income from line 360 of page 3		<u>    0  </u> 6			
(line A <b>plus</b> lines C and D <b>minus</b> line F) Total of lines 2 to 6		222,296 7			
Net amount (line 1 minus line 7)		622,428 8			
Corporate surtax – 4.00% of the amount on line 8			24,897		
Recapture of investment tax credit from line PPP in Part 21 of Schedule 31			0		
(for a CCPC throughout the taxation year) Aggregate investment income from line 440 on page 6 Taxable income from line 360 on page 3 Deduct:	<u> </u>	0 i			
Deduct: Amount on lines 400, 405, 410, or 425 of page 4, whichever is less	0	O ii			
Net amount					
Refundable tax on CCPC's investment income – 6 2/3% of the lesser of amounts i or ii	Subtotal (ac	d lines A, B, C, and D)	0 869,621		
Deduct:		0 9			
Small business deduction from line 430 of page 4	608	222,296			
Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27	616	0			
Investment corporation deduction		0			
(taxed capital gains 624 0)	628	0			
Additional deduction – credit unions from Schedule 17 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 for each of amount CC of page 5	639	155,607			
Federal logging tax credit from Schedule 21	640 644	0			
Federal political contributions 6460					
Federal qualifying environmental trust tax credit	648	0			
Investment tax credit from Schedule 31	652	<u> </u>	377,903		
Part I tax payable – Line E minus line F (enter amount G on line 700 of page 8)			491,718		
Fait i tax payable - Line L minus inte r lenter artount o or inte roo or page of		REPORT OF CONTRACTOR CONTRACTOR CONTRACTOR			

Pent Liss payable from Sected 33, 54, or 55 Part II surses payable from Schodule 34, 54, or 55 Part II surses payable from Schodule 34 Part Vis payable from Schodule 32 Part Vis payable from Schodule 31 Part Vis payable from Schodule 3 Part Vis payable from Schodule 3 Part Vis payable from Schodule 31 Part Vis payable from Schodule 31 Part Vis payable from Schodule 3 Part Vis payable	K. Energy Inc.		866567787RC0001	2004-12
Peri Lis puppible from Schedule 3. S. 4, or 55 Peri Lis autops to from Schedule 3. S. 4, or 55 Peri Lis autops to from Schedule 3. S. 4, or 55 Peri Lis autops to from Schedule 3. Peri Lis autops to from Schedul	— Summary of tax and credits —			
Find 1: Star payable from Schedule 33, str. of 35   Part 1: Star payable from Schedule 33   Part 1: Star payable from Schedule 32   Pointical particular payable from Schedule 32   Pointical particular payable from Schedule 32   Provincial and territorial tax   P	Federal tax			
Part II surge systelic from Schedule 33       34, or 35       1749         Part II surge systelic from Schedule 3       7740       7740         Part IV tax populate from Schedule 3       7740       7740         Part IV tax populate from Schedule 3       7740       7740         Part IV tax populate from Schedule 3       7740       7740         Part IV tax populate from Schedule 33       7740       7740         Part IV tax populate from Schedule 34       7740       7740         Part IV tax populate from Schedule 32       7740       7740         Part IV tax populate from Schedule 32       7740       7740         Provincial tax on farge capporations (Now Evance)       780       0         Provincial tax on farge capporations (Now Evance)       780       0         Provincial tax on farge capporations (Now Evance)       780       0         Provincial tax on farge capporations (Now Evance)       780       0         Provincial tax on farge capporations (Now Evance)       780       0         Provincial tax on farge capporations (Now Evance)       780       0         Provincial tax on farge capporations (Now Evance)       780       0         Provincial tax on farge capporations (Now Evance)       780       0         Canadiam filion vaccels tarend from Schodu			700	<u>    491,718</u>
Part II suspapped from Schedule 43       770         Part VI is payelite from Schedule 43       776         Part XII is payelite from Schedule 42       776         Part XII is payelite from Schedule 42       776         Of provide of refformal is payelite from Schedule 42       776         Of provide of refformal is payelite from Schedule 43       776         Of provide of refformal is payelite from Schedule 41       778         Of provide of refformal is payelite from Schedule 51       778         Of most han one junidiction, enter fruit/pic yand concluse 35       778         Oraliza payelite from Schedule 31       778         Oraliza payelite from Schedule 31       778         Oraliza payelite from Schedule 31       778         Oraliza payelite schedule is schedule 51       778         Oraliza payelite is refurit from Schedule 31       778         Oraliza payelite is refurit from Schedule 31       779         Oraliza payelite is refurit from Schedule 31       779         Oraliza payelite is refurit from Schedule 31       779         Oraliza p			704	(
Part VI tax payable from Schedule 3 1716   Part VI tax payable from Schedule 33 724   Part VI tax payable from Schedule 33 724   Part VI tax payable from Schedule 32 724   Part VI tax payable from Schedule 32 724   Point and retrificial particulation 729   O growted and terrificial particulation 720   Point and terrificial particulation 720   ON provincial and terrificial particulation 720   O provincial and terrificial particulation 721   O constant finant of the form T1131 728   O provincial and terrificial particulation 601   O a provincial and terrificial particulation 601   O a provincial and terrificial par			708	(
Part VI Lap applain from Schedule 43       778         Part VI Lap applain from Schedule 83       724         Part XII Lap applain from Schedule 82       724         Pert XIV tax payable from Schedule 82       724         Pert XIV tax payable from Schedule 82       728         Pert XII Lap applain from Schedule 82       728         If more than one juriedictor, enter "multiple" are complete Schedule 63       788         Net provisiol and territorial tax spatial (scope Duebec, Chatro, and Abert)       788         Provincial territorial tax spatial (scope Duebec, Chatro, and Abert)       788         Provincial tax conducts tax codit refund from Schedule 81       778         Dividend refund from Schedule 81       778         Provincial and territorial tax payable investion to accell refund from Form T1137       787         Provincial and territorial tax payable investion to accell refund from Form T1137       778         Provincial and territorial tax payable investion to accell refund from Schedule 8       992         O       0       0         Tax emitted as accell refund from Schedule 8       992         O       0       0			712	(
Part VI is a payable from Schedule 33               // 24               // 72               // 72               // 72               // 72               // 72               // 72               // 72               // 72               // 72               // 72               // 72               // 72               // 72               // 72               // 72               // 72               // 72               // 72               // 72               // 72			716	(
Part VI tax payable from Schedule 33 Part VI. It tax payable from Schedule 92 Provincial and territorial tax payable (xoaqt Cubecho, Charlo, and Aberla) Provincial tax on targe corporations (New Brunswick and Novs Scolia) Total tax payable [770] 491,70  Provincial and territorial tax payable [XIII] Provincial tax on targe corporations (New Brunswick and Novs Scolia) Total tax payable [770] 491,70 491,70  Provincial and territorial tax payable [XIII] Provincial tax on targe corporations (New Brunswick and Novs Scolia) Total tax payable [770] 491,70		* * * * * * * * * * * * * * * * * * * *	720	
Part VI. It is payable from Schedule 92       727         Part XI. It is payable from Schedule 92       727         Part XI. Vice payable from Schedule 92       728         Provincial and terriforal tax:       4.91.71         Revenced or terriforation:       729         If more than on exhibition multiple" and complete Schedule 51       760         Net provincial and terriforal tax:       720         If more than on exhibition multiple" and complete Schedule 51       760         Provincial and terriforal tax:       710         Provincial tax on large corporations (New Brunswick and Nova Scala)       760         Provincial and terriforal tax:       710         Provincial tax on large corporations (New Brunswick and Nova Scala)       780         Provincial and terriforal tax:       710         Provincial and terriforal tax:       710         Provincial and terriforal tax:       717         O       717       72         O       717       727         Divect april and from Schedule 18       728	Part VI tax payable from Schedule 38			
Part XNI: tax payable from Schedule 22       reg         Part XNI: tax payable from Schedule 23       rotal federal tax:         Provincial and territorial tax:       Provincial retriction is usered tool in the payable form Schedule 31         (if now han one junisdiction, enter "multiple" and complete Schedule 51       0         (if now han one junisdiction, enter "multiple" and complete Schedule 51       0         (if now han one junisdiction, enter "multiple" and complete Schedule 51       0         (if now han one junisdiction, enter "multiple" and complete Schedule 51       0         (if now han one junisdiction, enter "multiple" and complete Schedule 51       0         (if now han one junisdiction, enter "multiple" and complete Schedule 51       0         (if now han one junisdiction, enter "multiple" and complete Schedule 51       0         (if now han one junisdiction, enter "multiple" and complete Schedule 51       0         (if now han one junisdiction, enter "multiple" and complete Schedule 51       0         (if now han one junisdiction enter the schedule 51       0         (if now schedule 51		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
Part XM kap applies from Shedule 20       Total federal tax       491,71         Provincial and territorial jurisdiction       [750] ON       0         (if more than out-indigities the psychle (accept Quebee, Ontario, and Alberts)       [766]       0         Provincial and territorial tax       0       0         Viet control and territorial provincial form Schedule 31       [776]       0         Deduct other credits:       [776]       0         Investment tax credit refund from Schedule 31       [786]       0         Dividend refund from Schedule 31       [786]       0         Dividend refund from Schedule 31       [786]       0         Dividend refund from Schedule 31       [787]       0         Dividend refund from Schedule 31       [788]       0         Canadim film or video production tax credit refund from Form T1177       800       0         Total tax polyable       [797]       0       800       0         Tax withhold 3 control       [806]       0       0       0         Tax withhold 3 control       [806]       0       0       0         Tax withhold 3 controls from Schedule 16       [816]       0       0       0         Tax withhold 3 controls from Schedule 16       [816]       0       0	Part XIII.1 tax payable from Schedule 92		California (a) a second a s	
dd provincial and territorial tax:       Provincial territorial guideticon         Provincial territorial guideticon       Tradition         (if more than one jurisdiction, enter "multiple" and complete Schedule 5)         Net provincial and territorial tax payable (acceq) Cueleto, Chaino, and Alberta)       760         Provincial tax on large corporations (New Bunswick and Nova Scolia)       760         Divident offund from Schedule 31       760         Divident offund from Schedule 31       770         Divident offund from Schedule 31       776         Divident offund from Schedule 18       772         Federal captal gains refund from Schedule 18       772         Canadian line video production services tax credit refund from Form T1131       776         Total axpanetic dup offund from Schedule 18       981         Offunde production services tax credit refund from Schedule 19       984         Provincial and territorial captal gains refund from Schedule 19       984         Or consident dup offund from Schedule 19       984         Provincial and territorial teritorial territorial territorial territorial te	Part XIV tax payable from Schedule 20			
Deduct other credits:       Total tax payable       Total tax payable <t< th=""><th>(if more than one jurisdiction, enter "multip Net provincial and territorial tax payable (exc</th><th>ept Quebec, Ontario, and Alberta)</th><th></th><th></th></t<>	(if more than one jurisdiction, enter "multip Net provincial and territorial tax payable (exc	ept Quebec, Ontario, and Alberta)		
beduct other credits:       Tavestment tax credit refund from Schedule 31       Tavestment from Schedule 32       Tavestment from Schedule 31       Tavestment from Schedule 31       Tavestment from Schedule 31       Tavestment from Schedule 31       Tavestment from Schedule 32       Tavestment from Schedule 31       Tavestment from Schedule 32       Tavestment from Schedule 31       Tavestment from Schedule 32       Tavestment from Schedule 32       Tavestment from Schedule			0	
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Involvement tax creat return from Schoole 31 74   Outviend routh from page 6 744   Federal capital gains returnd from Schoole 18   Fordard quality environmental trust tax credit refund from Form T1131   798   Canadian film or video production tax credit refund from Form T1131   798   Film or video production tax credit refund from Form T1137   798   799   790   791   793   794   795   796   797   798   799   799   790   791   793   794   795   796   797   798   799   799   799   799   799   790   791   793   794   794   795   796   797   798   799   790   790   791   791   793   793   794   794   795   790   790   790   790   790   791   791   791   791   791   791   791   791   791   791   791   791   792   793   793	Deduct other credits:			
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Federal qualitying environmental trust tax credit refund 792 0   Canadian film or video production tax credit refund from Form T1131 796 0   Tax inthold at source 000 0   Total payments on which tax has been withheld 801 0   Allowable refund for non-resident-owned Investment corporations 0   Form Schedule 28 0   Provincial and torritorial capital gains refund from Schedule 18 00   Provincial and torritorial capital gains refund from Schedule 18 0   Provincial and torritorial capital gains refund from Schedule 18 0   Provincial and torritorial capital gains refund from Schedule 18 0   Provincial and torritorial capital gains refund from Schedule 18 0   Provincial and torritorial capital gains refund from Schedule 18 0   Provincial and torritorial capital gains refund from Schedule 18 0   Provincial and torritorial capital gains refund from Schedule 18 0   Tax remited under Syncrude Remission Order 819   Otal credits 840 10.6   Refund code 844 0   Overpayment 0   Balance (line A minus line B) 11.611   Balance information 910   If the capitor synches have a balance unpaid.   Enclosed payment 986   11.611   Start Change information   Balance unpaid 11.612   Institution number 815   Account number 11.612   Enclosed payment 986 <td< td=""><td></td><td>8</td><td>. 7880</td><td></td></td<>		8	. 7880	
Canadian film or video production tax credit refund from Form T1131       796       0         Film or video production services tax credit refund from Form T1177       800       0         Tax withheld is source       801       0         Allowable refund for non-resident-owned investment corporations       804       0         Frowincial and territorial capital gains refund from Schedule 18       804       0         Provincial and territorial capital gains refund from Schedule 18       812       0         Provincial and territorial capital gains refund from Schedule 18       812       0         Provincial and territorial capital gains refund from Schedule 18       812       0         Revelties deductible under Synorude Remission Order       816       0       480,106         Tax instalments paid       Total credits       800       480,106       480,106         Refund code       894       0       O       0       11,631         To have the corporation's fault deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information year, account at a financial institution in Canada, or to change banking information year, account at a financial institution in Canada, or to change banking information year, account at a financial institution in Canada, or to change banking information year, account at a financial institution in Canada, or to change or fault adifference of \$2 or less.			792 0	
Film or video production services tax credit refund from Form T1177       797       0         Tax withheld at source       0         Total payments on which tax has been withheld       801       0         Allowable refund for non-resident-owned investment corporations       804       0         From Schedule 28       0       804       0         Provincial and territorial capital gains refund from Schedule 18       804       0         Tax remitted under Syncrude Remission Order       816       0         Tax instalments paid       Total orgenital       816       0         Allowable refund code       894       0       0       480,106         Allowable refund code       894       0       0       480,106       480,106         Tax instalments paid       Total orgetits       804       0       0       480,106       480,106       480,106       480,106       480,106       480,106       480,106       11,61;       500       480,106       11,61;       500       480,106       500       480,106       500       500       500       500       500       500       500       500       500       500       500       500       500       500       500       500       500       500 <td< td=""><td></td><td></td><td>796 0</td><td></td></td<>			796 0	
Tax withheld at source			797 0	
Total payments on which tax has been withheld       801       0         Allowable refund for non-resident-owned investment corporations       804       0         Frowincial and territorial capital gains refund from Schedule 18       803       0         Provincial and territorial refundable tax cordits from Schedule 5       812       0         Royallise deductible under Syncucke Remission Order       816       0         Tax rentited under Syncucke Remission Order       816       0         Tax instalments paid       Total credits       890       480,106         Balance (line A minus line B)       11.61         Start       Change information balow:       11.61         Value aready gave us, complete the information balow:       910       Balance (line A minus line B)       11.61         914       Institution number       918       Account number       Balance unpaid       11.61         914       Institution number       918       Account number       Balance unpaid       11.61         914       Institution number       918       Account number       Balance unpaid       11.61         914       Institution number       919       SANDRA       956       DIRECTOR OF FINANCE         920       SLATER       951       SANDRA       956 <td></td> <td></td> <td>800 0</td> <td></td>			800 0	
Total payments of multical for non-reliable and remindent comparisons       804       0         Provincial and territorial refundable tax credits from Schedule 18       804       0         Provincial and territorial refundable tax credits from Schedule 5       916       0         Revented and territorial refundable tax credits from Schedule 5       916       0         Tax remited under Syncrude Remission Order       818       0         Tax remited under Syncrude Remission Order       816       0         Tax remited under Syncrude Remission Order       816       0         Tax remited under Syncrude Remission Order       818       0         Direct deposit request       Total credits       890       480,106         To have the cooparation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you alwas a balance unpaid.       If the result is positive, you have a balance unpaid.         Start       Change information       910				
from Schedule 26				
mont Schedule 20       B08       0         Provincial and territorial capital gains refund from Schedule 16       B08       0         Provincial and territorial refundable tax credits from Schedule 5       0       B12       0         Royallies deductible under Syncrude Remission Order       B15       0       B18       0         Tax remitted under Syncrude Remission Order       B16       0       480,106       480,106         Tax remitted under Syncrude Remission Order       0       Balance (line A minus line B)       11,61         Tax remitted under Syncrude Remission Order       0       Balance (line A minus line B)       11,61         Tax remitted under Syncrude Remission Order       0       Balance (line A minus line B)       11,61         To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information Branch number       B11,61       Enclosed payment       11,61         914       Institution number       918       Account number       Belance unpaid       11,61         914       Institution number       918       Account number       Belance applies.       Belance applies.       Belance applies.       Belance applies.       Belance applies.       Belance applies.       Start       2 No X       X<	Allowable refund for non-resident-owned inve	estment corporations		
Provincial and territorial central central gains rerund from Schoule 15       912       0         Royatties deductible under Synorude Remission Order       915       0         Tax remitted under Synorude Remission Order       916       0         Tax instalments paid       0       916       0         Sefund code       894       0       Overpayment       0       916       480,106         Mind code       894       0       Overpayment       0       11,61         Direct deposit request       If the result is negative, you have an overpayment.       If the result is negative, you have a balance unpaid.         Encound at difficiencial institution in Canada, or to change banking information you already gave us, complete the information below:       910       Enter the amount on whichever line applies.         914	from Schedule 26			
Provincial and territorial refundable tax credits from Schedule 5	Provincial and territorial capital gains refund	from Schedule 18		
Revented under Syncrude Remission Order       11         Tax remited under Syncrude Remission Order       11         Tax instalments paid       Total credits       880       480,106       480,106         Refund code       894       0       Overpayment       0       Balance (line A minus line B)       111.61         If the result is negative, you have a balance unpaid.       Encerted teposit request       If the result is negative, you have a balance unpaid.         To have the corporation's refund deposited directly into the corporation's bank account at financial institution in Canada, or to change banking information you already gave us, complete the information below:       910       Enter the amount on whichever line applies.         914       Institution number       910       Balance unpaid       11,612         914       Institution number       818       11,612         914       Institution number       Account number       898       11,612         914       Institution number       Account number       898       11,612         914       Institution number       Account number       898       12,612         950       SLATER       951       SANDRA       954       Director or FINANCE         950       SLATER       951       SANDRA       954       Director or FINANCE	Provincial and territorial refundable tax credi	ts from Schedule 5		
Tax remitted under Syncrude Remission Order       11         Tax instalments paid       Total credits         Tax instalments paid       Total credits         Refund code       894       O       Overpayment         O       Direct deposit request       If the result is negative, you have an overpayment. If the result is negative, you have an overpayment. If the result is negative, you have an overpayment. If the result is negative, you have an overpayment. If the result is negative, you have an ablance unpaid. Enter the amount on whichever line applies. We do not charge or refund a difference of \$2 or less.         Start       Change information       910         Institution number       Account number       Balance unpaid         Institution number       Account number       Balance unpaid         Institution number       918       Account number         If the corporation is a Canadian-controlled private corporation throughout the taxalion year, does it qualify for the one-month extension of the date the balance of tax is due?       956         O       SLATER       951       SANDRA       954       DIRECTOR OF FINANCE         955       2.0.0.50.4 - 0.8       Signature of the authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is to the based for the previous year excrept as specifically discloseed in a statemenentached to this return.      <	Royalties deductible under Syncrude Rem	hission Order 815	0	
Tax instalments paid       10 <td< th=""><th>Tax remitted under Syncrude Remission Ord</th><th>ler</th><th></th><th></th></td<>	Tax remitted under Syncrude Remission Ord	ler		
Refund code       894       Overpayment       0       480,106       480,106         Direct deposit request       0       Balance (line A minus line B)       11,61         To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:       If the result is negative, you have a balance unpaid. Entire the amount on whichever line applies. We do not charge or refund a difference of \$2 or less.         914       Institution number       910       Balance unpaid       11,612         914       Institution number       910       Balance unpaid       11,612         914       Institution number       910       Balance unpaid       11,612         914       Institution number       910       Enclosed payment       10,612         914       Institution number       910       Enclosed payment       10,612         914       Institution number       Account number       Enclosed payment       10,612         915       SANDRA       954       DIRECTOR OF FINANCE       2 No X         - Certification       954       DIRECTOR OF FINANCE       955       2 00,5-0,4-0.8       956       51,9-77.6-52.91         Ista at ame in block letters       First name in block letters       Pose			840 480,106	
Refund code       894       Overpayment       Overpayment       Overpayment       Balance (line A minus line B)       11,61            — Direct deposit request        If the result is negative, you have a overpayment.        If the result is negative, you have a balance unpaid.             To have the corporation's refund deposited directly into the corporation's bank         account at a financial institution in Canada, or to change banking information         you already gave us, complete the information below:        If the result is negative, you have a balance unpaid.             Start        Change information        910        If the result is negative, you have a balance unpaid.             Pital        Institution number        910        Enter the amount on whichever line applies.             Pital        918        Account number        Balance unpaid        11,612             Pital        918        Account number        Balance unpaid        11,612             Pital        1918        Account number        Balance unpaid        11,612            Institution number        918        Account number        Balance unpaid        11,612             Pita corporation is a Canadian-controlled private corporatio		Total credi	ts 890 480,106	480,10
Late device Direct deposit request   To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:   Istart Change information   910 Branch number   914 918   Institution number Account number   Istart P18   Account number Branch number   Institution number Account number   Balance unpaid 11,612   914 918   Institution number Account number   Balance unpaid 11,612   Institution number Account number   Both Registrice 2 No X   Certification 950 SLATER 951 SANDRA 954 DIRECTOR OF FINANCE Position, office, or rank m an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. If urther certify that the method of calculating companying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. If urther certify that the method of calculating companying schedules and statements, and the taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.   955 2005-04-08   Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation below   958 Name in block letters   Name in block letter	Refund code 894 0 Overnavme	ent 0	Balance (line A minus line B)	11,61
To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:       If the result is positive, you have a balance unpaid. Enter the amount on whichever line applies. We do not charge or refund a difference of \$2 or less.         Image: Start       Change information       910         Image: Institution number       Image: Imag				
To have the corporation's refund deposited directly into the corporation's bank account at a financial institution in Canada, or to change banking information you already gave us, complete the information below:   Start Change information   910	Direct deposit request		If the result is negative, you have a	n overpayment.
account at a financial institution in Canada, or to change banking information         you already gave us, complete the information below:         Start       Change information         910		rectly into the corporation's bank	If the result is positive, you have a	balance unpaid.
you already gave us, complete the information below: Start Change information 910 Branch number Branch numbe	account at a financial institution in Canada, or	r to change banking information		
Start       Change information       910	you already gave us, complete the information	n below:		rence
Branch number       Branch number       Balance unpaid       11,61:         914       918       Account number       Balance unpaid       11,61:         Institution number       Account number       Balance unpaid       11,61:         if the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due?       Bef 1 Yes       2 No X         - Certification		910	or \$2 or less.	
914       918       Enclosed payment       898       11,612         Institution number       Account number       Enclosed payment       898       11,612         if the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due?       896       1 Yes       2 No       X         - Certification       951       SANDRA       954       DIRECTOR OF FINANCE       Position, office, or rank         950       SLATER       951       SANDRA       954       DIRECTOR OF FINANCE       Position, office, or rank         man authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating come for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.         955       2005-04-08       956       519-776-5291         Date (yyyy/mm/dd)       Signature of the authorized signing officer of the corporation       957       1 Yes       2 No         958	Start Change Information		Relence uppeid	11 613
Institution number       Account number       Enclosed payment       898       11,61:         If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due?       896       1 Yes       2 No X         — Certification		Branch Humber		11,012
Instruction number         if the corporation is a Canadian-controlled private corporation throughout the taxation year,         if the corporation is a Canadian-controlled private corporation throughout the taxation year,         if the corporation is a Canadian-controlled private corporation throughout the taxation year,         if the corporation is a Canadian-controlled private corporation throughout the taxation year,         if the corporation is a Canadian-controlled private corporation throughout the taxation year,         if the corporation is a Canadian-controlled private corporation of the date the balance of tax is due?         if the corporation is a Canadian-controlled private corporation of the date the balance of tax is due?         if the corporation is a Canadian-controlled private corporation.         if the corporation is a consistent with that of the previous year except as specifically disclosed in a statement attached to this return.         if the contact person the same as the authorized signing officer? If No, complete the information below         if the contact person the same as the author				11 613
does it qualify for the one-month extension of the date the balance of tax is due?       Ites 2 NO X         - Certification       951 SANDRA       954 DIRECTOR OF FINANCE         Position, office, or rank       Position, office, or rank         M an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, nd that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating come for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.         955       2005-04-08       956       519-776-5291         Date (yyyy/mm/dd)       Signature of the authorized signing officer of the corporation       957       1 Yes       2 No         958				
950       SLATER       951       SANDRA       954       DIRECTOR OF FINANCE         Last name in block letters       First name in block letters       Position, office, or rank         m an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, not that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating come for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.         955       2005-04-08       956       519-776-5291         Date (yyyy/mm/dd)       Signature of the authorized signing officer of the corporation       Telephone number         958       Name in block letters       959       2005         Name in block letters       Telephone number         958       Name in block letters       Telephone number         958       Indicate the language of your choice.       1 English/Anglais       X       2 Francais/French	If the corporation is a Canadian-controlled prides it qualify for the one-month extension of	vate corporation throughout the taxation year, the date the balance of tax is due?	896 1 Yes	2 No X
950       SLATER       951       SANDRA       954       DIRECTOR OF FINANCE         Last name in block letters       First name in block letters       Position, office, or rank         m an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, not that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating come for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.         955       2005-04-08       956       519-776-5291         Date (yyyy/mm/dd)       Signature of the authorized signing officer of the corporation       Telephone number         958       Name in block letters       959       2005         Name in block letters       Telephone number         958       Name in block letters       Telephone number         958       Indicate the language of your choice.       1 English/Anglais       X       2 Francais/French	- Certification		()	
Last name in block letters       First name in block letters       Position, office, or rank         m an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, including accompanying schedules and statements attached to this return.         955       2005-04-08       956       519-776-5291       Telephone number         958       959       959       959       1	950 SLATER	951 SANDRA		
man authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating icome for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return. 955 2005-04-08 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation 956 519-776-5291 Telephone number 958 2005 - 04 - 08 Date (yyyy/mm/dd) Signature of the authorized signing officer? If No, complete the information below 957 1 Yes X 2 No 958 7 1 Yes X 2 No 958 7 1 Pelphone number 959 9 7 1 Yes X 2 No 959 7 1 Yes X 2 Francais/French			rs Position, offi	ce, or rank
and that the information given on this return is, to the best of my knowledge, correct and complete. Further certify that the method of calculating is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.         955       2005-04-08       956       519-776-5291         Date (yyyy/mm/dd)       Signature of the authorized signing officer of the corporation       957       1 Yes       X       2 No         958       959       959       959       1 Yes       X       2 No       1         958       959       959       959       1 Yes       X       2 No       1         958       1 Anguage of correspondence - Langue de correspondance       1 English/Anglais       X       2 Français/French       1	am an authorized signing officer of the cornorat	ion. I certify that I have examined this return, i	ncluding accompanying schedules and staten	nents,
955       2005-04-08       956       519-776-5291         Date (yyyy/mm/dd)       Signature of the authorized signing officer of the corporation       Telephone number         958	and that the information given on this return is	to the best of my knowledge correct and com	niete. I turther certify that the method of calcu	laung
Date (yyyy/mm/dd)       Signature of the authorized signing officer of the corporation       Telephone number         a the contact person the same as the authorized signing officer? If No, complete the information below       957       1 Yes       X       2 No         958       959         Telephone number         Date (yyyy/mm/dd)         Signature of the authorized signing officer? If No, complete the information below         958       959         Telephone number         Date (yyyy/mm/dd)         Name in block letters         Telephone number         Date (py your choice.         Indicate the language of your choice.         1 English/Anglais         X		and a manager of the state of t		
s the contact person the same as the authorized signing officer? If <i>No</i> , complete the information below 957 1 Yes X 2 No 958 958	955 2005-04-08			
the contact person the same as the authorized signing officer? If <i>No</i> , complete the information below  957 1 Yes X 2 No  959  959  Telephone number  Language of correspondence - Langue de correspondance  Indicate the language of your choice.  1 English/Anglais X 2 Francais/Erench	Date (yyyy/mm/dd) Sig	gnature of the authorized signing officer of the	corporation Tel	ephone number
958 959 Name in block letters Telephone number — Language of correspondence - Langue de correspondance Indicate the language of your choice. 1 English/Anglais X 2 Français/French		ed signing officer? If No, complete the information	tion below 957 1 Yes	<b>X</b> 2 No
958     Telephone number       Language of correspondence - Langue de correspondance     Telephone number       Indicate the language of your choice.     1 English/Anglais     X 2 Français/French				
Name in block letters     Telephone number       —     Language of correspondence - Langue de correspondance	958			
Indicate the language of your choice.		ne in block letters	Tel	ephone number
Indicate the language of your choice.				
			1 English/Anglais X 2 Français/Fre	ench

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI) Opening Balance Sheet					
gifi A	Account	Description	Amount		
— Asset	ts ———				
1599		Total current assets			
2008		Total tangible capital assets	+ 0		
2009		Total accumulated amortization of tangible capital assets			
2178		Total intangible capital assets			
2179		Total accumulated amortization of intangible capital assets	- 0		
2589		Total long-term assets	+ 0		
2590		Assets held in trust	+ 0		
			**********		
2599		Total Assets (mandatory field)	= 0		
3450 3460 3470		Total long-term liabilities Subordinated debt Arnounts held in trust Total liabilities (mandatory field)	0 0 		
Shar 3620	eholder eo	quity — Total shareholder equity (mandatory field)	0		
3640		Total Liabilities and Shareholder Equity	0		
3849		Retained Earnings/Deficit - End (mandatory field)	0		

Corporate Taxprep / Taxprep des sociétés - TP-10

E.L.K. Energy Inc. Account/Business No.: 866567787RC0001

Year Ended:

Sch. 101 2004-12-31

#### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:

#### 2004-12-31

Sch. 100

#### **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

Identification of the corporati	on (Imported Data)		
Name of the corporation	E.L.K. Energy Inc.		
Business Number	866567787RC0001	Taxation year end	2004-12-31
Address		City	ESSEX
Province, Territory		Postal code	N8M-3E4

#### **Balance Sheet**

iIFI	Account	Description		Amount	Prior Year	
	iets ——	Total current assets	+	12,003,675	12,099,811	
1599 2008 2009 2178 2179 2589 2590		Total tangible capital assets		18,102,055	17,686,266	
009		Total accumulated amortization of tangible capital assets.		10,388,863	9,780,954	
178		Total intangible capital assets		0	0	
179		Total accumulated amortization of intangible capital assets		0	0	
89		Total long-term assets	÷	1,036,602	1,141,274	
590		Assets held in trust	+	0	0	
99		Total Assets (mandatory field)	=	20,753,469	21,146,397	

				_
Liabilities — 3139 3450 3460 3470	Total current liabilities.	8,462,392	10,190,514	
3450	Total long-term liabilities	902,225	855,137	
3460	Subordinated debt	0	0	
3470	Amounts held in trust	0	0	
3499	Total liabilities (mandatory field)	9,364,617	11,045,651	
		***********		

Shareholder equity	11,388,852	10,100,746	
--------------------	------------	------------	--

3640	Total Liabilities and Shareholder Equity	20,753,469	21,146,397	

3849	Retained Earnings/Deficit - End (mandatory field)	6,986,379	5,698,273	
			14:4	

Corporate Taxprep / Taxprep des sociétés - TP-10

#### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001

Year Ended:

#### **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

#### **Current Assets**

GIFI	Account	Description	Amount	Prior year	
— Cas	h and depos		7,129,283	7,478,565	
1000		Cash and deposits	0	0	
1002		Deposits in Canadian banks and institutions - Canadian currency Deposits in Canadian banks and institutions	0	0	
1003		- foreign currency	0	0	
1003 1004 1005 1006		Deposits in foreign banks - Canadian currency	0	0	
1005		Deposits in foreign banks - foreign currency.	0	0	
1006		Credit union central deposits	0	0	
1007		Other cash like instruments	0	0	
		Cash and deposits	+ 7,129,283	7,478,565	

— Accounts re	ceiv	able	_			
1060	*	Accounts receivable		1,708,625	1,802,614	
<b>۲</b> ٦		Trade accounts receivable		2,753,894	2,530,295	
100+		Trade accounts receivable from related parties		0	0	
1066		Taxes receivable		0	0	
1067		Interest receivable		0	0	
1067 1068 1069 1071		Holdbacks receivable		0	0	
1069		Leases receivable		0	0	
1071		Accounts receivable from employees		0	0	
1073		Amounts receivable from members of NPOs		0	0	
					*********	
		Accounts receivable	+	4,462,519	4,332,909	

- Allowance for c	oubtful accounts			
1061 *	Allowance for doubtful accounts	0	0	
1063	Allowance for doubtful trade accounts receivable	0	0	
1065	Allowance for doubtful trade accounts receivable related parties	0	0	
1070	Allowance for doubtful amounts contained in leases receivable.	0	0	
L	Allowance for doubtful accounts receivable from employees	0	0	
	Allowance for doubtful accounts	0	0	
		**********		

Page 1 of 3 Corporate Taxprep / Taxprep des sociétés - TP-10

L.K. En	ergy Inc. usiness No.: 866567787RC0001 Year Ende		2004-12-31	Sch. 1599
count/B	usiness No.: 866567787RC0001 Year Ende	34:	2004-12-51	
Inventories				
) *	Inventories	338,326	251,137	
í	Inventory of goods for sale	0	0	
-	Inventory parts and supplies	0	0	
	Inventory properties	0	0	
	Inventory of aggregates	0	0	
5		0	0	
<u>,</u>	Work in progress	0	0	
2	Raw materials	0	0	
J	Inventory of securities	0		
		+ 338,326	251,137	
	Inventories		251,157	
Short-term inv	estments	0	0	
ĺ	Canadian term deposits	0	0	
2	Canadian shares	0	0	
1	Canadian bonds	0	0	
ลี	Canadian treasury bills	0	0	
5	Securities purchased under resale agreements	0	0	
	Other short-term Canadian investments	0	0	
		0	0	
<u>_</u>	Short-term foreign investments			
		+ 0	0	
	Short-term investments			
Loans and no	tes receivable			
	Loans and notes receivable	0	0	
1	Demand loans receivable	0	0	
2	Other loans receivable	0	0	
=		0	0	
3	Notes receivable	0	0	
4	Mortgages receivable			
		+ 0	0	
	Loans and notes receivable			
Due from sha	reholder(s)/director(s)			
o .	* Due from shareholder(s)/director(s)	0	0	
1	Due from individual shareholder(s).	0	0	
2	Due from corporate shareholder(s)	0	0	
∩]	Due from director(s)	0	0	
	Due from shareholder(s)/director(s)	+ 0	0	
		***********	*********	
0	Investment in joint venture(s)/partnership(s)	+ 0	0	

Page 2 of 3 Corporate Taxprep / Taxprep des sociétés - TP-10

L.K.	Energy Inc. /Business No.:866567787RC0001 Year Ende	ed:	2004-12-31	Sch. 1599
ccount				
	nvestment in related parties			
1400	* Due from/investment in related parties	0	0	
401	Demand notes from related parties	0	0	
1402	Interest receivable from related parties	0	0	
1403	Loans/advances due from related parties	0	0	
	Due from/investment in related parties	+ 0	0	
		**********		
1460	Customers' liability under acceptances.	+ 0	0	
		+ 0	0	
Other curr	ent assets	+ 0	0	
— Other curr	ent assets			
Other curr 480 481	* Other current assets Deferred income taxes			
Other curr	* Other current assets Deferred income taxes Accrued investment income .			
- Other curr 480 481 482 483	* Other current assets Deferred income taxes Accrued investment income Taxes recoverable/refundable			
- Other curr	* Other current assets Deferred income taxes Accrued investment income Taxes recoverable/refundable Prepaid expenses	0 0 0 0	0 0 0 0	
- Other curr 480 481 482 483 484 485	* Other current assets     Deferred income taxes     Accrued investment income .     Taxes recoverable/refundable.     Prepaid expenses Drilling advances	0 0 0 73,547	0 0 0 0	
- Other curr	* Other current assets Deferred income taxes Accrued investment income Taxes recoverable/refundable Prepaid expenses	0 0 0 73,547	0 0 0 0	
Other curr 1480 1481 1482 1483 1484 1485 1486	* Other current assets     Deferred income taxes     Accrued investment income .     Taxes recoverable/refundable.     Prepaid expenses Drilling advances	0 0 0 73,547	0 0 0 0	

 Image: Total Current Assets
 = 12,003,675
 12,099,811

\* Generic Item

Corporate Taxprep / Taxprep des sociétés - TP-10

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### E.L.K. Energy Inc.

Year Ended: Account/Business No.: 866567787RC0001

Sch. 2008 2004-12-31

#### **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

#### **Tangible Capital Assets**

Account	Description	Amount	Prior year	
 J	Land	156,387	156,387	
j	Land improvements	- 0	0	
Depletable as:	sets			
-	* Depletable assets	0	0	
2	Petroleum and natural gas properties	0	0	
4	Mining properties	0	0	
6	Deferred exploration and development charges	0	0	
8	Quarries	0	0	
6 8 0	Gravel pits	0	0	
2	Timber limits	0	0	
		+ 0	0	
	Depletable assets			
Buildings —	* Buildings Manufacturing and processing plant Buildings under construction	2,960,271 0 0	2,820,441 0 0	
2		0 0 + 2,960,271	0	
4	Manufacturing and processing plant Buildings under construction	0 0 + 2,960,271	0 0 2,820,441	
4	Manufacturing and processing plant Buildings under construction Buildings quipment, furniture, and fixtures * Machinery, equipment, furniture, and fixtures	0 0 + 2,960,271	0 0 2,820,441 14,709,438	
∠ 4 Machinery, eo	Manufacturing and processing plant Buildings Buildings guipment, furniture, and fixtures	0	0 0 2,820,441	
∠ 4 Machinery, ec	Manufacturing and processing plant Buildings under construction Buildings quipment, furniture, and fixtures * Machinery, equipment, furniture, and fixtures	0 0 + 2,960,271 ====================================	0 0 2,820,441 14,709,438	
A Machinery, ec 0	Manufacturing and processing plant Buildings under construction Buildings quipment, furniture, and fixtures * Machinery, equipment, furniture, and fixtures Motor vehicles Tools and dies	0 0 + 2,960,271 ====================================	0 0 2,820,441 14,709,438 0	
A Machinery, ec 0	Manufacturing and processing plant Buildings under construction Buildings quipment, furniture, and fixtures * Machinery, equipment, furniture, and fixtures Motor vehicles Tools and dies Construction and excavating equipment	0 0 + 2,960,271 	0 0 2,820,441 14,709,438 0 0	
Machinery, ec	Manufacturing and processing plant Buildings under construction Buildings	0 0 + 2,960,271 	0 0 2,820,441 14,709,438 0 0 0	
Machinery, ec 0 2 4 8 8	Manufacturing and processing plant. Buildings under construction. Buildings	0 0 + 2,960,271 14,985,397 0 0 0 0	0 0 2,820,441 14,709,438 0 0 0	
4 4 Machinery, ec 0 2 4 6 8 8 0 0 2	Manufacturing and processing plant. Buildings under construction. Buildings	0 0 + 2,960,271 14,985,397 0 0 0 0 0	0 0 2,820,441 14,709,438 0 0 0 0 0	
Machinery, ec 0 2 4 6 8 10	Manufacturing and processing plant. Buildings under construction. Buildings	0 0 + 2,960,271 14,985,397 0 0 0 0 0	0 0 2,820,441 14,709,438 0 0 0 0 0	
4 4 Machinery, ec 0 2 4 6 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	Manufacturing and processing plant. Buildings under construction. Buildings	0 0 + 2,960,271 14,985,397 0 0 0 0 0	0 0 2,820,441 14,709,438 0 0 0 0 0	
<u>الم</u>	Manufacturing and processing plant.         Buildings under construction.         Buildings         Buildings         *         Machinery, equipment, furniture, and fixtures.         Motor vehicles.         Tools and dies.         Construction and excavating equipment.         Forestry and logging equipment.         Fishing gear and nets.         Mining equipment for resource industries.         Production equipment for other than resource industries.	0 0 + 2,960,271 14,985,397 0 0 0 0 0	0 0 2,820,441 14,709,438 0 0 0 0 0	
<u>الم</u>	Manufacturing and processing plant. Buildings under construction. Buildings	0 0 + 2,960,271 14,985,397 0 0 0 0 0	0 0 2,820,441 14,709,438 0 0 0 0 0	
<u>الم</u>	Manufacturing and processing plant. Buildings under construction. Buildings guipment, furniture, and fixtures * Machinery, equipment, furniture, and fixtures. Motor vehicles. Tools and dies. Construction and excavating equipment. Forestry and logging equipment. Forestry and logging equipment. Fishing gear and nets. Mining equipment. Oil and gas systems. Production equipment for resource industries. Production equipment. Shipping equipment.	0 0 + 2,960,271 14,985,397 0 0 0 0 0	0 0 2,820,441 14,709,438 0 0 0 0 0	
۲         4         Machinery, ec         0         ١٤         ٩         ٥         ١٤         ٩         ٥         ١٤         ٩         ١٤         ٩         ١٤     <	Manufacturing and processing plant. Buildings under construction	0 0 + 2,960,271 14,985,397 0 0 0 0 0	0 0 2,820,441 14,709,438 0 0 0 0 0	
<u>الم</u>	Manufacturing and processing plant. Buildings under construction	0 0 + 2,960,271 14,985,397 0 0 0 0 0 0	0 0 2,820,441 14,709,438 0 0 0 0 0	

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Corporate Taxprep / Taxprep des sociétés - TP-10

ccount/Business No.: 866567787RC0001 Year Ende	d:	Sch. 2004-12-31	2008
- Machinery, equipment, furniture, and fixtures (cont'd)			
70 Small tools	0	0	
72 Radio and communication equipment.	0	0	
Kadio and communication equipment	0	0	
Musical instruments	0	0	
3 Satellites	0	0	
Earth stations	0	0	
	0	0	
	ů O	0	
	0	Ő	
Other machinery and equipment	0	0	
Furniture and fixtures	U	Ū	
	+ 14.985,397	14,709,438	
Machinery, equipment, furniture, and fixtures		14,709,438	
* Other tangible capital assets	0	0	
Conter tangible capital assets		0 0 0	
Conter tangible capital assets		0 0 0 0	
* Other tangible capital assets         Logging roads         Asphalt and parking areas         Wharves         Fences		0 0 0 0 0 0	
<ul> <li>* Other tangible capital assets</li> <li>Logging roads</li> <li>Asphalt and parking areas</li> <li>Wharves</li> <li>Fences</li> <li>Capital leases - buildings</li> </ul>		0 0 0 0 0 0 0	
<ul> <li>* Other tangible capital assets</li> <li>Logging roads</li> <li>Asphalt and parking areas</li> <li>Wharves</li> <li>Fences</li> <li>Capital leases - equipment</li> </ul>		0 0 0 0 0 0 0 0 0	
<ul> <li>* Other tangible capital assets</li> <li>Logging roads</li> <li>Asphalt and parking areas</li> <li>Wharves</li> <li>Fences</li> <li>Capital leases - buildings</li> <li>Capital leases - equipment</li> <li>Capital leases - vehicles</li> </ul>		0 0 0 0 0 0 0 0 0 0 0	
* Other tangible capital assets         Logging roads         Logging roads         Asphalt and parking areas         Wharves         Fences         Capital leases - buildings         Capital leases - equipment         Capital leases - vehicles			
*       Other tangible capital assets         Logging roads       Logging roads         Asphalt and parking areas       Mharves         Wharves       Fences         Capital leases - buildings       Capital leases - equipment         Capital leases - vehicles       Capital leases - others			
2       Logging roads			

Other tangible capital assets

2008

Total Tangible Capital Assets

= 18,102,055 17,686,266

0

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0

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n.

\* Generic Item

Corporate Taxprep / Taxprep des sociétés - TP-10

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#### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001

Year Ended:

#### Sch. 2009 2004-12-31

### GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

#### Accumulated Amortization of Tangible Capital Assets

GIFI Account	Description	Amount	Prior year	6
1602	Land improvements	0	0	
Accumulated a 1621 * 1623 1625 1627 1629 1631 1633	mortization of depletable assets         Depletable assets         Petroleum and natural gas properties         Mining properties         Deferred exploration and development charges.         Quarries         Gravel pits         Timber limits.         Accumulated amortization of depletable assets	0 0 0 0 0 0 0	0 0 0 0 0 0	
1681 *	mortization of buildings	2,162,535	1,984,428	
1683	Manufacturing and processing plant,	0 + 2,162,535	0 1,984,428	
Accumulated a 1741 * 1743 1745 1745 1749 1751 1755 1755 1757 1759 1761 1763 1765 1776 1775 1775 1777 1779 1777 1779 1778 1778 1778	mortization of machInery, equipment, furniture, and fixtures         Machinery, equipment, furniture, and fixtures.         Motor vehicles.         Tools and dies.         Construction and excavating equipment.         Forestry and logging equipment.         Forestry and logging equipment.         Fishing gear and nets.         Mining equipment.         Oil and gas systems.         Production equipment for resource industries.         Production equipment.         Shipping equipment.         Shipping equipment.         Ships and boats.         Aircraft.         Signs.         Small tools.         Radio and communication equipment.         Computer equipment/software.         Musical instruments.         Satellites.         Earth stations.         Transportation equipment.	8,226,328 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	7,796,526 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	

Page 1 of 2 Corporate Taxprep / Taxprep des sociétés - TP-10

.L.K. E	nergy Inc.		Sch. 2009 2004-12-31
count/	Business No.: 866567787RC0001 Year Ende	ea:	2004-12-31
- Accumulater	d amortization of other tangible capital assets		
01	* Other tangible capital assets	0	0
103	Logging roads	0	0
05	Asphalt and parking areas	0	0
07	Wharves	0	0
09	Fences	0	0
11	Capital leases - buildings	0	0
3	Capital leases - equipment	0	0
5	Capital leases - vehicles	0	0
7	Capital leases - others	0	0
9	Leasehold improvements	0	0
2	Campsites	0	0
	Accumulated amortization of other tangible capital assets	+ 0	0
		**********	

2009	Total Accumulated Amortization of Tangible Capital Assets	=	10,388,863	9,780,954	
* Generic Item	Corporate Taxprep	/ Ta	xprep des soc	Page 2 of 2 iétés - TP-10	

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Year Ended:

#### **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

#### Long-Term Assets

SIFI Account	Description	Ar	mount	Prior year
	holder(s)/director(s)		0	0
*	Due from shareholder(s)/director(s)		0	0
2181	Due from individual shareholder(s)		U	0
2181 2182 2183	Due from corporate shareholder(s)		0	0
2183	Due from director(s)		0	U
		-		
	Due from shareholder(s)/director(s)	+	0	0
		87	**********	
190	Due from members	÷	0	0
		т	0	0
2200	Investment in joint venture(s)/partnership(s)	т	0	
	Investment in joint venture(s)/partnership(s) Due from joint venture(s)/partnership(s)	+	0	0
		+	v	0
Due from/inves	Due from joint venture(s)/partnership(s)	+	0	
— Due from/inves	Due from joint venture(s)/partnership(s)	+	0	0
– Due from/inves	Due from joint venture(s)/partnership(s)	+	0	0
* 2241 2242	Due from joint venture(s)/partnership(s)	+	0	0 0 100
Due from/inves * 2241/ 2242 2243	Due from joint venture(s)/partnership(s)	+	0 0 0 100 0	0
Due from/inves * 2241/ 2242 2243	Due from joint venture(s)/partnership(s)         tment in related parties         Due from/investment in related parties         Due from/investment in Canadian related parties         Shares in Canadian related corporations         Loans/advances to Canadian related corporations         Investment in Canadian related corporations at cost	+	0	0 0 100
- Due from/inves 241 242 243 244 245	Due from joint venture(s)/partnership(s)	+	0	0 0 100
- Due from/inves * 241 242 243 244 245 246	Due from joint venture(s)/partnership(s)	+	0	0 0 100
- Due from/inves * 2241 2242 2243 2244 2245 2246 2247	Due from joint venture(s)/partnership(s)	+	0	0 0 100
Due from/inves * 2241 2242 2243 2244 2244 2245 2246 2247 2248	Due from joint venture(s)/partnership(s)         Atment in related parties         Due from/investment in related parties         Due from/investment in Canadian related parties         Shares in Canadian related corporations         Loans/advances to Canadian related corporations at cost         Investment in Canadian related corporations at equity         Due from/investment in foreign related parties         Loans/advances to Canadian related corporations at cost         Investment in Canadian related corporations at equity	+	0 0 100 0 0 0 0 0 0 0 0 0 0	0 0 100
Due from/inves * 2241 2242 2243 2244 2245 2246 2246 2249	Due from joint venture(s)/partnership(s)	+	0 0 100 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 100
Due from/inves * 2241 2242 2243 2244 2245 2246 2244 2245 2246 2247 2248 2249	Due from joint venture(s)/partnership(s)         Atment in related parties         Due from/investment in related parties         Due from/investment in Canadian related parties         Shares in Canadian related corporations         Loans/advances to Canadian related corporations at cost         Investment in Canadian related corporations at equity         Due from/investment in foreign related parties         Loans/advances to Canadian related corporations at cost         Investment in Canadian related corporations at equity	+	0 0 100 0 0 0 0 0 0 0 0 0 0	0 0 100
— Due from/inves	Due from joint venture(s)/partnership(s)	+	0 0 100 0 0 0 0 0 0 0 0 0 0 0 0 0	0 0 100

Investment in co-tenancy...... + 0 0

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Corporate Taxprep / Taxprep des sociétés - TP-10

G.L.K. Er	nergy Inc.			Sch. 2589
ccount/H	Business No.: 866567787RC0001 Year End	ed:	2004-12-3	1
- Long term inv		0	0	
00	* Long term investments	0	0	
01	Foreign shares	0	0	
301 302 303	Other types of foreign investments	0	0	
303	Canadian shares	0	0	
304	Government of Canada debt	0	0	
005	Canadian, provincial, and municipal government debt	0	0	
06	Canadian corporate bonds and debentures	0	0	
07	Debt securities	0	0	
06 07 08 09 100	Equity securities	0	0	
<u></u>		0	0	
009	Securities purchased under resale agreements	0	0	
310	Central credit union shares	0	0	
311	Other Canadian long-term investments	0	0	
	Long term investments	+ 0	0	
	-			

10	Long-term loar	s ————		
	2360 *	Long-term loans	0	0
	2361	Mortgages	0	0
	2362	Personal and credit card loans	0	0
	2361 2362 2363	Business and government loans	0	0
	2364	Line of credit	0	0
		Long-term loans	+ 0	0
		-	**********	

Other long-t	erm			16 500	F ( 0 184	
2420	*	Other long-term assets		46,502	569,174	
2420 2421		Deferred income taxes		990,000	572,000	
2422		Deferred pension charges		0	0	
2423		Deferred unrealized exchange losses		0	0	
2424		Other deferred items/charges		0	0	
2422 2423 2424 2428 2427		Reserve fund		0	0	
2427		Cash surrender value of life insurance		0	0	
		Other long-term assets	+	1,036,502	1,141,174	
				**********		

2425	Accumulated amortization of deferred charges	0	0	

2589	Total Long-Term Assets	=	1,036,602	1,141,274	

\* Generic Item

Corporate Taxprep / Taxprep des sociétés - TP-10

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### E.L.K. Energy Inc. Sch. 3139 Account/Business No.: 866567787RC0001 Year Ended: 2004-12-31

#### **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

#### **Current Liabilities**

GIFI Account	Description	Amount	Prior year		
[2600]	Bank overdraft	+	0	0	

*	Amounts payable and accrued liabilities	2,561,458	3,313,941	
	Trade payables	0	0	
	Trade payables to related parties	0	0	
	Holdbacks payable	0	0	
	Wages payable	0	0	
	Management fees payable	0	0	
	Bonuses payable	0	0	
	Employee deductions payable	0	0	
	Withholding taxes payable	0	0	
	Interest payable	0	0	
	Amounts payable to members of NPOs	0	0	
	Amounts payable and accrued liabilities	+ 2,561,458	3,313,941	
			**********	

2680

Taxes	payable	ŝ	•	4		
Taxoo	payaolo	۰.			-	1

360,515 648,908

Short term debt	Short term debt	0	0	
21	Loans from Canadian banks	0	0	
21 22 33 24 25 55	Liability for securities sold short	0	0	
03	Liability for securities sold under repurchase agreements	0	0	
04	Gold and silver certificates.	0	0	
05	Cheques and other items in transit	0	0	
06	Lien notes	0	0	
_				
	Short term debt	+ 0	0	
он				
0	Deferred income	+ 0	0	

	older(s)/director(s)			
2780 *	Due to shareholder(s)/director(s)	0	0	
2781	Due to individual shareholder(s).	0	0	
2782	Due to corporate shareholder(s)	0	0	
2780 * 2781 2782 2783	Due to director(s)	0	0	
			*********	
	Due to shareholder(s)/director(s)	+ 0	0	
		***********		
2840	Due to joint venture(s)/partnership(s)	+ 0	0	

E.L.K. Ener Account/Bus	gy Inc. iness No.:866567787RC0001 Year End	ed:	2004-12-3	Sch. 3139 1
2861 C	les Due to related parties Pemand notes due to related parties Interest payable to related parties	0 5,200,000 0		
C	ue to related parties	+ 5,200,000	5,850,000	

	Current portion of long-term liability +	0	0	
2940	Bankers' acceptances +	0	0	

Other current li     2960     *	abilities — Other current liabilities	0	0	
2961	Deposits received	340,419	377,665	
962	Dividends payable	0	0	
2963	Deferred income taxes	0	0	
2964	Reserve for guarantees, warranties or indemnities.	0	0	
2965	General provisions/reserves	0	0	
966	Crew shares	0	0	
	Other current liabilities	+ 340,419	377,665	

3139

**Total Current Liabilities** 

= 8,462,392 10,190,514

\* Generic Item

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FI	Account	Description	Amount	Pri yea		
- Lon	g-term debt *	Long-term debt		0	0	
141		Mortgages		0	0	
42		Farm credit corporation loan		0	0	
43		Chartered bank loan		0	0	
44		Credit Union/Caisse Populaire loan		0	0	
45		Provincial government loan		0	0	
46		Supply company loan		0	0	
47		Private loan		0	0	
148		Central, league, and federation loans		0	0	
149		Line of credit		0	0	
150		Liability for securities sold short		0	0	
151		Liability for securities sold under repurchase agreements		0	0	
152		Lien notes		0	0	
		Long-term debt	+	0	0	
-			_			
200		Deposit liabilities of financial institutions		0	0	
210		Bonds and debentures	+	0	0	
220		Deferred income	+	0	0	
240		Deferred income taxes	+	0	0	
	e to sharehol	der(s)/director(s)		0	0	
260 261	n	Due to shareholder(s)/director(s).		0	0	
262		Due to individual shareholder(s).		0	0	
262		Due to corporate shareholder(s).		0	0	
203		Due to director(s)				
			+	0	0	
		Due to shareholder(s)/director(s)		-		
-		Due to members	+	0	0	
-		Due to members Due to joint venture(s)/partnership(s)	+	0	0 0	
280			+ +			
	e to related o	Due to joint venture(s)/partnership(s)	+ +			
 Du	e to related p	Due to joint venture(s)/partnership(s)	+ +			
Du	e to related p *	Due to joint venture(s)/partnership(s)	+ +	0	0	
- Du 300	e to related p *	Due to joint venture(s)/partnership(s)	+ +	0	0	
- Du 300	e to related p *	Due to joint venture(s)/partnership(s)	+ +	0 0 0	0	
Duo 3300 3301	e to related p *	Due to joint venture(s)/partnership(s)	+ +	0 0 0	0	

Year Ended:

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Corporate Taxprep / Taxprep des sociétés - TP-10

E.L.K. Energy Inc. Account/Business No.: 866567787RC0001

E.L.K. Energy Inc	d.		
Account/Business	No.: 866567787RC0001	Year	Ended:

Sch. 3450 2004-12-31

*	Other long-term liabilities	248,996	210,371	
	Long-term obligations/commitments/capital leases	0	0	
	Reserves for guarantees, warranties, or indemnities	653,229	644,766	
	Provision for site restoration	0	0	
	Contributions to qualifying environmental trust	0	0	
	General provisions/reserves	0	0	
	Preference shares restated	0	0	
	Member allocations	0	0	
	Deferred revenue from incomplete contracts	0	0	
	Other long-term llabilities	+ 902,225	855,137	

3450

**Total Long-Term Liabilities** 

902,225 855,137

\* Generic Item

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Corporate Taxprep / Taxprep des sociétés - TP-10

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DCII.	3620
Ended: 2004-12-31	

### GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Shareholder equity

SIFI	Account	Description	An	nount	Prior year	
— Sha 3500 3520	areholder equ	uity Common shares Preferred shares		100 0	100 0	
<b>Co</b> 3540 3541 3542 3543	ntributed and *	Contributed and other surplus	+	4,402,373 0 0 0 4,402,373	4,402,373 0 0 0 4,402,373	
3570 3600		Head office account		0 6,986,379	0 5,698,273	
3620		Total Shareholder equity	-	11,388,852	10,100,746	

\* Generic Item

Corporate Taxprep / Taxprep des sociétés - TP-10

# E.L.K. Energy Inc. Account/Business No.:866567787RC0001

Year Ended:

2004-12-31

# **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

# **Retained Earnings/Deficit**

iFi	Account	Description	,	Amount	Prior year	
3660		Retained earnings/deficit - start	+	5,698,273 1,288,106	3,623,826 2,074,447	
3680		Net income/loss	<b></b>	1,200,100	2,0/1,11/	
- Div	idends decla *	red Dividends declared .	_	0	0	
701				0	0	
702		Cash dividends		0	0	
02		Patronage dividends	06			
		Dr. Marsha dasharad		0	0	
		Dividends declared				
720		Prior period adjustments	+	0	0	
Oth 741 742 743 744 745	ner items affe *	ecting retained earnings         Other items affecting retained earnings         Share redemptions         Special reserves         Currency adjustments         Unusual revenue items         Interfund transfer		0 0 0 0 0 0	0 0 0 0 0	
		Other items affecting retained earnings	+	0	0	
			_			

\* Generic Item

E.L.K. Energy In	с.		
Account/Business	No.: 866567787RC0001	Year	Ended:

# GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

#### **Income Statement**

GIFI	Description	
0002	Operating name	

				Prior
FI Account	Description		Amount	year
ome Statem	ent Information			
	Total sales of goods and services	+	16,450,659	17,038,327
	Cost of sales		12,574,922	11,940,399
9	Gross profit/loss	=	3,875,737	5,097,928
18	Cost of sales	+	12,574,922	11,940,399
7	Total operating expenses		2,710,569	2,924,628
-				**********
•	Total expenses (mandatory field)	=	15,285,491	14,865,027
299	Total revenue (mandatory field)	+	16,963,597	17,622,474
168	Total expenses (mandatory field)		15,285,491	14,865,027
369	Net non-farming income	=	1,678,106	
	Het het hanning meene			

Interview       Interview		0
Total farm expenses (mandatory field)	• • • • • • • • • • • • • • • • • • • •	
99 Net farm income	= 0	0
Net farm income		

Extraordinary items and income taxes (linked to Schedule 140)	

Page 1 of 2

		Sch.	125
Year Ended:	2004-12-31		
	Year Ended:	Year Ended: 2004-12-31	

Account/Business	No.: 866567787RC0001	Year	Ended:	2004-12-31

975	Extraordinary item(s)	0	0
]	Legal settlements	0	0
]	Unrealized gains/losses	0	0
1	Unusual items	0	0
90	Current income taxes	808,000	683,000
80 85 90 95	Deferred income tax provision	-418,000	0
-			
	Net Income/Loss after Taxes and		
99	Extraordinary Items (mandatory field)	1,288,106	2,074,447

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# E.L.K. Energy Inc. Account/Business No.: 866567787RC0001

Year Ended:

# **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

# Revenue

FI	Account	Description	Amount	Prior year	
000		Trade sales of goods and services	+ 16,450,659	17,038,327	
320		Sales of goods and services to related parties.		0	
030		Interdivisional sales		0	
– Sa	les from reso	urce properties			
040	*	Sales from resource properties	0	0	
041		Petroleum and natural gas sales	0	0	
042		Petroleum and natural gas sales to related parties.	0	0	
043		Gas marketing	0	0	
044		Processing revenue	0	0	
3045		Pipeline revenue	0	0	
046		Seismic sales	0	0	
047		Mining revenue	0	0	
8048		Coal revenue	0	0	
		Oil sands revenue	0	0	
049			0	0	
3049 3050		Royalty income	0	0	
		Oil and gas partnership/joint venture income/loss	0	0	
3053		Mining partnership/joint venture income/loss		0	
3053		Other production revenue	0	U	
		×	+ 0	0	
		Sales from resource properties			
				15,020,205	
8089		Total sales of goods and services		17,038,327	
_	vestment reve				
8090	*	Investment revenue	0	0	
8091		Interest from foreign sources	0	0	
092		Interest from Canadian bonds and debentures	0	0	
3093		Interest from Canadian mortgage loans	0	0	
· ·		Interest from other Canadian sources	445,719	495,693	
		Dividend income	0	0	
		Dividends from Canadian sources	0	0	
3096			0	0	
8096 8097		Dividends from foreign sources	0		
		Dividends from foreign sources			
			+ 445,719	495,693	

Page 1 of 3

L.K. Ene count/Bu	rgy Inc. siness No.:866567787RC0001 Year Ende	d:	2004-12-31	ch. 8299
Interest income	financial institutions)			
- Interest income (	Interest income (financial institutions)	0	0	
101	Loan interest	0	0	
		0	0	
102	Securities interest	0	0	
103	Deposits with banks interest	U	U	
	Interest income (financial institutions)	+ 0	0	
- Commission rev	enue – Commission revenue	0	0	
121	Commission income on real estate transactions	0	0	
121	Commission income on real estate transactions			
		+ ^	0	
	Commission revenue	τ U	•	
		***********		
- Rental revenue				
*	Rental revenue	0	0	
141	Real estate rental revenue	0	0	
142	Film rental revenue	0	0	
		**********	**********	
	Rental revenue	+ 0	0	
		***********		
*				
150	Vehicle leasing	+ 0	0	
- Fishing revenue				
* 160	Fishing revenue	0	0	
161	Fish products	0	0	
162	Other marine products	0	0	
163		0	0	
=	Fishing grants, credits, and rebates	0	0	
164	Fishing subsidies	0	0	
165	Compensation for loss of fishing income or property.		0	
3166	Sharesman income	0	U	
	Fishing revenue	+ 0	0	
Realized gains/l	osses on disposal of assets Realized gains/losses on disposal of assets	0	0	
6211	Realized gains/losses on sale of investments	0	0	
		0	0	
8212	Realized gains/losses on sale of resource properties	v		
			0	
	Realized gains/losses on disposal of assets	+ 0	U	

Page 2 of 3

E.L.K. E	Inergy Inc	3.		
Account/	'Business	No.: 866567787RC0001	Year	Ended:

Sch. 8299 2004-12-31

— NPO amounts	received				
3220	NPO amounts received		0	0	
221	Membership fees		0	0	
222	Assessments		0	0	
23	Gifts		0	0	
224	Gross sales and revenues from organizational activities		0	0	
	NPO amounts received	+	0	0	
		==;	*********	**********	

Other revenue	0	0	
Foreign exchange gains/losses	0	0	
Income/loss of subsidiaries/affiliates	0	0	
Income/loss of other divisions	0	0	
Income/loss of joint ventures	0	0	
Income/loss of partnerships	0	0	
Realization of deferred revenues	0	0	
Royalty income other than resource	0	0	
Alberta royalty tax credits	0	0	
Management and administration fees	0	0	
Telecommunications revenue	0	0	
Consulting fees	0	0	
	0	0	
	0	0	
	0	0	
Credit services	67,219	88,454	
Card services	0	0	
Patronage dividends	0	0	
Insurance recoveries	0	0	
Expense recoveries	0	0	
Bad debt recoveries	0	0	
Other revenue	+ 67,219	88,454	
	Foreign exchange gains/losses Income/loss of subsidiaries/affiliates Income/loss of other divisions Income/loss of partnerships Realization of deferred revenues Royalty income other than resource Alberta royalty tax credits Management and administration fees. Telecommunications revenue Consulting fees Subsidies and grants Sale of by-products Deposit services Card services Patronage dividends Insurance recoveries Bad debt recoveries	Foreign exchange gains/losses       0         Income/loss of subsidiaries/affiliates       0         Income/loss of other divisions       0         Income/loss of partnerships       0         Income/loss of partnerships       0         Realization of deferred revenues       0         Royalty income other than resource       0         Alberta royalty tax credits       0         Consulting fees       0         Subsidies and grants       0         Sale of by-products       0         Order services       0         Order services       0         Order services       0         Osale of by-products       0         Opeosit services       0         Order services       0         Order services       0         Osale of by-products       0         Opeosit services       0         O       0         Deposit services       0         O       0         Expense recoveries       0         Bad debt recoveries       0         O       0         O       0         O       0	Foreign exchange gains/losses       0       0         Income/loss of subsidiaries/affiliates       0       0         Income/loss of other divisions       0       0         Income/loss of other divisions       0       0         Income/loss of joint ventures       0       0         Income/loss of partnerships       0       0         Realization of deferred revenues       0       0         Royalty income other than resource       0       0         Alberta royalty tax credits       0       0         Management and administration fees       0       0         Consulting fees       0       0         Subsidies and grants       0       0         Sale of by-products       0       0         Deposit services       0       0         Patronage dividends       0       0         Insurance recoveries       0       0         Bad debt recoveries       0       0         Other revenue       +       67, 219       88, 454

8299

Total Revenue

= 16,963,597 17,622,474

\* Generic Item

Page 3 of 3

E.L.K. Energy In	с.		
Account/Business	No.: 866567787RC0001	Year Ended:	

1

# GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

# **Cost of Sales**

GIFI	Account	Description		Amount	Prior year	
0.5	oning invento					
8300	ening invento *	Opening inventory		0	0	
8301		Opening inventory - finished goods		0	0	
8302		Opening inventory - raw materials		0	0	
8303		Opening inventory - goods in process.		0	0	
		Opening inventory	+	0	0	
				***********	*********	
			_			
8320		Purchases/cost of materials	+	12,574,922	11,940,399	
8340		Direct wages	+	0	0	
8350		Benefits on direct wages	+	0	0	
8360		Trades and sub-contracts	+	0	0	
8370		Production costs other than resource	+	0	0	
<b>ke</b>	source produ *	ction costs Resource production costs		0	0	
8401				0	0	
8402		Pipeline operations		0	0	
8403		Site restoration costs		0	0	
8404		Gross overriding royalty		0	0	
8405		Freehold royalties		0	0	
8406		Other producing properties rental.		0	0	
8407		Prospect/geological		0	0	
8408		Well operating, fuel and equipment		0	0	
8409		Well abandonment and dry holes.		0	0	
8410		Other lease rentals		0	0	
8411		Exploration expenses		0	0	
B412		Development expenses		0	0	
لتتب		Bevelopment expenses in the transferred state of the second state				
		Resource production costs	+	0	0	
					***********	
	own charges				0	
8435	*	Crown charges		0	0	
8436		Crown royalties		0	0	
8437		Crown lease rentals		0	0	
8438		Freehold mineral tax		0	0	
8439		Mining taxes		0	0	
8440		Oil sand leases		0	. 0	
8441		Saskatchewan resource surcharge		U	0	
				^	0	
		Crown charges	+	0		

Page 1 of 2 Corporate Taxprep / Taxprep des sociétés - TP-10

K. Energy Inc. Dunt/Business No.: 866567787RC0001 Year Ende	ed:	2004-12-31	Sch. 851
the direct costs      Other direct costs	0	0	
Equipment hire and operation	0	0	
Log yard	0	0	
Forestry costs	0	0	
	0	0	
Logging road costs	0	0	
Stumpage costs	0	0	
Royalty costs	0	0	
Freight in and duty	0	Ô	
Inventory write down	0	0	
Direct cost amortization of tangible assets	0	0	
Direct cost amortization of natural resource assets	0	0	
Overhead expenses allocated to cost of sales	0		
	+ 0	0	
Other direct costs			
sing inventory	0	0	
* Closing inventory	0	0	
Closing inventory - finished goods	0	0	
Closing inventory - raw materials	0	0	
Closing inventory - goods in process	U	U	
	- 0	0	
Closing inventory			
	**********		
Cost of Sales	= 12,574,922	11,940,399	
		<b>D</b> 0 (0	
eric Item Corporate Taxprep /		Page 2 of 2	

# GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

# **Operating Expenses**

FI	Account	Description	Amount	Prior year	
	vertising and	promotion	0	0	
520	w	Advertising and promotion	0	0	
521 522		Advertising	0	0	
522 523		Donations	0	0	
524		Meals and entertainment.	0	0	
024		Promotion			
		Advertising and promotion	+ 0	0	
570		Amortization of intangible assets	+ 0	0	
590		Bad debt expense	+ 0	0	
	an losses —				
610	*	Loan losses	0	0	
		Provision for loan losses	0	0	
		Loan losses	+ 0	0	
				0	
				31.	
— Em	nployee bene *	Loan losses		31.	
— Em	NY	Loan losses fits Employee benefits			
— Em	NY	Loan losses         fits         Employee benefits         Group insurance benefits			
— Em	NY	Loan losses fits Employee benefits	0	0	
— Em 6620 8621	NY	Loan losses         fits         Employee benefits.         Group insurance benefits.         Employer's portion of employee benefits.	0	0	
— Em 6620 8621	NY	Loan losses         fits         Employee benefits.         Group insurance benefits.         Employer's portion of employee benefits.	0	0	
- Em 620 621	NY	fits         Employee benefits.         Group insurance benefits.         Employer's portion of employee benefits.         Contributions to deferred income plans.		0 0 0 0 0	
- Em	NY	fits         Employee benefits.         Group insurance benefits.         Employer's portion of employee benefits.         Contributions to deferred income plans.         Employee benefits         Employee benefits		000000000000000000000000000000000000000	
— Em 6620 8621	NY	fits         Employee benefits.         Group insurance benefits.         Employer's portion of employee benefits.         Contributions to deferred income plans.         Employee benefits         Amortization of natural resource assets.	+ +	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
— Em 6520 6521 6623	NY	fits         Employee benefits.         Group insurance benefits.         Employer's portion of employee benefits.         Contributions to deferred income plans.         Employee benefits         Employee benefits		000000000000000000000000000000000000000	
- Em 6620 6621 5622 56623 56650 577 576 576 576 576 576 576 576		fits         Employee benefits.         Group insurance benefits.         Employer's portion of employee benefits.         Contributions to deferred income plans.         Employee benefits         Amortization of natural resource assets.	+ +	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
— Em 5620 5621 5622 5623 5623 5623 5623 5623 5623 5623 5623 5623 5623 5623 5623 5624 5624 5624 5624 5624 5624 5624 5624 5624 5625 5624 5625 5624 5624 5625 5624 5625	NY	Loan losses         fits         Employee benefits	+ +	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	
- Em 1620 1621 1622 1623 1623 1623 1623 1626 1626 1626 1626 1626 1626 1626 1626 1626 1627 16777 1777 1777 1777 1777 1777 1777 1777 1777 1777 1777	surance —	Loan losses         fits         Employee benefits.         Group insurance benefits.         Employer's portion of employee benefits.         Contributions to deferred income plans.         Employee benefits         Amortization of natural resource assets.         Amortization of tangible assets.         Insurance.	+ 0 + 607,909	0 0 0 0 0 617,177	
— Em 5620 5621 5622 5623 5623 5623 5623 5623 5623 5623 5623 5623 5623 5623 5623 5624 5624 5624 5624 5624 5624 5624 5624 5624 5625 5624 5625 5624 5624 5625	surance —	Loan losses         fits         Employee benefits	+ 0 + 607,909	0 0 0 0 0 0 617,177	
- Em 6520 6623 6650 - Ins 6690	surance —	Loan losses         fits         Employee benefits.         Group insurance benefits.         Employer's portion of employee benefits.         Contributions to deferred income plans.         Employee benefits         Amortization of natural resource assets.         Amortization of tangible assets.         Insurance.	+ 0 + 607,909	0 0 0 0 0 0 617,177	

Page 1 of 5 Corporate Taxprep / Taxprep des sociétés - TP-10

L.K. Er count/H	nergy Inc. Business No.:866567787RC0001 Year Ende	ed:	2004-12-31	Sch. 9367
Interest and b	pank charges			
	* Interest and bank charges	428,047	465,762	
ĵ –	Interest on short-term debt	0	0	
j	Interest on bonds and debentures	0	0	
j	Interest on mortgages	0	0	
j	Interest on long-term debt	0	0	
j	Bank charges	0	0	
j	Credit card charges	0	0	
]	Collection and credit costs	0	0	
J				
		+ 428,047	465,762	
	Interest and bank charges			
	(financial institutions) — * Interest paid (financial institutions)	0	0	
]	Interest paid (mancial institutions).	0	0	
		0	0	
]	Interest paid on bonds and debentures			
			0	
	Interest paid (financial institutions)	+ 0	0	
	Interest paid (financial institutions)		0	
] ]	tes, licences, and memberships  * Business taxes, licences, and memberships Business taxes Franchise fees			
] ]	<b>tes, licences, and memberships *</b> Business taxes, licences, and memberships Business taxes Business taxes		0 0 0 0 0	
] ]	tes, licences, and memberships  * Business taxes, licences, and memberships.  Memberships Business taxes Franchise fees Government fees	000000000000000000000000000000000000000	0 0 0 0 0 0	
] ]	tes, licences, and memberships  * Business taxes, licences, and memberships Business taxes Franchise fees		0 0 0 0 0	
] ]	tes, licences, and memberships  * Business taxes, licences, and memberships Business taxes Franchise fees Government fees Business taxes, licences, and memberships	+	0 0 0 0 0 0 0	
Business tax	tes, licences, and memberships  * Business taxes, licences, and memberships.  Memberships Business taxes Franchise fees Government fees	+	 0 0 0 0 0 0	
	tes, licences, and memberships  * Business taxes, licences, and memberships Business taxes Franchise fees Government fees Business taxes, licences, and memberships	+ 0	0 0 0 0 0 0 0	
	tes, licences, and memberships         *       Business taxes, licences, and memberships.         Memberships       Business taxes.         Franchise fees.       Franchise fees.         Government fees.       Business taxes, licences, and memberships         Business taxes, licences, and memberships       Business taxes, licences, and memberships         New Brunswick tax on large corporations.       Nova Scotia tax on large corporations.	+ 0	 0 0 0 0 0 0  0 0	
	res, licences, and memberships         *       Business taxes, licences, and memberships.         Memberships       Business taxes.         Franchise fees       Government fees.         Business taxes, licences, and memberships         New Brunswick tax on large corporations         Nova Scotia tax on large corporations         Nova Scotia tax on large corporations	+ 0	 0 0 0 0 0 0  0 0	
] ] ] ] Office expen	res, licences, and memberships         *       Business taxes, licences, and memberships.         Business taxes.       Business taxes.         Franchise fees.       Government fees.         Business taxes, licences, and memberships         Business taxes, licences, and memberships         New Brunswick tax on large corporations.         Nova Scotia tax on large corporations.         Nova Scotia tax on large corporations.         Office expenses.	+ 0 + 0 + 0 + 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0	
] ] ] ] Office expen	tes, licences, and memberships         *       Business taxes, licences, and memberships.         Memberships       Business taxes.         Franchise fees.       Franchise fees.         Government fees.       Government fees.         Business taxes, licences, and memberships         New Brunswick tax on large corporations.         Nova Scotia tax on large corporations.         Nova Scotia tax on large corporations.         Office expenses.         Office stationery and supplies.	+ 0 + 0 + 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	 0 0 0 0 0  0 0 0 0	
] ] ] ] Office expen	tes, licences, and memberships         *       Business taxes, licences, and memberships.         Memberships       Business taxes.         Franchise fees.       Franchise fees.         Government fees.       Government fees.         Business taxes, licences, and memberships         New Brunswick tax on large corporations.         Nova Scotia tax on large corporations.         Office expenses.         Office stationery and supplies.         Office utilities.	+ 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0		
] ] ] ] Office expen	tes, licences, and memberships         *       Business taxes, licences, and memberships.         Memberships       Business taxes.         Franchise fees.       Franchise fees.         Government fees.       Government fees.         Business taxes, licences, and memberships         New Brunswick tax on large corporations.         Nova Scotia tax on large corporations.         Nova Scotia tax on large corporations.         Office expenses.         Office stationery and supplies.	+ 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0		
Office expen	tes, licences, and memberships         *       Business taxes, licences, and memberships.         Memberships       Business taxes.         Franchise fees.       Franchise fees.         Government fees.       Government fees.         Business taxes, licences, and memberships         New Brunswick tax on large corporations.         Nova Scotia tax on large corporations.         Office expenses.         Office stationery and supplies.         Office utilities.	+ 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0 + 0		

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En	ergy Inc. Usiness No.: 866567787RC0001 Year Ende	d:	Sch. 93 2004-12-31
nt/B	usiness No.: 866567787RC0001 Year Ende		
sional fe	es ————		
*	Professional fees	0	0
	Legal fees	0	0
	Accounting fees	0	0
	Consulting fees	0	0
	Architect fees	0	0
	Appraisal fees	0	0
	Laboratory fees	0	0
	Medical fees	0	0
	Veterinary fees	0	0
	Brokerage fees	0	0
	Transfer fees	0	0
	Management and administration fees	0	0
		0	0
	Refining and assay	0	0
	Registrar and transfer agent fees	0	0
	Restructuring costs	0	0
	Security commission fees	0	0
	Training expense	0	0
	Studio and recording		
		+ 0	0
	Professional fees		
		2222222222222	
	Rental	0	0
	Real estate rental	0	0
	Occupancy costs	0	0
	Condominium fees.	0	0
		0	0
	Equipment rental Motor vehicle rentals	0	0
	Motor vehicle rentals Moorage (boat)	0	0
	Moorage (hoat)	0	0
			•
	Storage	0	0
		0	0
	Storage		
	Storage	+ 0	0

Repairs and m		0	0	
i0 <b>*</b>	Repairs and maintenance	U	0	
51	Repairs and maintenance - buildings	. 0	0	
f	Repairs and maintenance - vehicles	0	0	
	Repairs and maintenance - boats	•	0	
34	Repairs and maintenance - machinery and equipment		0	
	Repairs and maintenance	+ 0	0	
	Repairs and maintenense	*==========		

	Other repair		d maintenance	-			
ſ	9010	*	Other repairs and maintenance		0	0	
	9011		Machine shop expense		0	0	
	9012		Road costs		0	0	
	9013 9014		Security		0	0	
	9014		Garbage removal		0	0	
						**********	
			Other repairs and maintenance	+	0	0	
					***********	**********	
- 1							

.L.K. E count/	nergy Inc. 'Business No.:866567787RC0001 Year Ende	ed:	Sc 2004-12-31	h. 9367
- Salaries and	* Salaries and wages.	0	0	
061	Commissions	0	0	
062		0	0	
	Crew share	-	0	
063	Bonuses	0	0	
064	Directors fees	U	U	
065	Management salaries	U	0	
066	Employee salaries	0	0	
	Salaries and wages	+ 0	0	
	Odidites and wayes	**********		
10	Sub-contracts	+ 0	0	
- Supplies -	* Supplies	0	0	
131		0	0	
131	Small tools	0	0 0	
	Shop expense	0	0	
9133	Uniforms	U	9	
134	Laundry	0	0	
135	Food and catering	0	0	
9136	Fishing gear	0	0	
137	Nets and traps	0	0	
1	Salt, bait, and ice	0	0	
9139	Camp supplies .	0	0	
- Computer-re	elated expenses Computer-related expenses	0	0	
9151		0	0	
9152	Internet	0	0	
	Supplies and computer-related expenses	+ 0	0	
180	Property taxes	+ 0	0	
9180	Property taxes			
Travel expension	* Travel expenses	0	0	
9201		0	0	
5201	Meetings and conventions			
	Travel expenses	+ 0	0	
			Page 4 of 5	

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tilities			0	0	
	*	Utilities	0	0	
		Electricity	0	0	
		Water	0	0	
		Heat	0	0	
		Fuel costs	0	0	
		Telephone and telecommunications.	0	0	
		Utilities	+ 0	0	
			***********	***********	

* Other expenses       Cash over/short         Cash over/short       Reimbursement of parent company expense         Selling expenses       Selling expenses         Shipping and warehouse expense       Shipping and warehouse	447,559 0 0 0	638,970 0 0 0
Reimbursement of parent company expense	0 0 0	0 0 0
Selling expenses	0 0	0
	0	0
Shipping and warehouse expense	0	
	9	0
Delivery, freight and express	0	0
Delivery, freight and express	0	0
Royalty expenses - resident	0	0
Warranty expenses         Royalty expenses - resident         Royalty expenses - non-resident         Dumping charges         Land fill fees         Vehicle expenses	0	0
Dumping charges	0	0
Land fill fees	0	0
] Vehicle expenses	0	0
Research and development	0	0
Withholding taxes	0	0
General and administrative expenses	705,839	679,507
Interdivisional expenses	0	0
٥ Interfund transfer	0	0
Other expenses +	1,153,398	1,318,477

9367

**Total Operating Expenses** 

2,924,628 2,710,569 = ------

\* Generic Item

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Sch. 9367

# E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:

# **GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)**

#### **Income Statement Summary**

These amounts will print on Schedule 125 if only one Schedule 125 has been completed.

1

Total number of schedule 125 forms:

GIFI	Account	Description	Amount	Prior year	
9970		Net income/loss before taxes and extraordinary items+	1,678,106	2,757,447	
9975		Extraordinary item(s)	0	0	
9976		Legal settlements	0	0	
9980		Unrealized gains/losses	0	0	
9985		Unusual items	0	0	
9990		Current income taxes	808,000	683,000	
9995		Deferred income tax provision	-418,000	0	
9999		Net Income/Loss after Taxes and Extraordinary Items (mandatory field) =	1,288,106	2,074,447	

#### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:

2004-12-31

Sch. 141

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

#### NOTES CHECKLIST

- This form is to be used by all corporations that do not use a software package to prepare financial statement information and are not eligible to use the GIFI-Short form.
- Use this schedule to report a notes checklist for the corporation's financial statement information,
- For more information, see the "Guide to the General Index of Financial Information (GIFI) for Corporations" and the "T2 Corporation Income Tax Guide."
- For the purposes of this schedule, the person who reported on or prepared the financial statement of the corporation is referred to as the "accounting practitioner."

	man and the state of the second term					
ŕ	— Part 1 - Accounting practitioner information					
	Choose only one of the following three options, whichever applies to the accounting practitioner:	096				
	Chartered accountant	1		[ ]	1	
	Other professional designation	2		l	1	
	No professional designation	3		t	Ì	
	Is the accounting practitioner connected* with the corporation?	097	[Y/N]	[ ]	1]	
	* A person connected with a corporation can be: (i) a shareholder of the corporation who owns more than 10% of the common shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not dealing at arm's length with the corporation.					

#### — Part 2 - Type of involvement —

Choose the option that represents the highest level of involvement of the accounting practitioner:	098		
Completed an auditor's report	1	[ X	
Completed a review engagement report	2	l	1.
Compiled the financial statements along with reviewing the books	3	[	1
Conducted a compilation engagement	4	ĺ.	Ĵ.

Part 3 - Reservations If you selected option "1" or "2" under Type of involvement above, answer the following question:	
Has the accounting practitioner expressed a reservation?	[Y/N] [ N ]
T2 SCH 141 (04)	Page 1 of 2

E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:	200	94-12-31	Sch.	141
— Part 4 - Other information		Yes/No		
Were notes to the financial statements prepared?	101	[Y]		
If you answered "Yes" to the question at line 101, complete lines 102 to 107 below:				
Are any values presented at other than cost?	102	[N]		
Has there been a change in accounting policies since the last return?	103	[N]		
Are subsequent events mentioned in the notes?	104	[N]		
Is re-evaluation of asset information mentioned in the notes?	105	[N]		
Is contingent liability information mentioned in the notes?	106	[Y]		
Is information regarding commitments mentioned in the notes?	107	[N]		
Does the corporation have investments in joint venture(s) or partnership(s)?	108	[N]		
If you answered "Yes" to the question at line 108, complete line 109 below:				
Are you filing financial statements of the joint venture(s) or partnership(s)?	109	1 1		
	P	age 2 of 2		

E.L.K. Energy Inc. Account/Business No.:866567787RC0001 Year Ended:	Sch. 001 2004-12-31								
Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada									
NET INCOME (LOSS) FOR INCOME TAX PURPOSES									
<ul> <li>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.</li> </ul>									
<ul> <li>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).</li> </ul>									
- 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	1,288,106 A								
Additions:									
Provision for income taxes - current       101       808,000         Provision for income taxes - deferred       102       -418,000         Amortization of tangible assets       104       607,909         ( able donations from Schedule 2       112       25         Non-deductible meals and entertainment expenses       121       1,241         Reserves from financial statements - balance at the end of the year       126       653,229									
Subtotal of additions	1,652,404								
Other Additions:									
Miscellaneous Other Additions:									
600Addition of revenue capitalized for accounting290169,692601Addition of expenses capitalized for accounting P/Y291352,980602Capital tax accrued in the accounts29237,000603aEnerconnect Limited Partnership income00603b000603c00									
Subtotal of Other Additions	559,672								
Total Additions 500	2,212,076								

Corporate Taxprep / Taxprep des sociétés - TP-10

E.L.K. Energy Inc. Account/Business No.:866567787RC0001 Year	End	led:	2004-12-31	Sch.	001
Deductions:					
Capital cost allowance from Schedule 8 Cumulative eligible capital deduction from Schedule 10 Reserves from financial statements-balance at the beginning of the year	403 405 414	546,206 48,748 644,766			
Subtotal of Deductions		1,239,720	1,239,720		
Other Deductions:					
Miscellaneous Other Deductions:					
_	392	27 170			
702 Actual capital tax	499	37,479 	37,479		
	al Ded	uctions 510	1,277,199		
Net income (loss) for income tax purposes			2,222,983		

T2 SCH 1 E (01)

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

# CHARITABLE DONATIONS AND GIFTS

- For use by corporations to claim any of the following:

- Charitable donations;

- Gifts to Canada or a province;
- Gifts of certified cultural property; or
- Gifts of certified ecologically sensitive land.
- The donations and gifts are eligible for a five year carry-forward.
- Use this schedule to show a credit transfer following an amalgamation or wind-up of subsidiary as

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described under subsections 87(1) and 88(1) of the federal "Income Tax Act."

- File one completed copy of this schedule with your "T2 Corporation Income Tax Return."
- For more information, see the "T2 Corporation Income Tax Guide."

— Part 1 - Charitable donations —								
- Fart I - Charitable donations -							Amount (\$100 or	
Charity/Recipient							more only)	
							0	
						Subtotal	0	
	A	dd: Tota	al donatio	ons of less than \$	100 e	each	25	
				Total donations	in cu	rrent taxation year	25	
				Federal		Quebec	Alberta	
Charitable donations at end of preceding								
taxation year				0	А	0	0	
Deduct:								
Donations expired after 5 taxation years			239	0		0	0	
Charitable donations at beginning of								
taxation year			240	0		0	0	
		CALL COLOR		•		17	~	
Add:								
Donations transferred on amalgamation or	_							
wind-up of subsidiary,	0	В						
Total current year charitable								
donations made	25	С						
Subtotal:								
Amount B plus amount C	25			25	D	25	25	

T2 SCH 2 E (99)

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#### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001

Year Ended:

2004-12-31

Federal Quebec Alberta 25 E 25 25 Total donations available ..... Deduct: Amount applied against taxable income: 25 25 F 25 \*\*\*\*\*\*\*\*\* ..... ..... 0 G 0 0 -----------

— Amounts car	ried forward - Charitable donations —						
Year of origin:			Federal	Quebec	Alberta		
1st prior year	-	2003	0	0	0		
2nd prior year		2002	0	0	0		
3rd prior year	-	2001	0	0	0		
4th prior year		2001	0	0	0		
5th prior year	*	2000	0	0	0		
6th prior year *		1999	0	0	0		
				**********	*********		
Total (to line A)		• •	0	0	0		
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			**********				
* These donations expired in the prior year.							

Part 2 - Maximum deduction calculation for donations				
Come for tax purposes * multiplied by 75%			1,667,237	Н
Come for tax purposes multiplied by 10701				
Taxable capital gains arising in respect of gifts of capital property:	0			
- per line 895 of schedule 6	0			
- other	-			
Total	0			
Taxable capital gain in respect of deemed gifts of non-qualifying				
securities per subsection 40(1.01) 227	0	J		
Add the lesser of:				
1) The amount of the recapture of capital cost				
allowance in respect of charitable gifts 0	К			
2) The lesser of:				
i) Proceeds of dispositions				
less outlays and expenses				
The lesser of amounts L and M <sup>235</sup> 0	N			
	0	0		
The lesser of amounts K and N	0	0		
				5
Subtotal: Amount I plus amount J plus amount O.	0		0	P
				_
	Amount P multiplied	i by 25%	0	Q
Maximum deduction allowable: (amount H plus amount Q)	*****		1,667,237	R
Claim for charitable donations: (not exceeding the lesser of amount E from Part 1,				
amount R and net income for tax purposes)			25	S
(Enter amount S on line 311 of the T2 return)			**********	
* For credit unions this amount is before the deduction of payments pursuant to allocations in				
proportion to borrowing and bonus interest.				

Sch. 002

# E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:

2004-12-31

Sch. 002

ſ	— Part 3 - Gifts to Canada or a province		
	Gifts to Canada or a province at the end of the preceding taxation year	0	
	Deduct: Gifts to Canada or a province expired after 5 taxation years	0	
	Gifts to Canada or a province at the beginning of the taxation year	0	
ļ	Add: Gifts to Canada or a province transferred on amalgamation or		
	wind-up of a subsidiary	0	
	Total current year gifts made to Canada or a province *	0	
	Total current year gins made to Canada of a province		
	Subtotal	0	
	Deduct: Amount applied against taxable income (enter this amount on line 312		
	of the T2 return)	0	
	380	0	
	Gifts to Canada or a province closing balance		
	* Not applicable for gifts made after February 18, 1997, unless a written agreement was made		
	before this date. If the taxation year straddles February 18, 1997, and gifts were made		
	after this date, enter the amount at line 210 and complete part 2.		

— Part 4 - Gifts of certified cultural property	Federal	Quebec	Alberta	
	Federal	- ACCEPCO	,	
Gifts of certified cultural property at the end	0	0	0	
of the preceding taxation year	0	0	0	
Deduct: Gifts of certified cultural property expired		0	0	
after 5 taxation years	0	0	0	
Gifts of certified cultural property at the beginning		_		
of the taxation year 440	0	0	0	
Add: Gifts of certified cultural property transferred				
on amalgamation or wind-up of a subsidiary	0			
Total current year gifts of certified				
cultural property	0			
Subtotal	0	0	0	
Deduct: Amount applied against taxable income				
(enter this amount on line 313				
of the T2 return)460	0	0	0	
Gifts of certified cultural property				
- Closing balance	0	0	0	

# — Amounts carried forward - Gifts of certified cultural property —

– Part 4 - Gifts of certified cultural property ——

Year of origin:		Federal	Quebec	Alberta	
1st prior year	2003	0	0	0	
2nd prior year	2002	0	0	0	
3rd prior year	2001	0	0	0	
4th prior year	2001	0	0	0	
5th prior year	2000	0	0	0	
th prior year *	1999	0	0	0	
	Total	0	0	0	
			**********		
* These donations expired in the prior year.					

Page 3 of 4 Corporate Taxprep / Taxprep des sociétés - TP-10

#### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001

ecologically sensitive land ..... 510

Year Ended:

0

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2004-12-31

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— Part 5 - Gifts of certified ecologically sensitive land —			
	Federal	Quebec	Alberta
Gifts of certified ecologically sensitive land at the end of			
of the preceding taxation year	0	0	0
Deduct: Gifts of certified ecologically sensitive land			
expired after 5 taxation years	0	0	0
	*********	*********	
Gifts of certified ecologically sensitive land at			
the beginning of the taxation year	0	0	0

- Closing balance	580	0	0	0
	-			

Year of origin:		Federal	Quebec	Alberta
	2003	0	0	0
1st prior year			0	0
2nd prior year	2002	0		
3rd prior year	2001	0	0	0
4th prior year	2001	0	0	0
5th prior year	2000	0	0	0
6th prior year *	1999	0	0	0
, -				**********
	Total	0	0	0
		**********		***********

Subtotal

580

\* These donations expired in the prior year.

Add: Gifts of certified ecologically sensitive land transferred on amalgamation or wind-up of

Total current year gifts of certified

Deduct: Amount applied against taxable income (enter this amount on line 314 of

Gifts of certified ecologically sensitive land

Page 4 of 4 Corporate Taxprep / Taxprep des sociétés - TP-10

# Summary of Capital Cost Allowance

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

Class No. [200]	UCC at Beginning of Year [201]	Cost of Additions During Year [203]	Adjustments [205]	Lesser of Cost or Proceeds [207]	1/2 of [203] - [207] [211]	Rate % [212]	Recapture of Capital Cost Allowance [213]	Terminal ( Loss [215]	Capital Cost Allowance [217]	Undepreciated Capital Cost end of year [220]
1	9,327,346	275,969	0	188,808	43,580	4	0	0	374,837	9,039,670
8	300,452	6,323	0	0	3,161	20	0	0	60,723	246,052
10	225,095	69,074	0	0	34,537	30	0	0	77,890	216,279
12	544	64,423	0	0	32,211	100	0	0	32,756	32,211
									****	*********
Total	9,853,437	415,789	0	188,808	113,489		0	0	546,206	9,534,212
		*********	**********							**********
					Onenaka Mar	mmon /	Townron dag a	ociátág - TD	-10	

#### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended: RELATED AND ASSOCIATED CORPORATIONS

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

- related corporation(s)

- associated corporation(s)

				Number		Number	% of	
	Ctry		Rela-	of	% of	of	pre-	Book
	of		tion-	common	common	preferred	ferred	value of
	resi-	Business	ship	shares	shares	shares	shares	capital
Namé	dence	Number	Code	owned	owned	owned	owned	stock
		(Note)						
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
E.L.K. SOLUTIONS INC.	86	1877519RC00	001 2	10,000	100.00	0	0.00	100

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

1

E.L.H Accou	. Energy Inc. Int/Business No.: 866567787RC0001 Year Ended:	2004-12-3	Sch. 010 1
Canada C	ustoms and Revenue Agency/Agence des douanes et du revenu du Canada		
CUMUL	ATIVE ELIGIBLE CAPITAL DEDUCTION		
	by a corporation that has eligible capital property. For more information, see the "T2 Corporation Tax Guide."		
- A sepa	ate cumulative eligible capital account must be kept for each business.		
Part	1 - Calculation of current year deduction and carry-forward		
Cumulati	re eligible capital - Balance at the end of the preceding taxation year		
	e, enter "0")	696,404 A	
Add:	Cost of eligible capital property acquired during the taxation year		
	during the taxation year         222         0           Other adjustments         226         0		
	*********		
	Subtotal (line 222 plus line 226) 0 x 0.75 = 0 B		
	Non-taxable portion of a non-arm's		
	length transferor's gain realized on		
	the transfer of an eligible capital		
	property to the corporation after           December 20, 2002         228         0 x 0.50 =         0 C		
	amount B minus amount C (if negative, enter "0") 0	0 D	
	Amount transferred on amalgamation or wind-up of subsidiary	0 E	
	Subtotal (add amounts A, D, and E) [230]	696,404 F	
Deduct:	Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of		
	all eligible capital property during		
	the taxation year 242 0 G		
1	The gross amount of a reduction in respect of		
	a forgiven debt obligation as provided for in subsection 80(7)		
	Other adjustments		
	[248]	L 0	
	(add amounts G, H, and I) 0 x 0.75 =		
Cumulat	ve eligible capital balance (amount F minus amount J)	696,404 K	
	t K is negative, enter "0" at line M and proceed to Part 2)		
	re eligible capital for a property no longer ter ceasing to carry on that business		
owned at	amount K 696,404		
	less amount from line 249 0		
	rear deduction		
Current	/ear deduction		
	(line 249 plus line 250) (enter this amount at line 405 of Schedule 1) 48,748	48,748 L	
Cumulat	ive eligible capital - Closing balance (amount K minus amount L) /e, enter "0")	647,656 M	
		*********	
	can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum		
amo	int prorated by the number of days in the taxation year divided by 365.		
		Page 1 of 2	

Page 1 of 2 Corporate Taxprep / Taxprep des sociétés - TP-10

Sch. 010

T2 SCH 10 (04)

						Sch.	010
E.L.K. Energy Inc. Account/Business No.: 866567787RC0001	Year	Ended:		2004-12-	-31		
— Part 2 - Amount to be included in income arising from disposi	tion –						
(complete this part only if the amount at line K is negative)	lion						
Amount from line K (show as a positive amount),			•••••	0	N		
Total of cumulative eligible capital (CEC) deductions from income							
for taxation years beginning after June 30, 1988	400	0	1				
Total of all amounts which reduced CEC in the current or							
prior years under subsection 80(7)	401	0	2				
Total of CEC deductions claimed for taxation years							
beginning before July 1, 1988 0	3						
Negative balances in the CEC account that were included in income for taxation years beginning							
	4						
Line 3 minus line 4 (if negative, enter "0")0		0	5				
Total of lines 1, 2, and 5		0	6				
Amounts included in income under paragraph 14(1)(b), as that							
paragraph applied to taxation years ending after June 30, 1988							
and before February 28, 2000, to the extent that it is for							
an amount described at line 400 0	7						
Ausounts at line T from Schedule 10 ending after							
	8						
Subtotal (line 7 plus line 8) 0		0	9				
=======================================							
Line 6 minus line 9 (if negative, enter "0")	****	0		0	0		
					_		
Line N minus line O (if negative, enter "0")					P		
	Line 5	0	x 1/2 =	-	Q		
				0	R		
Line P minus line Q (if negative, enter "0")	• • • • • • • • •						
	mount R	0	x 2/3 =		s		
				0			
Amount N or amount O, whichever is less			0.000				
Amount to be included in income (amount S plus amount T)			12				
(erfor this amount on line 108 of Schedule 1)			410	0			
	_						
				Page 2 of 2			

# E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:

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

#### CONTINUITY OF RESERVES

- For use by corporations to provide a continuity of all reserves claimed which are allowed for tax purposes.
- References to parts, sections, subsections, paragraphs, and subparagraphs are from the federal "Income Tax Act".
- File one completed copy of this schedule with the corporation's "T2 Corporation Income Tax Return".
- For more information, see the "T2 Corporation Income Tax Guide".

#### Part 1 - Capital gains reserves -Deduct Balance Transfer on Add Description of property Balance at at the end the beginning amalgamation of the year or wind-up of of the year subsidiary \$ \$ \$ \$ 004 003 002 001 0 2 . . 010 0 008 009 0 0 0 0 Totals -----\_\_\_\_\_ \_\_\_\_\_\_ ----------------The total capital gains reserve at the beginning of the taxation year plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary should be entered on line 880, and the total capital gains

reserve at the end of the taxation year, should be entered on line 885 of Schedule 6.

— Financial Statement Reserv	ves (not deduct	tible) ———			
Description	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
EMPLOYEE FUTURE BENEFITS	644,766	0	8,463	0	653,229
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Reserves From Section 2 below	0	0	0	0	0
					*********
Totals	644,766	0	8,463	0	653,229
		**********			

The total opening balance plus the total transfers should be entered on line 414 of Schedule 1

The total closing balance should be entered on line 126 of Schedule 1 as an addition.

T2 SCH 13 (99)

Page 1 of 2 Corporate Taxprep / Taxprep des sociétés - TP-10 Sch. 013

as a deduction.

# E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:

2004-12-31

# — Part 2 - Other reserves

Description			Balance at the beginning of the year		Transfer on amalgamation or wind-up of subsidiary	Add	Deduct			Balance at the end of the year	
[X	q		\$		\$	\$	\$			\$	
Reserve for doubtful debts[ Reserve for undelivered	1	110	0	115	0		0	0	120		0
oods and services	1	130	0	135	0		0	0	140		0
Reserve for prepaid rent [	]	150	0	155	0		0	0	160		0
Reserve for December 31, 1995 income [	1	170	0	175	0		0	0	180		0
Reserve for refundable containers [	J	190	0	195	0		0	0	200		0
Reserve for unpaid amounts[	1	210 230	0	215 235	0		0	0	220 240		0 0
Other tax reserves [	d,			<u> </u>	•••••					********	
Tota	als	270	0	275	0	========	0	0	280	********	0

Enter "X" in the column above if the tax reserve has also been reported on the corporation's financial rents. This allows offsetting entries on Schedule 1, resulting in a zero effect on net income for tax

purposes.

The amount from line 270 plus the amount from line 275 should be entered on line 125 of Schedule 1 as an addition.

The amount from line 280 should be entered on line 413 of Schedule 1 as a deduction.

Page 2 of 2 Corporate Taxprep / Taxprep des sociétés - TP-10

E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Y	oar	Ended:	2004-12-31	Sch.	036
ACCOUNT/BUSINESS NO.: 86656/78/RC0001 1	ear	Ended.	2001 12 31		
Canada Customs and Revenue Agency/Agence des douanes et du revenu du Canada					
AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX					
<ul> <li>Members of a related group of corporations should use this schedule to allocate the cap of \$10,000,000 or \$50,000,000 among the members of the related group.</li> <li>Do not file this agreement if no members of the related group have to pay Part I.3</li> </ul>		uction			
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 more than one taxation year ending in a calend it has to file an agreement for each of those taxation years.</li> </ul>	dar yea	<u>t</u> i			
<ul> <li>A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.</li> </ul>				595	

- In accordance with subsection 181.5(7) of the federal "Income Tax Act", a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.
- Attach additional schedules if space for agreement is not sufficient.

- Ac	reement								
				Year Month Day					
Date fil	ed (do not use this area)								
lr a	an amended agreement?			020 [Y/N] [ N ] Year					
Calend	Calendar year to which the agreement applies								
Note:	Note: This agreement must include all the information indicated below for all members of the related group, including members to which no amount of capital deduction is allocated for the year. However, any member that is exempt from Part I.3 tax under subsection 181.1(3) does not have to be included.								
			Allocation of	Taxation year end					
			capital deduction	to which this					
	of all corporations which			agreement applies					
are me	mbers of the related group	Business Number	for the year						
		(Note 1)	\$	(Note 2)					
ĺ	200	300	400	500					
E.L.K	. Energy Inc.	866567787RC0001	45,000,000						
See a	ttached		5,000,000						
Total	(Before 2004 must not exceed \$10,000	,000	50,000,000						
	After 2003 must not exceed \$50,000,00	00)							
		,							
Note 1	: If a corporation is not registered, ent	er "NR."							
Note 2									
	ending in the same calendar year ar			ſ					
	corporation that has a taxation year								
	first corporation for each such taxati								
	corporation is an amount equal to its		such taxation year. Enter						
	the taxation year end to which this a	greement applies.							

T2 SCH 36 (04)

#### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended: AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

Sch. 036-Supp. 2004-12-31

- 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 which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year	Taxation year end to which this agreement applies (Note 2)
[200]	[300]	[400]	[500]
E.L.K. SOLUTIONS INC.	864877519RC0001	5,000,000	

#### TOTAL

5,000,000

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

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

#### Schedule 36 - Supplementary

# E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Year Ended:

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

# SHAREHOLDER INFORMATION

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

Name of shareholder	Business Number	Social Insurance Number	Percentage common shares	Percentage preferred shares	
100THECORPORATIONOFTHETOWNOFESSEXTHECORPORATIONOFTHETOWNOFLAKESHORETHECORPORATIONOFTHETOWNOFKINGSVILLE	(note 1) 200	(note 2) 300	400 38.00 24.00 38.00 0.00 0.00 0.00 0.00 0.00 0.00	500 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.

- No. 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)

E.L.K. Energy Account/Busine	Inc. ss No.: 86656778	37RC0001 3	lear Ended:	2004	-12-	T7B-1 31
Schedule of Instalment	Remittances					
	ntact:					
Effective Interest Date	Description (Instalm Split Payment, Asse					Amount of Credit
						480,106 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
			Total amount of instalment	nts claimed	(A)	480,106
		Total instalmen	ts credited to the taxation y	vear per T9	(B)	480,106
- TRANSFER						
Account Number	Taxation Year End	Amount	Effective Interest Date	D	)escrip	tion
From:			0			
То:			5			

# Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001 Taxation Year End: 2004-12-31

[**001**] 86656 7787 RC 0001

- [**060**] 2004 01 01
- **[061]** 2004 12 31
- [**099**] TP10

# XXXXXXXXXXXX

- [002] E.L.K. Energy Inc.
- [003] 2
- [ 004 ]

# XXXXXXXXXXXX

- <sup>•</sup> 910 ]@ 2
- [ 011 ]
- [ 012 ]
- [ 015 ]
- [ 016 ]
- [ 017 ]
- [ 018 ]

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[ 021 ]

2

- [ 022 ]
- [ 023 ]
- [ 025 ]
- [ 026 ]
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- [ 028 ]

[ 091 ]	
[ 092 ]	
[ 093 ]	

	For agency use
[ 094 ]	
[ 095 ]	
[ 096 ]	
[ 097 ]	

[ 055	ageno	cy use	

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# Name: E.L.K. Energy Inc. BN: 86656 7787 RC 0001 Taxation Year End: 2004-12-31

[ 030 ]@	2
[ 031 ]	
[ 032 ]	
[ 035 ]	
[ 036 ]	
[ 037 ]	
[ 038 ]	

# XXXXXXXXXXXX

[ 040 ]	5	[ 165 ]		[ 217 ]	
[ 043 ]		[ 166 ]		[ 218 ]	
[ 063 ]	2	[ 167 ]		[ 220 ]	
' 965 ]		[ 168 ]		[ 221 ]	
[ 067 ]	2	[ 169 ]		[ 226 ]	
[ 070 ]	2	[ 170 ]		[ 227 ]	
[ 071 ]	2	[ 171 ]		[ 231 ]	
[ 072 ]	2	[ 172 ]		[ 232 ]	
[ 076 ]	2	[ 173 ]	1	[ 233 ]	
[ 078 ]	2	[ 201 ]	1	[ 236 ]	1
[ 080 ]	1	[ 202 ]	1	[ 237 ]	
[ 081 ]		[ 203 ]		[ 238 ]	
[ 082 ]	2	[ 204 ]		[ 242 ]	
[ 085 ]		[ 205 ]		[ 243 ]	
L 150 ]	1	[ 206 ]		[ 244 ]	·
[ 151 ]		[ 207 ]		[ 249 ]	
[ 160 ]		[ 208 ]	1	[ 250 ]	
[ 161 ]		[ 210 ]	1	[ 253 ]	
[ 162 ]		[ 212 ]		[ 254 ]	
[ 163 ]		[ 213 ]		[ 255 ]	
[ 164 ]		[ 216 ]		[ 256 ]	

# Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

[ 898 ]

[ 910 ]

[914] [918] <sub>1</sub>990]

[ 280 ]

[ 281 ]

282

283

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Taxation Year End: 2004-12-31

[ 258 ]		[ <b>284</b> ] E	LECTRICITY
[ 259 ]		[ 286 ]	
[ 260 ]		[ 288 ]	
[ 261 ]		[ 285 ] 1	00
[ 262 ]		[ 287 ]	
[ 263 ]		[ 289 ]	
[ 264 ]		[ <b>950</b> ] S	SLATER
[ 291 ]	2	[ <b>951</b> ] S	SANDRA
[ 292 ]	2	[ <b>954</b> ] I	DIRECTOR OF FINANCE
[ 370 ]		[ <b>955</b> ] 2	005 04 08
[ 435 ]		[ <b>956</b> ] 5	519 776 5291
[ 438 ]		[ <b>95</b> 7] 1	
· 624 ]		[ 958 ]	
[ 646 ]		[ 959 ]	
[ 750 ]	ON		XXXXXXXXXXX
[ 801 ]			
[ 815 ]	-		
[ 894 ]			
[ 896 ]	2		

200

# Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2004-12-31

[ 300 ]	2 222 983	[ 440 ]		[ 652 ]	
[ 311 ]	25	[ 445 ]		[ 700 ]	491 718
[ 312 ]		[ 450 ]			XXXXXXXXXXX
[ 313 ]		[ 600 ]	24 897		
[ 314 ]		[ 632 ]		[ 704 ]	
[ 320 ]		[ 636 ]		[ 708 ]	
[ 325 ]		[ 780 ]		[ 716 ]	
[ 331 ]			XXXXXXXXXXX	[ 720 ]	
[ 332 ]			АЛАЛАЛАЛАЛА	[ 724 ]	
[ 333 ]		[ 460 ]		[ 727 ]	
[ 334 ]		[ 465 ]		[ 728 ]	
[ 335 ]		[ 480 ]		[ 760 ]	
<b>' 3</b> 40 ]		[ 485 ]		[ 765 ]	
[ <b>350</b> ]		[ 712 ]		[ 770 ]	491 718
[ 355 ]			XXXXXXXXXXXX		XXXXXXXXXXXX
[ 360 ]	2 222 958				
	XXXXXXXXXXXX	[ 550 ]	844 724	[ 784 ]	
		[ 602 ]		[ 788 ]	
[ 400 ]		[ 604 ]		[ 792 ]	
[ 405 ]		[ 608 ]	222 296	[ 796 ]	
[ 410 ]		[ 616 ]		[ <b>797</b> ]	
[ 425 ]		[ 620 ]		[ 800 ]	
[ 430 ]		[ 628 ]		[ 804 ]	
	XXXXXXXXXXXX	[ 637 ]		[ 808 ]	
	АЛЛАЛАЛАЛА	[ 638 ]		[ 812 ]	
[ 415 ]		[ 639 ]	155 607	[ 816 ]	
	XXXXXXXXXXX	[ 640 ]		[ 840 ]	480 106
	лалалалала	[ 644 ]	<u> </u>	[ 890 ]	480 106
		[ 648 ]			XXXXXXXXXXXX

Taxation Year End: 2004-12-31

### Certification

I, SANDRA SLATER am an authorized signing officer of the corporation.

I certify that the following amounts are, to the best of my knowledge, correct and complete, and fully disclose the corporation's income tax payable. These amounts also reflect the information given on the corporation's income tax return for the taxation year noted above.

Net income (or loss) for income tax purposes [line 200300]	2 222 983
Part I tax payable [line 200700]	491 718
Part I.3 tax payable [line 200704]	
Part II surtax payable [line 200708]	
Part IV tax payable [line 200712]	
Part IV.1 tax payable [line 200716]	
Part VI tax payable [line 200720]	
Part VI.1 tax payable [line 200724]	
Part XIV tax payable [line 200728]	
.tet provincial and territorial tax payable [line 200760]	
Provincial tax on large corporations [line 200765]	

I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.

2005-04-08		DIRECTOR OF FINANCE
Date	Signature of an authorized signing officer of the corporation	Position, office or rank

# Name: E.L.K. Energy Inc. BN: 86656 7787 RC 0001 Taxation Year End: 2004-12-31

- [ 600 ] Addition of revenue capitalized for accounting
- [ 601 ] Addition of expenses capitalized for accounting P/Y
- [ 602 ] Capital tax accrued in the accounts
- [ 603 ]
- [ 604 ]
- [ 700 ]
- [ 701 ]
- [ **702** ] Actual capital tax
- [ 703 ]
- [ 704 ]

### XXXXXXXXXXX

「101]	808 000	[ 118 ]		[ 204 ]	
<b>[ 102 ]</b>	# 418 000	[ 119 ]		[ 205 ]	
[ 103 ]		[ 120 ]		[ 206 ]	
[ 104 ]	607 909	[ 121 ]	1 241	[ 207 ]	· · · · · · · · · · · · · · · · · · ·
[ 105 ]		[ 122 ]		[ 208 ]	
[ 106 ]		[ 123 ]		[ 209 ]	
[ 107 ]		[ 124 ]		[ 210 ]	
[ 108 ]		[ 125 ]		[ 211 ]	
[ 109 ]		[ 126 ]	653 229	[ 212 ]	
[ 110 ]		[ 127 ]		[ 213 ]	
[111]		[ 199 ]	559 672	[ 214 ]	
<u>[112]</u>	25	[ 500 ]	2 212 076	[ 215 ]	
[ 113 ]			XXXXXXXXXXXX	[ 216 ]	
[ 114 ]			****	<b>[ 217 ]</b>	
[ 115 ]		[ 201 ]		[ 218 ]	
[ 116 ]		[ 202 ]		[ 219 ]	
[117]		[ 203 ]		[ 220 ]	
	-				

### Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2004-12-31

[ 221 ]		[ 300 ]	. <u>*</u>	[ 401 ]	
[ 222 ]		[ 301 ]		[ 402 ]	
[ 223 ]		[ 302 ]		[ 403 ]	546 206
[ 224 ]		[ 303 ]		[ 404 ]	
[ 225 ]		[ 304 ]		[ 405 ]	48 748
[ 226 ]		[ 305 ]		[ 406 ]	
[ 227 ]		[ 306 ]		[ 407 ]	
[ 228 ]		[ 307 ]		[ 408 ]	
[ 229 ]		[ 308 ]		[ 409 ]	
[ 230 ]		[ 309 ]		[ 410 ]	
[ 231 ]		[ 310 ]		[ 411 ]	
[ 232 ]		[ 311 ]		[ 413 ]	
「233]		[ 312 ]		[ 414 ]	644 766
<b>[ 234 ]</b>		[ 313 ]		[ 416 ]	
[ 235 ]		[ 314 ]		[ 417 ]	
[ 236 ]		[ 315 ]		[ 499 ]	37 479
[ 237 ]		[ 316 ]		[ 510 ]	1 277 199
[ 238 ]		[ 340 ]			XXXXXXXXXXXX
[ 290 ]	169 692	[ 341 ]	······································		
[ 291 ]	352 980	[ 342 ]			
[ 292 ]	37 000	[ 343 ]			
[ 293 ]		[ 344 ]			
[ 294 ]		[ 345 ]			
	XXXXXXXXXXX	[ 346 ]			
		[ 390 ]			х
		[ 391 ]			
		[ 392 ]	37 479		
		[ 393 ]			
		[ 394 ]		<u>a</u>	

## Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2004-12-31

[ 225 ]		[ 410 ]	
[ 227 ]		[ 440 ]	·
[ 230 ]		[ 450 ]	
[ 235 ]		[ 460 ]	
[ 239 ]		[ 480 ]	
[ 339 ]			XXXXXXXXXXXX
[ 439 ]			
[ 539 ]		[ 510 ]	
		[ 540 ]	
	XXXXXXXXXXXX	[ 550 ]	

- [ 560 ] [ 580 ]
- [ 240 ] 「250]

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- 25
- **[ 260 ]** [ 280 ]

[ 210 ]

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- XXXXXXXXXXXX
- [ 310 ] [ 340 ] [ 350 ] [ 360 ]
- [ 380 ]

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002

T2-RETURN AND SCHEDULE INFORMATION				
Name: E.L.K. Energy Inc.BN: 86656 7787 RC 0001Taxation Year End: 2004-12-31				
[101] 2	4 *			
[200] 1. 1 2. 8	7]       1.       188       808         2.			
3. 10 4. 12 <b>*</b>	3 4 *			
[211] 1. 43 580 [21 2. 3 161 3. 34 537	2 3			
4. 32 211 <b>*</b> [21] 1. 4 [21] 2. 20 3. 30	23			
4. 100 ★ XXXXXXXXXXXXXXX [201] 1. 9 327 346 2. 300 452 3. 225 095	4 * 7] 1. 374 837 2. 60 723 3. 77 890 4. 32 756 *			
4. 544 <b>*</b> [22 , 203] 1. 275 969 2. 6 323 3. 69 074 4. 64 423 <b>*</b>	0] 1. 9 039 670 2. 246 052 3. 216 279 4. 32 211 ★			
	XXXXXXXXXXX			



Name: E.L.K. Energy Inc.	
BN: 86656 7787 RC 0001	Taxation Year End: 2004-12-31

- [ 300 ] 1. 86487 7519 RC 0001 \*
- [400] 1. 2 \*

### XXXXXXXXXXXX

- [100] 1. E.L.K. SOLUTIONS INC. \*
- [ 200 ] 1. \_\_\_\_\_ \*
- **[500]** 1. 10 000 **\***
- [550] 1. 100 **\***
- **1 600 ]** 1. \_\_\_\_\_ \*
- [650] 1.\_\_\_\_\_\*
- **[700]** 1. 100 \*

XXXXXXXXXXXX

- [ **200** ] 696 404
- [ 222 ]
- [ 224 ]
- [ 226 ]
- [ 228 ]
- **[ 230 ]** 696 404

## XXXXXXXXXXX

- [ 242 ]
- [ 244 ] \_\_\_\_\_\_ [ 246 ] \_\_\_\_\_\_
- [ 248 ]

## XXXXXXXXXXX

- [ 249 ] [ 250 ] 48 748
- **[ 300 ]** 647 656

## XXXXXXXXXXXX

- [ 400 ]
- [ 401 ]
- [ 402 ]
- [ 408 ]
- , 409 ]
- [ 410 ]

XXXXXXXXXXX

# Name: E.L.K. Energy Inc. BN: 86656 7787 RC 0001 Taxation Year End: 2004-12-31

- [ 110 ]
- [ 130 ]
- [ 150 ]
- [ 170 ]
- [ 190 ]
- [ 210 ]
- [ 230 ]
- [ 270 ]

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- [ 115 ] \_\_\_\_\_\_ [ 135 ] \_\_\_\_\_\_
- [ 155 ] \_\_\_\_\_\_
- [ 175 ] \_\_\_\_\_\_
- [ 195 ]
- [ 215 ]
- [ 235 ]
- [ 275 ]

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- [ 120 ]
- [ 140 ]
- [ 160 ]
- \_ 180 ] \_\_\_\_\_
- [ 200 ]
- [ 220 ]
- [ 240 ] \_\_\_\_\_\_ [ 280 ] \_\_\_\_\_

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Name: E.L.K. Energy Inc.	
BN: 86656 7787 RC 0001	Taxation Year End: 2004-12-31

- [ 002 ] 1.\_\_\_\_\_ \*
- [ 008 ]

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- [ 003 ] 1.\_\_\_\_\_ \*
- [ 009 ]

### XXXXXXXXXXXX

- [004] 1.\_\_\_\_\_\*
- [ 010 ]

### XXXXXXXXXXXX

**'001]** 1.\_\_\_\_\_\*

### XXXXXXXXXXXX

 Name: E.L.K. Energy Inc.

 BN: 86656 7787 RC 0001
 Taxation Year End: 2004-12-31

- [ 010 ]
- [020] 2
- [030] 2004
- [300] 1. 86656 7787 RC 0001
  - 2. 86487 7519 RC 0001 \*
- [ **500** ] 1.\_\_\_\_\_
  - 2.\_\_\_\_\_ \*

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- **[400]** 1. 45 000 000
  - 2. 5 000 000 \*

### XXXXXXXXXXXX

- [200] 1. E.L.K. Energy Inc.
  - 2. E.L.K. SOLUTIONS INC. \*

### XXXXXXXXXXX

## Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001 Taxation Year End: 2004-12-31

- [ 100 ] 1. THE CORPORATION OF THE TOWN OF ESSEX
  - 2. THE CORPORATION OF THE TOWN OF LAKESHORE
  - 3. THE CORPORATION OF THE TOWN OF KINGSVILLE \*
- [200] <u>1</u>. NR
  - 2. NR
  - 3. NR \*
- [ 300 ] 1.\_\_\_\_\_ 2.\_\_\_\_ 3.\_\_\_\_\*
- **400**] 1. 38
  - 2. 24
  - 3. 38 \*
- **[ 500 ]** 1.\_\_\_\_\_
  - 2.\_\_\_\_\_ 3.\_\_\_\_\_\*
    - XXXXXXXXXXXX

Name: E.L.K.	Energy Inc.
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BN: 86656 7787 RC 0001 Taxation Year End: 2004-12-31

[ 3640 ]	20 753 469	[ 3450 ]	902 225
	XXXXXXXXXXX	[ 3499 ]	9 364 617
	AAAAAAAAA		XXXXXXXXXXX
[ 1000 ]	7 129 283		
[ 1060 ]	1 708 625	[ 3500 ]	100
[ 1062 ]	2 753 894	[ 3540 ]	4 402 373
[ 1120 ]	338 326	[ 3600 ]	6 986 379
[ 1484 ]	73 547	[ 3620 ]	11 388 852
[ 1599 ]	12 003 675		XXXXXXXXXXX
[ 1600 ]	156 387		
[ 1680 ]	2 960 271	[ 3660 ]	5 698 273
[ 1681 ]	# 2 162 535	[ 3680 ]	1 288 106
1740 ]	14 985 397	[ 3849 ]	6 986 379
[ 1741 ]	# 8 226 328		XXXXXXXXXXX
[ 2008 ]	18 102 055		
[ 2009 ]	# 10 388 863		
[ 2242 ]	100		
[ 2420 ]	46 502		
[ 2421 ]	990 000		
[ 2589 ]	1 036 602		
[ 2599 ]	20 753 469		
	XXXXXXXXXXXX		
(			

[ 2600 ]

1

- **[ 2620 ]** 2 561 458
- [ **2680** ] 360 515
- **[ 2861 ]** 5 200 000
- **[ 2961 ]** 340 419
- **[ 3139 ]** 8 462 392
- **[ 3320 ]** 248 996
- **[ 3322 ]** 653 229

428 047 521 215

447 559

705 839

2 710 569

15 285 491

[ 0001 ]

[ 0002 ] MUNICIPALLY OWNED ELECTRICAL DISTRIBUTION COMPANY

[ 8710 ]

[ 8813 ] [ 9270 ]

[ 9284 ]

[ 9367 ]

[ 9368 ]

[ 9370 ] [ 9659 ]

### XXXXXXXXXXXX

[ 0003 ]

### XXXXXXXXXXXX

[ 8519 ]	3 875 737
[ 9369 ]	1 678 106
[ 9899 ]	
[ 9970 ]	1 678 106
[ 9975 ]	
' 9976 ]	
[ 9980 ]	
[ 9985 ]	
[ <b>9990</b> ]	808 000
[ <b>9995</b> ]	# 418 000
[ 9999 ]	1 288 106

## 0

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### XXXXXXXXXXX

[ 9660 ]	-	
[ 9898 ]	0	

## [**8000**] 16 450 659

- **[ 8089 ]** 16 450 659
- **[ 8094** ] 445 719
- **67 219**
- **[8299**] 16 963 597

### XXXXXXXXXXXX

- [ 8300 ]
- **[ 8320 ]** 12 574 922
- **[8518]** 12 574 922
- **[ 8670 ]** 607 909

Name: E.L.K. Energy Inc.	
BN: 86656 7787 RC 0001	Taxation Year End: 2004-12-31

[ 096 ]	1
[ 097 ]	2
[ 098 ]	1
[ 099 ]	2
[ 101 ]	1
[ 102 ]	2
[ 103 ]	2
[ 104 ]	2
[ 105 ]	2
[ 106 ]	1
[ 107 ]	2
[ 108 ]	2

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### XXXXXXXXXXXX

Y Ontario	Ministry of Finance Corporations Tax Branch PO Box 620 33 King Street West Oshawa ON L1H 8E9	20	)03	Corporations Ta Corporations Inf	x Act - Ministry formation Act - N	For taxation years commencing after September 30, 2001 of Finance (MOF) Ministry of Consumer and Business Services (MCBS) (formerly Ministry of Consumer and Commercial Relations)	
This return is a combination of the Corporations Tax Return and the M Services (MCBS) Annual Return. Pare returns. For tax purposes, depending q must complete either the Exempt from the CT23 Return on pages 3-17, tog 18-21. Corporations that <u>do not</u> me Form criteria, may request and file	inistry of Consumer and Busine: age 1 is a common page required fo on which criteria the corporation sat n Filing (EFF) declaration on page ather with the applicable schedules et the EFF criteria but <u>do</u> meet th	or both isfies, it 2 or file on pages ie Short-		and Schedule K authority of the 0 database of corp share-capital co	on page 24) co Corporations Inf porate information rporations or Fo	age 1 and MCBS Schedule A on pages 22 and 23, ntains non-tax information collected under the <i>formation Act</i> for the purpose of maintaining a public on. This return must be completed by Ontario reign-Business share-capital corporations that to operate in Ontario.	
MCBS Annual Return Required?	(Not required if already filed or Annual Return exempt. Refer to (	Vos	No	Page	1 of 24		
Corporation's Legal Name (inclu	192350100201					Ontario Corporations Tax Account No. (MOF)	
						1800085 This CT23 Return covers the Taxation Year	-
E.L.K. Energy Inc. Mailing Address						year month day	٦
Ŭ						Start 2004-01-01	
172 Forest Avenue						year month day 2004-12-31	
Essex							
ON CA Has the mailing address change	<u>N8M-3E4</u>	1	ye	ar month da	у	Date of Incorporation or Amalgamation	
since last filed CT23 Return?	Yes	Date of Change				year month day	Ì
Registered/Head Office Address	3					2000-01-06	_
172 Forest Avenue							-
						Ontario Corporation No. 1395434	٦
Essex	N8M-3E4					(MCBS)	_
C CA Location of Books and Records							_
172 Forest Avenue						Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.	
						If applicable, enter	
Essex ON CA	N8M-3E4					866567787RC0001	
Name of person to contact rega		elephone No.	Fax N	0.			_
						Jurisdiction Incorporated ONTARIO	
SANDRA SLATER		19-776-529	1		(MCBS)		
Address of Principal Office in O	ntario (Extra-Provincial Corporatio	ns only)			(1000)	If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:	
						Commenced year month day	1
							-
ON CA r Corporation Name (Extra	- -Provincial Corporations only)	X Not Applica	able		(MCBS)	year month day	
						X Not Applicable	
				No. of Sch	odulo/e)	Preferred Language/Langue de préférence	
Information on Directors/Officers/Adr			1			English French français	
Schedule A or K as appropriate. If ad only this schedule may be photocopic	Iditional space is required for Scheo ed. State number submitted (MCBS	i).			0	Ministry use	
If there is <b>no change</b> to the Directors submitted to MCBS, please X th	s'/Officers'/Administrators' informati nis box. Schedule(s) A and K are no	on previously ot required (MCBS).			K No Change		
		Certifica	tion (	MCBS)			
I certify that all information set of		e, correct and complete	э.				
Name of Authorized Person (	Print clearly or type in full)						
SANDRA SLATER							
Title: X Director	Officer of the af	dividual having knowled fairs of the Corporation Act provide penalties		ing false or n	nisleading st	atement <del>s</del> or omissions.	

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•							
1	Corporation's Legal Name		Ontario Corpora	tions Tax Account No. (MOF)	Taxation Year End	CT23 Page 3 of 2	4
	E.L.K. Energy Inc.			1800085	2004-12-31		
	CT23 Corporations Tax Return	ı					
	Type of Corporation – Please "X" box(es) if applicate         1       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) Utility-MEU	ole in sections 1 & 2 Share Capital with full owned by Canadian R		(nearest percent)	(Use Head Office r	er Health Tax Account No. no.) r	
	<ul> <li>Family Farm Corporation s.1 (2)</li> <li>Family Fishing Corporation s.1 (2)</li> <li>Family Fishing Corporation s.1 (2)</li> <li>Mortgage Investment Corporation s.47</li> <li>Credit Union s.51</li> <li>Bank Mortgage Subsidiary s.61 (4)</li> <li>Bank s.1 (2)</li> <li>Loan and Trust Corporation s.61 (4)</li> <li>Non-resident Corporation s.61 (4)</li> <li>Non-resident Corporation s.2(2)(c)</li> <li>Mutual Fund Corporation s.48</li> <li>Non-resident ship or aircraft under reciprocal agreement with Canada s.28(b)</li> </ul>	<ul> <li>15 Branch</li> <li>16 Financia</li> <li>16 Regulat</li> <li>17 Investm</li> <li>18 Genera</li> <li>19 X Hydro sor subs</li> <li>20 Produce</li> <li>20 Produce</li> <li>21 Insuran</li> <li>22 Farm F</li> <li>Corpora</li> <li>20 Profess</li> </ul>	rical energy for successor, Muni idiary of either er and seller of r the generation ace Exchange s. eeder Finance 6	s.63(1) scribed by energy for sale or ise in the generation sale cipal Electrical Utility steam for uses other of electricity 74.4 Co-operative			

Please "X" box(es) if applicable:		
First Year of Filing Amended Return	Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide.) Final Taxation Year before Amalgamation	Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario
Taxation Year End has changed - Canada Customs	Floating Fiscal Year End	Acquisition of Control fed s.249(4)
and Revenue Agency (formerly Revenue Canada) approval required		Date Control was acquired
		year month day

Was the corporation inactive through	out the taxation year?	Yes No
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?	
	an Overpayment?	
	a Specified Refundable Tax Credit?	x
Are you a Member of a Partnership o	r Joint Venture?	X

Corporation's Legal Name E.L.K. Energy Inc.	Ontario Corporations Tax Account No. (MOF) 1800085	Taxation Year End 2004-12-31	CT23	Page 4 of 24
Allocation – If you carry on a business through a permanent establishment in a jurisdiction ou portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 300	tside Ontario, you may allocate that a)			DOLLARS ONLY
		+ 5.000	690	2,222,983.
Net income (loss) for Ontario purposes (per reconciliation schedule, page 15)		• • • • • • • • • • • • • • • • • • •	1	2,222,303.
Subtract: Charitable donations			2	0.
Subtract: Girls to Her Majesty in right of Canada of a province and girls of balance property in Re- Subtract: Taxable dividends deductible, per federal T2 SCH 3			3	0.
Subtract: Ontario political contributions (Attach schedule 2A) (Int.B. 3002)			4	0.
Subtract: Federal Part VI.1 tax 0, X 9/3			5	0.
Subtract: Prior years' losses applied - Non-capital losses		From	704	0.
From 715 Net capital losses (page 16)	0. × rate 50.000	000% = -	714	0.
Farm losses		••••• - From	724	0.
Restricted farm losses		· · · · · · · - From	734	0.
Limited partnership losses		····· - From	754	0.
Taxable Income (Non-capital loss)         Addition to taxable income for unused foreign tax deduction for federal purposes         Adjusted Taxable Income       10       +       11       (if 10 is negative, enter 11))	+ 11 = 202	0. ,222,958.	10	2,222,958.
	Number of Days in Tax	kation Year		
Taxable Income	Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days		
		73 366 =+	29	0.
From 10 (or 20 if applicable) 2,222,958 × 30 100.0000% Ontario Allocation	12.3000 % × 00			
From 10 (or 20 if applicable) 2,222,958 × 30 100.000% Ontario Allocation	Days after Dec. 31, 2003 x 14.0000% x 34 366 +	Total Days	32	311,214.
Income Tax Payable (before deduction of tax credits) 29 + 32	******		40	311,214.
Incentive Deduction for Small Business Corporations (IDSB)	C) (s.41) (If this section is no	ot completed, the ll	DSBC wi	l be denied.)
Did you claim the federal Small Business Deduction (fed.s.125(1)) in the taxa the federal Small Business Deduction had the provisions of fed.s.125(5.1) no	ation year or would you have claimed	(×)	Yes	XNo
* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))		0.		
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b)) + 51	0.			
Add: Losses of other years deducted for federal purposes (fed.s.111) + 52				
Subtract: Losses of other years deducted for Ontario purposes (s.34) - 53				
Federal Business limit (line 410 of the T2 Return) for the year	<u> </u>	0.		
ario Business Limit Calculation				
Days after           Sept. 30, 2001 and           before Jan. 1, 2003           0 x         28           0 +         ** 366           = +         43				
Days after Dec. 31, 2002 and before Jan. 1, 2004 $0 \times 31  0  \div  366 = +46$				
$\begin{array}{c c} Days after \\ Dec. 31, 2003 \\ 0 \times 34 \\ 0 + 366 \\ \end{array} = + 47 \\ 0. \end{array}$	*** Percentage of Federal Business limit (from T2 Sch. 23). Enter 100% if not associated.			
Business Limit for Ontario purposes 43 + 46 + 47 = 44 0×	48 % = 45	0.		
Income eligible for the IDSBC From 30	100.0000 % X 56 *** Ontario Allocation Least of	0. of 50.54 or 45		0.
* Note: Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refe		المتنا ** المتنقع		
** Note: Adjust accordingly for a floating taxation year and use 366 for a leap year.				
*** Note: For a taxation year ending before Jan. 1, 2003, use your proportion of the associate				
**** Note: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is	allocated to foreign jurisdictions. See special rule	es (s.41(4)).		

### continued on Page 5

Corporation's Legal Name	Ontario	Corporations Tax A	Account No. (MOF)	Taxation Year End	CT23	Page 5 of 24
E.L.K. Energy Inc.		1	800085	2004-12-31		DOLLARS ONLY
Income Tax continued from Page 4		Numh	per of Days in Taxati	on Year		
			vs after 0, 2001 and Jan. 1, 2003			
Calculation of IDSBC Rate	C EO		Jan. 1, 2003	Total Days 366 =-	+ 79	.0000
Tanan Marina San Kar	6.50%		ivs after 1, 2002 and		· [	
		before .	Jan. 1, 2004	Total Days	+ 89	.0000
	7.00%	X 31	0 ÷ 73	366 =	+ [ [ [ [ [ [ [ [ [ [ [ [ [ [ [ [ [ [ [	.0000
			r Dec. 31, 2003	Total Days		8.5000
	8.50%	x 34 3	66 + 73	366=	+ 90	8.5000
IDSBC Rate for Taxation Year 79 + 89 + 90					78	8.5000
Claim	0. X From	78	8.5000%		70	0.
Corporations claiming the IDSBC must complete the Surtax section below if the corpora			I, the associated grou	p's taxable income)	is	
greater than the amount in 114 below.						
Surtax on Canadian-controlled private corpo Applies if you have claimed the Incentive Deduction for Small Business Corporations.	rations (s	.41.1)				
the Shert Townfine Veneral Second rules apply where the tayation year is less than	51 weeks for the c	orporation and/or a	ny corporation associ	ated with it.	<b>.</b> .	
Associated Corporation - The taxable income of associated corporations is the taxable year end.	axable income for t	he taxation year en	ding on or before the	date of this corporat	ion's	
** Taxable Income of the corporation		From	n 10 (or 20 if	applicable)	+ 80	0.
If you are a member of an associated group (X) [81] [14] (Yes)	Ontario Corpora	itions Tax				
Name of associated corporation (Canadian & foreign) / ufficient space, attach schedule)	Account No. (M (if applicable)		Taxation Year	End		Taxable Income (if loss, enter nil)
Sug attached					+ 82	<u>65,747.</u>
	-		)		+ 83	
Aggregate Taxable Income 80 + 82 + 83 + 84 , etc.					= 85	0.
	1999					
Number of Days in Taxation Year Days after						
Sept. 30, 2001 and before Jan. 1, 2003 Total Days		2				
Days after	113	0.				
Dec. 31, 2002 and before Jan. 1, 2004 Total Days	( <u>111</u> )	0				
0 x 31 0 + 73 366 = +	115	0.				
Days after Dec. 31, 2003 Total Days	[un]	0.				
<u>0</u> x <u>34</u> 0 + <u>73</u> <u>366</u> = +	116	0.				
113 + 115 + 116 =		0.			_ 114	0.
( gative, enter nil)					= 86	0.
			nber of Days in Taxa	tion Year		
		D Sept.	ays after 30, 2001 and 3 Jan. 1, 2003	Total Days		
Calculation of Specified Rate for Surtax4	.3330%	X 28	0 ÷ 7		= + 95	.0000
		Dec. 3	ays after 31, 2002 and a Jan. 1, 2004	Total Days		
4	.6670%	X 31			+ 96	.0000
		Days after	er Dec. 31, 2003	Total Days		
4	<u>1.6670</u> %	X 34	366 + 7	3 366	= + 97	4.6670
Specified rate of surtax for Taxation Year 95 + 96 + 97	*******	*********			= 94	.0000
From 86 0.X From 94	1	.0000%			87	0.
From 87 0 X From 60		0.+ Fr	rom 114	0.	88	0.
				1000000000	= 100	0
Surtax Lesser of 70 or 88 continued on Page 6		********				

Corporation's Legal Name	(	Ontario Corporations Tax	Account No. (MOF)	Taxation Year End	СТ23	Page 6 of 24
E.L.K. Energy Inc.			1800085	2004-12-31		DOLLARS ONLY
Income Tax continued from Page 5						
Additional Deduction for Credit Un	ions (s.51(4)) (Att	ach schedule 17)			110	0.
Manufacturing and Processing Pro	fits Credit (M&P	<sup>o</sup> ) (s.43)				
Applies to Eligible Canadian Profits from manufacturing and proce			n Canada, as determin	ed by regulations.		
Eligible Canadian Profits from mining are the "resource profits from t and resource allowances but excluding amounts from sale of Canad schedule 27.	he mining operations", as dete ian resource property, rentals	rmined for Ontario deple or royalties. If you are cla	etion purposes, after d aiming this credit, attac	educting depletion ch a copy of Ontario		
The whole of the active business income qualifies as Eligible Canadi mining, farming, logging or fishing is 20% or less of the total active bu	an Profits if: a) your active bus usiness income and b) the tota	iness income from sour al active business incom	ces other than manufa e is \$250,000 or less.	acturing and process	ing,	
Eligible Canadian Profits				+	120	<u> </u>
Subtract: Income eligible for the Incentive Deduction for Small Bus	iness Corporations (IDSBC)	THE REAL		F	rom <u>56</u>	0.
Add: Adjustment for Surtax on Canadian-controlled private con	rporations		in the second			
	.0000 % + From 7	<u>8.5000</u>	)% = 121		0.	
Lesser of 56 or 121 * Ontai	rio Allocation	************		*	122	0.
120 - 56 + 122					130	2.222.958.
Taxable Income					rom <u>10</u>	0.
Subtract: Income eligible for the Incentive Deduction for Small Bus		• • • •	***********		rom 122	0.
Add: Adjustments for Surtax on Canadian-controlled private c	orporations Allocation % to jurisdictions o	uteide Canada	.0000%		140	0.
Subtract: Taxable Income 10 2,222,958. X Subtract: Amount by which Canadian and foreign investment incor					141	0.
10 - 56 + 122 - 140 - 141				=	142	2,222,958.
ſ'n			ber of Days in Taxati	on Year		
	rio Allocation X	Sept.	Days after 30, 2001 and e Jan. 1, 2004 0 + 73	Total Days 366	+ [154]	0.
	nio Allocation		Days after ac. 31, 2003 0 + 73	Total Days 366	+ [156]	0.
M&P claim for taxation year 154 + 156					= 160	0.
* Note: Ontario Allocation for M&P Credit purposes may differ from	n 30 if Taxable Income i	s allocated to foreign jur	risdictions. See specia	l rules (s.43(1))		
Manufacturing and Processing Profits Credit fo	r Electrical Generatin	g Corporations			= 161	0.
Manufacturing and Processing Profits Credit fo		roduce 			= 162	0.
Credit for Foreign Taxes Paid (s.40	))					
Applies if you paid tax to a jurisdiction outside Canada on		e (Int.B. 3001) (Attac	ch schedule).	(#1#10410#10#1	170	0.
Credit for Investment in Small Bus	iness Developn	nent Corpora	ations (SBD	C)		
Applies if you have an unapplied, previously approved cru Any unused portion may be carried forward indefinitely and	edit from prior vears' inves	tments in new issues	s of equity shares in	n Small Business	Developmen siness Devel	t Corporations. opment
Corporations Act)	Eligible Credit	175	0.	Credit Claimed	180	0.

40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 ..... = 190

Subtotal of Income Tax

continued on Page 7

311,214.

Corporation's Legal Name	Ontario Corporations Tax Account No	o. (MOF) Taxation Year	End CT23	Page 7 of 24
E.L.K. Energy Inc.	1800085	2004-12	-31	DOLLARS ONLY
Income Tax continued from Page 6 Specified Tax Credits (Refer to Guide)				
Ontario Innovation Tax Credit (OITC) (s.43.3) Applies to research and deve	elopment in Ontario.			0
Eligible Credit From 5620 OITC Claim Form (Attach original Claim Form)	**************		+ 191	0.
Co-operative Education Tax Credit (CETC) (s.43.4) Applies to employment	t of eligible students.			
			+ 192	0.
Ontario Film & Television Tax Credit (OFTTC) (s.43.5) Applies to qualifying Ontario labour expenditures for eligible Canadian content film	and television productions.			
Eligible Credit From 5899 either Claim Form from Ontario Media Development Co				
or Ministry of Finance (MOF) CT Schedule 193/199, as applicable. (Attach the original Certification/Claim Form received from the OMDC or the original received from the OMDC along with a completed MOF CT Schedule 193/199, as ap	l Certification Form plicable.)		+ 193	0.
		duates From 6596		
Graduate Transitions Tax Credit (GTTC) (s.43.6) Applies to employment of eligible unemployed post secondary graduate.	194	0		
Eligible Credit From 6598 Summary Schedule G		<u></u>	+ 195	0.
Ontario Book Publishing Tax Credit (OBPTC) (s 43.7)	l'an an the sec			
Applies to qualifying expenditures in respect of eligible literary works by eligible Ca			+ 196	0.
Eligible Credit From 6900 OBPTC Claim Form (Attach both the original Claim Fo	rm and the Certification Form)	1.1/1/1.1.1.1.1.1	+ [190]	<u> </u>
Ontario Computer Animation and Special Effects Tax Credit (OCASE				
Applies to labour relating to computer animation and special effects on an eligible p	production.			
Eligible Credit From 6700 Claim Form Certified by Ontario Media Development C				0
h the original Claim/Certification Form with the CT23 Tax Return.)			+ 197	0.
Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)				
Applies to qualifying R&D expenditures under an eligible research institute contract	t.			
Eligible Credit From 7100 OBRITC Claim Form (Attach original Claim Form)			+ 198	0.
Ontario Production Services Tax Credit (OPSTC) (s.43.10)				
Applies to qualifying Ontario labour expenditures for eligible productions where the	OFTTC has not been claimed.			
Eligible Credit From 7300 either Claim Form from Ontario Media Development Co				
or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.				
(Attach the original Certification/Claim Form received from the OMDC or the original received from the OMDC along with a completed MOF CT Schedule 193/199, as a	I Certification Form plicable.)		+ 199	0.
Ontario Interactive Digital Media Tax Credit (OIDMTC) (s.43.11)				
Applies to qualifying labour expenditures of eligible products for the taxation year.				
Eligible Credit From 7400 Claim Form certified by Ontario Media Development C	orporation			
			+ 200	0.
rio Sound Recording Tax Credit (OSRTC) (s.43.12)				
Applies to qualifying expenditures in respect of eligible Canadian sound recordings			+ 201	0.
Eligible Credit From 7500 OSRTC Claim Form (Attach both the original Claim For	mi and the Certification i only		. 201	
Other (specify)			+ 201.1	0.
			(m	
Total Specified Tax Credits 191 + 192 + 193 + 195 + 196 +	197 + 198 + 199 + 200	+ 201 + 201,1	= 220	0.
Specified Tax Credits Applied to reduce Income Tax			= 225	0.
			[and]	211 014
Income Tax 190 – 225 OR Enter NIL if reporting Non-Capital Loss (a)			= 230	311,214.
To determine if the Corporate Minimum Tax (CMT) is applicable to your Corpo CMT on <b>Page 8</b> . If CMT is not applicable, transfer amount in 230 to Income	ration, see <b>Determination of A</b> Tax in <b>Summary</b> section on <b>P</b>	ppiicability section foi age 17.	ne	
OR If CMT is not applicable for the current taxation year but your corporation has income tax otherwise payable, then proceed to and complete the Application	CMT Credit Carryovers that you of CMT Credit Carryovers sec	want to apply to reduc tion part B, on <b>Page 8</b> .	e	

Corporation's Legal Name		Ontario Corporations Tax Acc	count No. (MOF)	Taxation Year End	СТ23	Page 8 of 24
E.L.K. Energy Inc.		180	0085	2004-12-31		DOLLARS ONLY
Corporate Minimum Tax (CMT)						
Determination of Applicability						
Applies if either Total Assets 249 exceeds \$5,000,000 * These amounts include the corporation's and associated	or Total Revenue	0 exceeds \$10,000,000. ny partnership(s) / joint ver	nture(s) total as	sets and total reven	ue.	
Short Taxation Years - Special rules apply for determinin period of any partnership(s) / joint venture(s) of which the	g total revenue where the corporation or associated	e taxation year of the corp d corporation is a member,	oration or any a is less than 51	ssociated corporation weeks.	on or any f	fiscal
Associated Corporation - The total assets or total revenue before the date of the claiming corporation's taxation year	ue of associated corpora end.	tions is the total assets or	total revenue fo	or the taxation year e	ending on	or
* Total Access of the corneration			+ 240	20,753,469.		
* Total Assets of the corporation  * Total Revenue of the corporation					+ 241	16,963,597.
	242 X (Yes)					
Name of associated corporation (Canadian & foreign)	Ontarlo Corporations Tax Account No. (MOF)	Taxation Year End	* Tot	al Assets	•	Total Revenue
(if insufficient space attach schedule)	(if applicable)		+ 243	718.007.	- 244	278,972.
See attached			+ 245		+ 246	
			+ 247		+ 248	
Aggregate Total Assets 240 + 243 + 245	+ 247 , etc.		= 249	21,471,476.		
Aggregate Total Revenue 241 + 244 + 246	+ 248 , etc.		*********	********	= 250	17.242.569.
Calculation: CMT (Attach Schedule A: Calculation of C         Gross CMT Payable         Subtract: Foreign Tax Credit for CMT purposes (Attach set)	1,678,106 If negative, enter zero		0.0000	5	276	67,124.
					190	311,214.
Net CMT Payable (If negative, enter Nil on Page 17.)					280	0.
If 280 is less than zero and you do not have a CMT cre	dit carryover, transfer	230 from <b>Page 7</b> to <b>Inc</b>	ome tax Sumn	nary, on Page 17.		
If 280 is less than zero and you have a CMT credit carr	yover, complete A & B be	elow.				
If 280 is greater than or equal to zero, transfer 230 t	o <b>Page 17</b> and transfer	280 to <b>Page 17</b> , and to a	Schedule D: C	ontinuity of CMT C	credit Car	ryovers, on Page 20.
CMT Credit Carryover available				From 2	307	0.
lication of CMT Credit Carryovers				_		
	·····	+ From 276		+ From [ <u>57,124.</u> 0.	190	311,214.
Subtract: Foreign Tax Credit for CMT purposes	*****	, – From 277			290	67,124.
If 276 - 277 is negative, enter NIL in 290 Income Tax eligible for CMT Credit					300	244,090.
				+ From	230	311,214.
B. Income Tax (after deduction of specified credits) Subtract: CMT credit used to reduce income taxes				10000000000000000000000000000000000000	310	0.
				555-535-5680P	320	311.214.
		CMT credit carryover ava		-		Transfer to page 17
		credit carryover availab				
If only B applies, 310 cannot exceed the lesser of	Leon and your CMT	creat carryover availab				

1800085

#### E.L.K. Energy Inc.

**Capital Tax** (Refer to Guide and Int.B. 3011)

If your corporation is a Financial Institution (s.58(2)), complete lines and 480 and 430 on page 10 then proceed to page 13.

If your corporation is not a member of an associated group and/or partnership and (1) the Gross Revenue and Total Assets as calculated on Page 10 in 460 and 430 are both \$1,500,000 or less and the taxation year ends on or after January 1, 2001, or (2) the Gross Revenue and Total Assets as calculated on Page 10 in 480 and 430 are both \$3,000,000 or less and the taxation year commences after September 30, 2001, your corporation is exempt from Capital Tax for the taxation year. A corporation that meets these criteria should disregard all other Capital Tax items (including the calculation of Taxable Capital). Enter NIL in 550 on page 12 and complete the return from that point. All other corporations must compute their Taxable Capital in order to determine their Capital Tax payable.

Members of a partnership (limited or general) or a joint venture, must attach all financial statements of each partnership or joint venture of which they are a member. The Paid-up Capital of each corporate partner must include its share of liabilities that would otherwise be included if the partnership were a corporation. If

Investment Allowance is claimed, Total Assets must be adjusted by adding the corporation's share of the partnership's Total Assets and by deducting investments in the partnership as it appears on the corporation's balance sheet, in addition to any other required adjustments (s.61(5)). Special rules apply to limited partnerships (Int.B. 3017).

2004-12-31

Any Assets and liabilities of a corporation that are being utilized in a joint venture must be included along with the corporation's other Assets and liabilities when calculating its Taxable Paid-up Capital.

Special rules and rates apply to Non-Resident corporations (s.63, s.64 and s.69(3)).

**Paid-up Capital of Non-resident:** Paid-up capital employed in Canada of a non-resident subject to tax by virtue of s.2(a) or (b), and whose **business is not carried on solely in Canada** is deemed to be the **greater** of (1) taxable Income in Canada divided by 8 percent or (2) total assets in Canada minus certain indebtedness in accordance with the provisions of s.63(1)(a) (Int.B. 3010).

### **Paid-up Capital**

	<b>F</b>	100
Paid-up capital stock (Int.B. 3012 and 3015)	+ 350	<u> </u>
Retained earnings (if deficit, deduct) (Int.B. 3012)	+ 351	
Capital and other surpluses, excluding appraisal surplus (Int.B. 3012)	+ 352	4,402,373.
Loans and advances (Attach schedule) (Int.B. 3013)	+ 353	5,789,415.
Bank loans (Int.B. 3013)	+ 354	0.
Bankers acceptances (Int.B. 3013)	+ 355	0.
B' and debentures payable (Int.B. 3013)	+ 356	0.
Mulugages payable (Int.B. 3013)	+ 357	0.
Lien notes payable (Int.B. 3013)	+ 358	0.
Deferred credits (including income tax reserves, and deferred revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013) Contingent, investment, inventory and similar reserves (Int.B. 3012) Other reserves not allowed as deductions for income tax purposes ( <i>Attach schedule</i> ) (Int.B. 3012)	+ 359 + 360 + 361	-572,000. 653,229. 0.
Share of partnership(s) or joint venture(s) paid-up capital ( <i>Attach schedule(s</i> )) (Int.B. 3017)	+ 362	0.
Subtotal	= 370	17,259,496.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	- 371	-202,616.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	- 372	0.
Total Paid-up Capital	= 380	17,402,112.
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015)	- 381	0.
Electrical Generating Corporations Only - All amounts with respect to electrical generating assets, except to the extent that they have been deducted by the corporation in computing its income for income tax purposes for the current or any 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 electricity from a renewable or alternative energy source and are qualifying property as prescribed by regulation	= 382	0.
Net Paid-up Capital	= 390	17,462,112.

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

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

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)	+ 402	0.
Mortgages due from other corporations	+ 403	0.
Shares in other corporations (certain restrictions apply) (Refer to Guide)	+ 404	100.
Loans and advances to unrelated corporations	+ 405	0.
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)	+ 406	0.
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	+ 407	0.
Total Eligible Investments	= 410	100.

continued on Page 10

Corporation's Legal N	ame	Ontario Corporations Tax Account No. (MOF	) Taxation Year End	CT23 Page 10 of 24
E.L.K. Energy Inc.		1800085	2004-12-31	DOLLARS ONLY
Capital Tax	continued from Page 9			
Total Assets (Ir	nt.B. 3015)		-	
Total Assets per bal	lance sheet		····· + [4	
Mortgages or other	liabilities deducted from assets		···· + [4	
Share of partnership	p(s)/joint venture(s) total assets (Attach s	schedule)	+	
Subtract: Investmer	nt in partnership(s)/joint venture(s)			0.0 000 460
Total Assets as ad	ijusted			
Amounts in 360 a	and 361 (if deducted from assets)		+	
Subtract: Amounts i	in 371, 372 and 381		area assessa — 🗠	
Subtract: Appraisal	surplus if booked			
Add or Subtract: Ot	her adjustments (specify on an attached	schedule)	±[	
Total Assets			= [	450 20,956,085.
Investment All Taxable Capita		] Not to exc	ceed     410     =        =     -	
Gross Revenue	(as adjusted to include the share of any	partnership(s)/joint venture(s) Gross Revenue)	480	16,963,597.
Total Assets (as			430	20,753,469.
Celeviation	of Conitol Tax for all co	rporations except Financial Institutior	15	
Note: This version	n (2003) of the CT23 may only be used	for a taxation year that commenced after September 30, 2	001.	
(Financial Instituti	ions use calculations on page 13.)			
important:	Financial Institution, complete only			
OR	If the corporation is NOT a member calculations in Section B below and the corporation.	of an associated group and/or partnership, review only the select and complete the one specific subsection (e.g. B3)	apital tax that applies to	

OR If the corporation IS a member of an associated group and/or partnership, complete Section C on page 11, and if applicable, complete Section D or Section E on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2003 CT23 guide for additional instructions before completing the capital tax section.

SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

This section applies if the corporation is NOT a member of an associated group and/or partnership.

B1.	If the taxation year commences after September 30, 2001 an complete the return from that point.	430 and 480	on page 10 are both \$3,000,000 or	less, enter NIL in 550 on page 12 and
B2.	If taxable capital, 470 on page 10, is \$5,000,000 or less, e	nter NIL in 550 c	on page 12 and complete the return	
B3.	If taxable capital, 470 on page 10 exceeds \$5,000,000, cor         the return from that point.         + From 470         - <th>nplete the following <math display="block">\frac{100.0000}{100} \% \times 100000</math></th> <th>Days in taxation yea</th> <th></th>	nplete the following $\frac{100.0000}{100} \% \times 100000$	Days in taxation yea	
	floating taxation year, refer to Guide. tinued on Page 11			

Corporation's Legal Name		Ontario Corporations Tax Ac	count No. (MOF)	Taxation Year End	<b>CT23</b>	Page 11 of 24
E.L.K. Energy Inc.		1800	085	2004-12-31		DOLLARS ONLY
Capital Tax Calculati	on continued from Page 10					
SECTION C						]
This section applies ONLY to a c capital tax) and/or partnership. \ under either Section D or Sectio	corporation that is a member of an asso fou must check either 509 or 524 an n E.	ociated group (exluding finand nd complete this section befo	cial institution re you can cal	s and corporatior culate your capita	is exempt il tax calci	from ulation
C1. 509 (X if applicable)	All corporations that you are associa					
	If taxable capital 470 on page 10 is \$					
	If taxable capital 470 on page 10 exc Section D and the return from that poin		ction D, enter \$	5,000,000 in 54	2 Section	D, and complete
C2. X 524 (X if applicable)	One or more of the corporations that	t you are associated with <u>mai</u>	<u>ntains</u> a perma	anent establishme	ent in Can	ada.
	If the taxation year ends before Janua	ary 1, 2003, you must complete	the Calculation	below.		
	If the taxation year ends after Decemb allocate the \$5,000,000 taxable capital group may file an election under subs used to allocate the taxable capital exe filed, all members of the group will ther portion (portion is henceforth referred t \$5,000,000 taxable capital exemption, corporation's total assets multiplied by	exemption by completing the Ca section 69(2.1) of the Corporatio emption among the associated g in be required to file in accordance to as <b>Net Deduction</b> ) of the \$15 to each corporation in the group its Ontario allocation is to the to	alculation below ons Tax Act, wh roup. Once a se with the elect 0,000 capital tax o on the basis o tal assets of the	<ul> <li>Or, the associate ereby total assets a s.69(2.1) election is tion and allocate a effect, relating to t f the ratio that each a group.</li> </ul>	are s ihe 1	
	The total asset amounts and Ontario a from each corporation's financial inform calendar year.	llocation percentages to be used nation from its last taxation year	d for this calcula ending in the ir	ation must be taker nmediately precedi	ng	
	In addition, although each corporation apportioned by the total asset formula, Deduction among the group on what e reallocated amounts does not exceed associated group.	the group may, at the group's o ver basis the corporate group w	ption, reallocate ishes, as long a	e the group's total as the total of the		
Colouistion Do NOT complet	te this calculation if ss.69(2.1) election	is filed				
Taxable Capital From 470 on				+ From	470	17,462,029.
Determine aggregate taxable corporations exempt from caj	capital of an associated group (exclud pital tax) and/or partnership having a p	ing financial institutions and ermanent establishment in Ca	anada			
Names of associated corporations (e and corporations exempt from capita having a permanent establishment in (if insufficient space, attach schedule	l tax) or related partners Canada	Ontario Corporations Tax Account No. (MOF) (If applicable)	Taxation Yea	r End	Таха	able Capital
See attached	,		- (	+	531	108,642.
N			-		532	
Aggregate Taxable Capital	470 + 531 + 532 + 533, etc.				540	17,570,671,
lf 540 Enter N	above is \$5,000,000 or less, the corporati IL in 523 in section D on page 12, as ap	ion's Capital Tax for the taxation plicable.	i year, is NIL.			
If 540 below in	above is greater than \$5,000,000, the cor n order to calculate its Capital Tax for the t	poration must compute its share taxation year under Section D or	e of the \$5,000,0 n page 12.	000 exemption		
	70 <u>17,462,029</u> + From 540	<u>17,570,671.</u> ×	5,000	,000 Tra		4,969,084. 2 in Section D on page 12
<b>S.s.69(2.1) Election Filed</b> 591 (X if applicable)	Election filed. Attach a copy of the electron filed. Attach a copy of the electron E on page 12.	ection with this CT23 Return.				

### Capital Tax Calculation continued from Page 11

SECTION D	
This section applies if the corporation IS a member of an associated group and/or partnership whose total AGGREGAT taxable capital, 540 on page 11, exceeds \$5,000,000.	ſĔ
Complete the following calculation and transfer the amount From 523 to 543, and complete the return from that point.	
+ From 470 17,462,029. - 542 4,969,084. = 471 12,492,945. x From 30 100.0000% x .3000% x 555 366 Ontario Allocation (366 if leap year)	Total Capital Tax for the taxation year= + 52337,479.Transfer to 543 and complete the return from that point
SECTION E	
This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.	1) election
+ From 470 0. x From 30 100,0000% x .3000% Ontario Allocation	= + 561 0.
- Capital tax deduction From 995 relating to your corporation's capital tax deduction, on ss.69(2.1) election form	From 995 0.
Capital Tax         Days in taxation year           562         0.         x         555         366            (366 if leap year)	= 563 0. Transfer to 543 and complete the return from that point
** If floating taxation year, refer to Guide.	
Capital Tax before application of specified credits           Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide)	···· = <u>543</u> <u>37,479.</u> ···· - <u>546</u> 0.
Capital Tax 543 - 546 (amount cannot be negative)	= 550 37,479.
	Transfer to Page 17

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	СТ23	Page 13 of 24
E.L.K. Energy Inc.	1800085	2004-12-31		DOLLARS ONLY
Capital Tax continued from Page 12				
Calculation of Capital Tax for Financial Institutions				
I.1. Credit Unions only				
For taxation years commencing after May 4, 1999 enter NIL in 550 on page	12, and complete the return from that point.			
I.2. Other than Credit Unions				
(Retain details of calculations for amounts in boxes 565 and 570. Do not s	submit with this tax return.)			
565 0. x 0.6% x From 30 Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1	Days in taxation year <u>555</u> 0+**	<u>0</u> (366 if leap year) =	+ 569	0.
570 0.00 % X From 30 Adjusted TPUC Capital Tax Rate Ontar in accordance with <i>(Refer to Guide)</i> Division B.1 in excess of Basic Capital Amount	Days in taxation year % x 555 0 + **	0_(366 if leap year) =	+ 574	0.
Capital Tax for Financial Institutions – other than Credit Unions	(before Section II) 569 +	574	= 575	0.
II. Small Business Investment Tax Credit				
(Retain details of eligible investment calculation and, if claiming an investment the credit issued in accordance with the Community Small Business Investmer	in CSBIF, retain the original letter approving It Fund Act. Do not submit with this tax return	1.)		
Allowable Credit for Eligible Investments			- 585	0,
Financial Institutions: Claiming a tax credit for investment in Community Small	Business Investment Fund (CSBIF)? (x)	Yes		
Capital Tax – Financial Institutions 575 – 585			= <u>586</u> T	0. ransfer to 543 on Page12

Premium Tax (s.7	4.2 & 74.3)	(Refer to Guide)
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(1) Uninsured Benefits Arrangements	= 588	0.
<ul> <li>(2) Unlicensed Insurance (enter premium tax payable in 588 and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in 588.)</li> </ul>		
Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.		
Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)	- 589	0.
Premium Tax 588 = 589	= 590	0. Transfer to page 17

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1		+ 600	2,222,983
Add:	50 mm 20		Transfer to Page 15
Federal capital cost allowance	+ 601 546	206.	
Federal cumulative eligible capital deduction	+ 602 48	748.	
Ontario taxable capital gain	+ 603	0.	
Federal non-allowable reserves. Balance beginning of year	+ 604644	766.	
Federal allowable reserves. Balance end of year	+ 605	0.	
Ontario non-allowable reserves. Balance end of year	+ 606653	229	
Ontario allowable reserves. Balance beginning of year	+ 607	<u>0</u> ,	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ 608	0.	
Federal resource allowance	+ 609	0.	
Federal depletion allowance	+ 610	0.	
Federal foreign exploration and development expenses	+ 611	0.	
Management fees, rents, royalties and similar payments to non-arms' length non-residents			
Number of Days In Taxation Year			
Days after			
Sept. 30, 2001 and Total Days before Jan. 1, 2004	22		
$612   0. \times 5 \div 12.5000 \times 33   0 \div 73 366 = + 633$	0.		
Days after Dec. 31, 2003 Total Days			
$0.x 5 + 14.0000 \times 34 366 + 73 366 = +634$	0.		
Total add-back amount for Management fees, etc. 633 + 634 =	0.+ 613	0.	
Federal Scientific Research Expenses claimed in year from line       460 of fed. form T661         excluding any negative amount in 473 from Ont. CT23 schedule 161       61	+ 615	0.	
	+ 616	0.	
Add any negative amount in 473 from Ont. CT23 Schedule 161			
Federal allowable business investment loss	+ 620	0.	
		0	
Total of other items not allowed by Ontario but allowed federally (Attach schedule)	+ 614	0.	
	= 1,892	,949. 640	1,892,949 Transfer to Page 15
Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614			
Total of Additions         601         to         611         +         615         +         616         +         620         +         614           Deduct:         Ontario capital cost allowance (excludes amounts deducted under 675)		.206.	
Deduct:		,748.	
Deduct:     Ontario capital cost allowance (excludes amounts deducted under 675)	+ 651 48 + 652	. <u>748.</u> 0.	
Deduct:       Ontario capital cost allowance (excludes amounts deducted under 675)         Ontario cumulative eligible capital deduction	+ 65148 + 652	,748.	
Deduct:       Ontario capital cost allowance (excludes amounts deducted under 675)         Ontario cumulative eligible capital deduction         Jeral taxable capital gain	+ 651 48 + 652	.748. 0. .766. 0.	
Deduct:       Ontario capital cost allowance (excludes amounts deducted under 675)         Ontario cumulative eligible capital deduction       Jeral taxable capital gain         Ontario non-allowable reserves. Balance beginning of year	+ 651 48 + 652	.748. 0. .766. 0.	
Deduct:       Ontario capital cost allowance (excludes amounts deducted under 675)         Ontario cumulative eligible capital deduction         Jeral taxable capital gain         Ontario non-allowable reserves. Balance beginning of year         Ontario allowable reserves. Balance end of year	+ 651	.748. 0. .766. 0. .229. 0.	
Deduct:       Ontario capital cost allowance (excludes amounts deducted under 675)         Ontario cumulative eligible capital deduction         Jeral taxable capital gain         Ontario non-allowable reserves. Balance beginning of year         Ontario allowable reserves. Balance end of year         Federal non-allowable reserves. Balance end of year	+ 651 48 + 652	.748. 0. .766. 0. .229. 0. 0.	
Deduct:       Ontario capital cost allowance (excludes amounts deducted under 675)         Ontario cumulative eligible capital deduction	+ 651 48 + 652	.748. 0. .766. 0. .229. 0. 0. 0.	
Deduct:       Ontario capital cost allowance (excludes amounts deducted under 675)         Ontario cumulative eligible capital deduction	+ 651 48 + 652 48 + 653 644 + 654 4 + 655 653 + 656 4657 4 + 657 4 + 658 4 + 659 4	.748. 0. .766. 0. .229. 0. 0. 0. 0.	
Deduct:       Ontario capital cost allowance (excludes amounts deducted under 675)         Ontario cumulative eligible capital deduction       deral taxable capital gain         Ontario non-allowable reserves. Balance beginning of year       Ontario allowable reserves. Balance end of year         Federal allowable reserves. Balance beginning of year       Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)         Ontario depletion allowance       Ontario depletion allowance	+ 651 48 + 652 48 + 653 644 + 654 4 + 655 653 + 656 453 + 657 4658 455	.748. 0. .766. 0. .229. 0. 0. 0.	
Deduct:         Ontario capital cost allowance (excludes amounts deducted under 675)         Ontario cumulative eligible capital deduction         Jeral taxable capital gain         Ontario non-allowable reserves. Balance beginning of year         Ontario allowable reserves. Balance end of year         Federal non-allowable reserves. Balance beginning of year         Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)         Ontario depletion allowance         Ontario resource allowance         Ontario current cost adjustment (Attach schedule)         Incentive for new electricity supply (section 13.6 deduction from income)	+ 651 48 + 652 + 653 644 + 654 + 655 653 + 656 + 657 + 658 + 659	.748. 0. .766. 0. .229. 0. 0. 0. 0.	
Deduct:       Ontario capital cost allowance (excludes amounts deducted under 675)         Ontario cumulative eligible capital deduction       derat taxable capital gain         Ontario non-allowable reserves. Balance beginning of year       Ontario allowable reserves. Balance end of year         Federal non-allowable reserves. Balance beginning of year       Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)         Ontario depletion allowance       Ontario resource allowance         Ontario current cost adjustment (Attach schedule)       Detect	+ 651 48 + 652	.748. 0. .766. 0. .229. 0. 0. 0. 0. 0.	

Corporation's Legal Name

E.L.K. Energy Inc.

DOLLARS ONLY

2004-12-31

1800085

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 15 of 24
E.L.K. Energy Inc.	1800085	2004-12-31	DOLLARS ONLY
Reconcile net income (loss) for federal inco	me tax purposes with net inco	me (loss)	
for Ontario purposes if amounts differ continued from Page 14			
Net Income (loss) for federal income tax purposes, per federal T2 SC	CH 1	From ±	600 2,222,983
		From =	[640] 1,892,949 <b>.</b>
Total of Additions		1-1122-003	3 <del></del>
Sub Total of deductions on page 14	From = 681	1,892,949	
Deduct: Ontario New Technology Tax Incentive (ONTTI) Gross-up (Applies only to those corporations whose Ontario allocation is less t	than 100% in the current taxation year.)		
Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year	662 0.		
ONTTI Gross-up deduction calculation:			
From	n 662 <u>    0           0                    </u>	0.	
From 30 100.0000 -From Ontario Allocation			
Workplace Child Care Tax Incentive			
Qualifying expenditures:	$\begin{array}{c c} 0.00\% \times \underline{100} \\ \hline \\ $	0_	
Workplace Accessibility Tax Incentive			
Qualifying expenditures: 6670, × 10	0.00% x 100 = 668	0.	
Number of0	Ontario Allocation		
Ontario School Bus Safety Tax Incentive (OSBSTI) (Applies to th	ne eligible acquisition of school		
buses purchased after May 4, 1999 and before January 1, 2006.) (Re		0.	
Qualifying expenditures:	From $\begin{bmatrix} 30 \\ 0.00\% \times \\ 100.0000 \\ 0.00000 \end{bmatrix} = \begin{bmatrix} 671 \\ \\ 671 \\ \\ 0.00000 \\ 0.0000 \\ 0.0000 \\ 0.00000 \\ 0.00000 \\ 0.000000 \\ 0.$	0.	
Educational Technology Tax Incentive (Applies to qualifying amo	ounts incurred after May 2, 2000.)		
0. usl/6/ing overand/#urgs: 6720. x 1	5.00% x 100 = 673	0.	
L	Ontario Allocation		
Ontario allowable business investment loss	+ 678	<u>0.</u>	
Ontario Scientific Research Expenses claimed in year in 477 <sup>•</sup> om Ont. CT23 Schedule 161	+ 679	0.	
Amount added to income federally for an amount that was negative line 454 or 455 (if filed after June 30, 2003)	ative on federal form T661,	0.	
Total of other deductions allowed by Ontario (Attach schedule)	+ 664	0.	
Total of Deductions 681 + 663 + 666 + 668 + 671 + 673	+ 678 + 679 + 677 + 6664 =	1,892,949,	680 1.892,949.
Net income (loss) for Ontario Purposes	600 + 640 - 680		= 690 2.222.983. Transfer to Page 4

E.L.K. Energy Inc.			1800	0085	2004-12-31	DOLLARS ONLY
Continuity of Losses (	<b>Carried Forward</b>	k				
	Non-Capital Losses (1)	Total Capital Losses (9) (10)	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance at Beginning of Year	700 (2)	710 (2)	720 (2)	730	740	750
Add: Current year's losses (7)	701 0	711 0	<sup>721</sup> 0	O	741	751 0
Losses from predecessor corporations (3)	[702] 0	712 0	0	0		752 0
Subtotal	7030	7130	723 0	0	<sup>743</sup> 0	753 0
Subtract: Utilized during the year to reduce taxable income	704 (2) 705	715 (2) (4)	724 (2) 0 725	734 (2) (4) 735	744 (4) 0 745	754 (4) 0
Expired during the year Carried back to prior	0 706 (2) to Page 17	716 (2) to Page 17	0 726 (2) to Page 17	0 736 (2) to Page 17	0 746	
years to reduce taxable income (5) Subtotal	0 707 0	0 [717] 0	0 727 0	0 737 0	0 0	[757] 0
Balance at End of Year	709 (8)	719	729	739	749	759

#### Notes:

Corporation's Legal Name

- 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) rough 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.

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

(7) Include amount form 11 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.

Ontario corporations Tax Account No. (MOF) Taxation Year End CT23 Page 16 of 24

- (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.

	Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only (9) (10)	Farm Losses	Restricted Farm Losses
800	9th preceding taxation year				850	870
	1996-09-30				0	0
801	8th preceding taxation year				851	871
	1997-09-30				0	0
802	7th preceding taxation year				852	872
	1998-09-30				0	0
1000	6th preceding taxation year	820	830	840	853	873
	1999-09-30	0	0	0	0	0
804	5th preceding taxation year	821	831	841	854	874
	2000-09-30	0	0	0	0	0
805	4th preceding taxation year	822	832	842	855	875
	2001-09-30	0		0	0	0
806	3rd preceding taxation year	823	833	843	856	876
	2001-12-31	0	C	0	0	0
807	2nd preceding taxation year	824	834	844	857	877
	2002-12-31	0		0	0	0
808	1st preceding taxation year	825	835	845	858	878
	2003-12-31	0	(	0	0	0
809	Current taxation year	826	836	846	859	879
	2004-12-31	0	(	0	0	0
	2001 12 31	829	839	849	869	889
Total		0		0	0	0

Ontario Corporations Tax Account No. (MOF)	Taxation Year End	<b>CT23</b>	Page 17 of 24
1800085	2004-12-31		DOLLARS ONLY

Con	poration's	Lenal	Name
001	poradorra	Logai	Hanno

E.L.K. Energy 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.

 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,

- 2) the day on which the corporation's return for the loss year is delivered to the Minister, or
- 3) the day on which the Minister receives a request in writing from the 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 Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses	
Total amount of loss	910	920	930	940	
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income Predecessor Ontario Corporation's Taxation Year Ending					
Tax Account No. (MOF) year month day	911	921	931	941 0	
	912	922	932	942	
	913	923	933	943	
iii) 1st preceding	From 706	From 716	From 726	From 736	
Balance of loss available for carry-forward	919	929	939	949	
	0	L0	0		

Summ	ary	
Income ta:	• + From 230 or 320 311,214	<b>4</b> 0
Corporate	Minimum Tax + From 280 0	•
Capital Ta	x	•
Premium	Fax + From 590	•
Total Tax	Payable	•
Subtract:	Payments	
	Capital Gains Refund (s.48) _ 965 0	•
	Qualifying Environmental Trust Tax Credit (Refer to Guide) _ 985 0	
	Specified Tax Credits (Refer to Guide)	<u>.</u>
	Other (specify) O	
Balance	= 970 348,693	•
lf paymen	t due Enclosed * 990 348,693	
lf overpay	ment: Refund (Refer to Guide) = 975	-
А	pply to 980 0	
order in (	(Includes credit interest) ir cheque (drawn on a Canadian financial institution) or a money Canadian funds, <b>payable to the Minister of Finance</b> and Ontario Corporation's Tax Account No. (MOF) on the back of r 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.

nature	Date
ECTOR OF FINANCE Residence Address	
IDRA SLATER	

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOI	F) Taxation Year End CT2	23 Schedule A
E.L.K. Energy Inc.	1800085	2004-12-31	Page 18 of 24
Corporate Minimum Tax - Schedule A:			DOLLARS ONLY
Calculation of CMT Base	titutions (SEI)		
Banks - Net income/loss as per report accepted by Superintendent of Financial Ins under the Bank Act (Canada), adjusted so consolidation/equity methods are not us Net Income/Loss (unconsolidated, determined in accordance with GAAP)	ed.	<u>+ 2100</u>	1,288,106.
Subtract (to the extent reflected in net income/loss):			
	+ 2101	0.	
Provision for recovery of income taxes / benefit of current income taxes	2102	418,000.	
Provision for deferred income taxes (credits) / benefit of future income taxes		0.	
Equity income from corporations		0.	
Share of partnership(s)/joint venture(s) income		0.	
		0.	
		0.	
	+ 2107		
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1)	O. × 9/3 + 2108	0.	410 000
Subtotal		418,000_ 2109	418,000.
Add (to extent reflected in net income/loss):	+ 2110	808,000.	
	+ 2111	0.	
Provision for deferred income taxes (debits) / cost of future income taxes		0.	
Equity losses from corporations	and the second se	0.	
Share of partnership(s)/joint venture(s) losses	+ 2113	0.	
Dividends that have been deducted to arrive at net income per	+ 2114	0.	
Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	(1) (3) (1) (0) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1	808,000, 2115	808,000.
Subtotal			
'Subtract:			
Amounts relating to s.57.9 election/regulations for disposals etc. of property	for current/prior years		
	20	0	
** Fed.s.85+ 2116	<u>0.</u> or – <u>2117</u>	0.	
** Fed.s.85.1+ 2118	0. or - 2119	0.	
** Fed.s.97+ 2120	0 • or – 2121	0.	
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years+ 2122	0 er - 2123	0.	
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years + 2124	0 or - 2125	0.	
** Amounts relating to s.57.10 election/regulations			
for replacement re fed.s.13(4), 14(6) and 44 for	0 or - 2127	0.	
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income	- 2150	0.	
			0
Subtotal (Additions)	0.	+ 2128	<u> </u>
ehtotal (Subtractions)		0 2129	0.
			0
** Other adjustments		<u>+ 2130</u>	0.
			1,678,106.
Subtotal ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130		= 2131	1,0/0,100.
			0
** Share of partnership(s)/joint venture(s) adjusted net income/loss		<u>+</u> 2132	0.
			1,678,106.
Adjusted net income (loss) (if loss, transfer to 2202 in Schedule B: Contin	uity of CMT Losses Carried Forward	, Page 19.) = 2133	1,070,100.
		0	
Deduct: * CMT losses: pre-1994 Loss		0.	
* CMT losses: other eligible losses	+ [2211]	0.	0
		02134	0.
* CMT losses applied cannot exceed adjusted net income or increase a loss			
** Retain calculations. Do not submit with this tax return.			5252078
CMT Base		= 2135	1,678,106.
		Irai	nsfer to CMT Base on Page 8

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	0.120	
E.L.K. Energy Inc.	1800085	2004-12-31	Page 19 of 24
Corporate Minimum Tax (CMT)			DOLLARGONET
Schedule B: Continuity of CMT Losses Carried	Forward		
Balance at Beginning of year (1), (2)		+ 2201	0.
	+ 2203	<u>    0.</u> 0. 0.	
Amalgamation (x) 2205 Yes Wind-up (x) 2206 Subtotal		0, + 2207	0.
Adjustments (attach schedule)		<u>+ 2208</u>	0.
CMT losses available 2201 + 2207 ± 2208		= 2209	0.
Subtract:       Pre-1994 loss utilized during the year to reduce adjusted net incom         Other eligible losses utilized during the year to reduce adjusted net         Losses expired during the year         Subtotal	t income (4) + 2211 + 2212	0. 0. 0. 0 2213	0.
Balances at End of Year (5) 2209 - 2213		= 2214	0.
<ul> <li>Notes:</li> <li>(1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at eginning of the year. Attach schedule showing computation of pre-1994 Cl.oss.</li> <li>(2) Where acquisition of control of the corporation has occurred, the utilization CMT losses can be restricted. (see s.57.5(3) and s.57.5(7))</li> </ul>	MT to which fed.s.87 applie (see s.57.5(8) and s.57	ed to the extent of the lesser T losses available 2209	ed.s.88(1) applies. of the adjusted net

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

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

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	Ith preceding taxation year	2260	2280
	1996-09-30	0	0
2241	8th preceding taxation year	2261	2281
	1997-09-30	0	0
	th preceding taxation year	2262	2282
	1998-09-30	0	0
	6th preceding taxation year	2263	2283
	1999-09-30	0	0
	5th preceding taxation year	2264	2284
	2000-09-30	0	0
2245	4th preceding taxation year	2265	2285
	2001-09-30	0	0
2246	3rd preceding taxation year	2266	2286
	2001-12-31	0	0
2247	2nd preceding taxation year	2267	2287
	2002-12-31	0	0
2248	1st preceding taxation year	2268	2288
	2003-12-31	0	0
2249	Current taxation year	2269	2289
	2004-12-31	0	0
Totals		2270	2290
IUIdis		0	0

sum of amounts 2270 + 2290 st equal amount in 2214

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Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End CT23	
E.L.K. Energy Inc.	1800085	2004-12-31	Page 20 of 24
Corporate Minimum Tax (CMT)			DOLLARS ONLY
Schedule D: Continuity of CMT Credit Carryover	S		
Balance at Beginning of year (1)		+ 2301	0.
	+ From 280	0.	
Amalgamation (x) 2303 Yes Wind-up (x) 2304 Subtotal	Yes	0. + 2305	0.
Adjustments (Attach schedule)		± 2306	0.
CMT credit carryover available 2301 + 2305 ± 2306	******	= 2307	Ο. Transfer to Page θ
Subtract:         CMT Credit utilized during the year to reduce income tax (Page 8)           CMT Credit expired during the year	+ From 310	<u> </u>	0.
Subtotal	=	0 _ 2309 _	0.
Balance at End of Year (3) 2307 - 2309		= 2310	0.

Notes:

Vhere acquisition of control of the corporation has occurred, the utilization of CMT credits can be restricted. (see s.43.1(5))

(2) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))

(3) Amount in 2310 must equal sum of 2370 + 2390.

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

1	Year of Origin (oldest year first)	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)	
	year month day	•		
2340	9th preceding taxation year	2360	2380	
	1996-09-30	0	00	
2341	8th preceding taxation year	2361	2381	
	1997-09-30	0	00	
2342	7th preceding taxation year	2362	2382	
	1998-09-30	0	00	
	6th preceding taxation year	2363	2363	
	1999-09-30	0	0	
2344	5th preceding taxation year	2364	2384	
	2000-09-30	0	00	
2345	4th preceding taxation year	2365	2385	
	2001-09-30	0	0	
2346	3rd preceding taxation year	2366	2386	
	2001-12-31	0	0	
2347	2nd preceding taxation year	2367	2387	
	2002-12-31	0	0	
2348	1st preceding taxation year	2368	2388	
	2003-12-31	0	0	
2349	Current taxation year	2369	2389	
	2004-12-31	0	0	The sum of amounts 2370 + 2390
Totals		2370	2390	
		0	0	must equal amount in 2310



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

Corporation's Legal Name	Ontario	Corporations Tax Acc	ount No. (MOF)	Taxation Year End
E.L.K. Energy Inc.		1800085		2004-12-31
Name of Associated Corporation (Canadian and Foreign)		Corporations Tax Number	Taxation Year End	Taxable Income (if loss, enter nil)
				+ 65,747
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
				+
			Total	
		Transfer to 85	] of the CT23	= 65,747



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

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End			
Corporation's Legal Name					
FIK Energy Inc.	1800085	2004-12-31			

Name of Associated Corporation (Canadian and Foreign)	Corporations Tax Number	Taxation Year End	Total Assets	Total Revenue
L.K. SOLUTIONS INC.	1800362	2004-12-31	+ 718.007	+ 278.97
			+	+
			+	+
			+	+
			+	+
			+	+
			÷	+
			t <del>h</del>	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			+	+
			÷	+
			+	+
			+	+
			ф	+
			+	+
			+	+
			+	+
		Totals	= 718.007 Transfer to 249	Transfer to 250 of the CT23

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Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2004-12-31
LER Energy no.		

Loans or Advances Credited or Advanced to Corporation (includes accounts payable to related parties outstanding at the taxation year end for 120 days or more, and accounts payable to non-related parties outstanding for 365 days or more at the taxation year end)		
and accounts payable to non-related parties outstanding for 365 days or more at the taxation year endy		
Shareholders' promissory notes	+	5,200,000
	+	340,419
Current portion of cistomer deposits	+	
Customer deposits	1	248,996
	+	0
	+	0
	+	C
	+	C
	+	C
	+	C
	+	C
	+	(
	+	(
	+	(
	+	(
	+	(
	+	
	+	(
	+	
	+	
	+	
	+	
	+	
	+	
Total Transfer to 353 of the CT23	=	5.789.41



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### Ontario Charitable Donations and Gifts Schedule 2 page 1 of 3

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2004-12-31

- For use by a corporation to claim any of the following:
  - Charitable donations;
  - Gifts to Her Majesty in right of Ontario, to Ontario crown agencies, or to Ontario Crown foundations;
  - Gifts to Canada or a province;
  - Gifts of certified cultural property; or
  - Gifts of certified ecologically sensitive land.
- The donations and gifts are eligible for a five year carry-forward.
- Use this schedule to show a credit transfer following an amalgamation or wind-up of subsidiary as described under subsection 87(1) and 88(1) of the federal *Income Tax Act* (Canada).
- File one completed copy of this schedule with your CT23.

### Part 1 - Charitable Donations 0 4 Charitable Donations at end of preceding taxation year 0]**B** Deduct: Donations expired after 5 taxation years 0 c Charitable donations at beginning of taxation year = 0 D Donations transferred on amalgamation or wind-up of subsidiary Add: 25 E Total current year charitable donations made 25 F 25 Subtotal D + E 25 g = Total donations available C + F 25 T Deduct: Amount applied against taxable income (amount T) 0 H Charitable donations closing balance Part 2 - Maximum Deduction Calculation for Donations 2371 1,667, Ontario net income for tax purposes multiplied by 75% Note: For credit unions the Ontario net income for tax purposes is the amount before the deduction of payments pursuant to allocations in proportion to borrowing and bonus interest. 01 Ontario taxable capital gains arising in respect of gifts of capital property Ontario taxable capital gain in respect of deemed gifts 0 K of non-qualifying securities per subsection 40(1.01) ITA Add the lesser of: 1. The amount of the recapture of capital cost OL allowance in respect of charitable gifts 2. The lesser of: 2a. Proceeds of dispositions less 0 M outlays and expenses 0 N 2b. The capital cost 00 0 The lesser of M and N 0 P 0 The lesser of L and O Ola Subtotal J + K + P 0 R 0 0 25% X 667 237 1 = Maximum deduction allowable I + R 25 Claim for charitable donations (not exceeding the lesser of G from Part 1, S and net income for tax purposes) 101010-01 Enter in 1 of the CT23

### **Ontario Charitable Donations and Gifts**

### Schedule 2 page 2 of 3

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2004-12-31

### Part 3 - Gifts to Her Majesty in right of Ontario

For use by a corporation claiming gifts to Her Majesty in right of Ontario, to Ontario Crown Agencies, or to Ontario Crown Foundations.

Gifts to O	ntario Crown Agency or Ontario Crown Foundation at end of the preceding taxation year	+	0
Deduct:	Gifts expired after 5 years	-	0
Gifts to O	ntario Crown Agency or Ontario Crown Foundation at the beginning of the taxation year	+	0
	Gifts transferred on amalgamation or wind-up of a subsidiary	+	0
	Total current year gifts	+	0
Subtotal		=	0
Deduct:	Amount applied against taxable income 2 of the CT23	-	0
	Distance Crown Agency or Ontario Crown Foundation closing balance	=	0

Foundation Name	Date of Donation	Amount \$
		0
		0
		0
		0
		0
Total gifts to Her Majesty in right of Ontario	=	0

### Part 4 - Maximum Deduction Calculation for Gifts to Her Majesty in Right of Ontario

### Deduction is the lesser of:

1.	Ontario Net Income before deductions of gifts after deducting charitable donations and gifts to Her Majesty in right of Canada or a province other than Ontario	2,222,958 u
2.	Lesser of:	
	2a. Ontario Net Income for the taxation year	
	2b. Gifts made in the taxation year or any of the five preceding taxation years to Her Majesty in Right of Ontario, an Ontario Crown Agency or an Ontario Crown Foundation	
	The lesser of V and W	0x
	aximum deduction allowable the lesser of U and X	0 Y
IVI		Transfer to 2 of the CT23

### Part 5 - Gifts to Canada or a province other than Ontario

Gifts to Canada or a province other than Ontario at the end of the preceding year	0
Deduct: Gifts to Canada or a province other than Ontario expired after five taxation years	0
Gifts to Canada or a province other than Ontario at the beginning of the taxation year	0
Add: Gifts to Canada or a province other than Ontario transferred on amalgamation or wind-up of a subsidiary	0
Total current year Gifts to Canada or a province other than Ontario (Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date.)	0
Subtotal	0
Deduct: Amount applied against taxable income	0
Gifts to Canada or a province other than Ontario closing balance	0

### **Ontario Charitable Donations and Gifts**

### Schedule 2 page 3 of 3

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2004-12-31

### Part 6 - Gifts of certified cultural property

Gifts of certified cultural property at the end of the preceding taxation year	0
Deduct: Gifts of certified cultural property expired after five years	0
Gifts of certified cultural property at the beginning of the taxation year	0
Add: Gifts of certified cultural property transferred on amalgamation or wind-up of a subsidiary	0
Total current year gifts of certified cultural property	0
Subtotal	0
Deduct: Amount applied against taxable income	0
Gifts of certified cultural property closing balance	0

### Part 7 - Gifts of certified ecologically sensitive land

Gifts of certified ecologically sensitive land at the end of the preceding taxation year	0
Deduct: Gifts of certified ecologically sensitive land expired after five years	0
Gifts of certified ecologically sensitive land at the beginning of the taxation year	0
	0
	0
Total current year gifts of certified ecologically sensitive land	
Subtotal	0
Deduct: Amount applied against taxable income	0
Gifts of certified ecologically sensitive land closing balance	0

### Part 8 - Analysis of balance by year of origin

Year of origin	Charitable donations	Gifts to Her Majesty in right of Ontario	Gifts to Canada or a province other than Ontario	Gifts of certified cultural property	Gifts of certified ecologically sensitive land
2003-12-31	0	0	0	0	0
2002-12-31	0	0	0	0	0
2001-12-31	0	0	0	0	0
2001-09-30	0	0	0	0	0
2000-09-30	0	0	0	0	0
1999-09-30	0	0	0	0	0
Totals	0	0	0	0	0

a,

E.L.K. Energy Inc. Corp. Tax Acct. No. : 1800085

Year Ended:

Onc. Sch. 008 27 1-12-31

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

# Summary of Capital Cost Allowance

z Is the corporation electing under regulation 1101(5g)?  $\left[ Y/N \right]$ 

13	Ontario	unde-	preciated	capital	5t	at the end	of the year	(column 6	suurm	column 12)							9,039,670	246,052	216,279	32,211		9,534,212		e CT23
	ont	un	Ъrе	car	cost	at	of	Ŭ	רדש	00						1			_		1			on th
12	Ontario	capital	cost	allowance	(column 8	multiplied	Ъу	column 9;	or a lower	amount)							374,837	60,723	77,890	32,756		546,206		[650] on the CT23
ΤT	Terminal	loss															0	0	0	0		0		[650]
10	Recapture	of	capital	cost	allowance												0	0	0	0		0		[650]
6	CCA	rate	ola														4	20	30	100				Enter in boxes
00	Reduced	unde-	preciated	capital	cost	(column 6	minus	column 7)									9,370,927	303,614	259,632	32,756		9,966,929		Enter
7	50% rule	(1/2 of	the amount,	if any, by	which the	net cost	of	acquisitions column 7)	exceeds	column 5)				See note 2	below		43,580	3,161	34,537	32,211		113,489		
Q	Ontario	unde-	preciated	capital	cost	(column 2	plus	column 3	or minus	column 4	snuim	column 5)					9,414,507	306,775	294,169	64,967		10,080,418		
S	Proceeds	of	dispositions	during the	year	(amount	not to	exceed	the capital	cost)							188,808	D	o	0		183,808	THE REPORT OF THE	
¥	Net	adjustments	(show	negative	amounts in	brackets)											0	0	0	0		0		
m	Cost of	acquisitions adjustments	during the	year (new	property	must be	available	for use)						See note 1	below		275,969	6,323	69,074	64,423		415,789		
N	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)		9,327,346	300,452	225,095	544		9,853,437		
Ч	Class	number															н	60	10	12		Total		

Note 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. (Canada) List separately any acquisitions that are not subject to the 50% rule. See Regulation 1100(2) and (2.2) of the "Income Tax Act"

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4, Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss. CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver 2-2004

Ø	Ontario
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<b>Ontario Cumulative</b>	<b>Eligible Capital</b>	Deductio	on
		Schedule	10

(For taxation years 2000 and later)

Corporatio	n's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
		1800085	2004-12-31
E.L.K. En		100000	
	e by a corporation that has eligible capital property. arate cumulative eligible capital account must be kept for each business.		
Part 1 -	Calculation of current year deduction and carry-forward		(
Ontario C	umulative eligible capital - balance at end of preceding taxation year (if negative, enter ze	(	696,404 <sup>A</sup>
Add:	Cost of eligible capital property acquired during the taxation year	- <u>0<sup>B</sup></u>	
	Amount transferred on amalgamation or wind-up of subsidiary	- <u> </u>	
	Other adjustments	- <u> </u>	0 <sup>E</sup>
Total of E	3+C+D	= <u> </u>	
Subtota	A+E	Ξ.	696,404 <sup>-</sup>
Deduct:	from the disposition of all eligible capital property during the taxation year	0 <sup>G</sup>	
	The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the <i>Income Tax Act</i> (Canada)	- O <sup>H</sup>	
	Other adjustments	0	
Total of (		= <u> </u>	0,
Ontario d	umulative eligible capital balance F – J	=	696,404 <sup>K</sup>
Note: An de	y amount up to the maximum deduction of 7% may be claimed. Taxation years starting aft duction may <b>not</b> exceed the maximum amount prorated for the number of days in the taxa	er December 21, 2000, the tion year divided by 365 or 366 days.	647.656 <sup>M</sup>
Part 2 ·	Amount to be included in income arising from disposition Only complete this part if the amount at line K is negative		N
	om line K above (show as a positive amount)		0
Total curr taxation y	Aulative eligible capital deductions from income for ears beginning after June 30, 1988	0 <sup>1</sup>	
in the cur	II amounts which reduced cumulative eligible capital rent or prior years under subsection 80(7) of the ITA	0 <sup>2</sup>	
Total of c taxation y	umulative eligible capital deductions claimed for ears beginning before July 1, 1988		
that were	balances in the cumulative eligible capital account included in income for taxation years beginning ly 1, 1988	5	
Line 3 de	duct line 4	0 <sup>5</sup>	
Total line	s1+2+5	0 <sup>6</sup>	
Line <b>T</b> fro	m previous Ontario Schedule 10 for taxation years ending after February 27, 2000	07	0
Deduct li	ne 7 from line 6	0	0
N - O (ca	nnot be negative)		0
Amount of			0
P - Q · ·			0
	n line R 0 X 2/3 *		0
Lesser of	line N or line O		0
Amount	to be included in income 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 Capital of Associated Corporations**

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

Schedule CT21

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2004-12-31

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 (Must have a PE in Canada)	Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Taxable Capital
E.L.K. SOLUTIONS INC.	1800362	2004-12-31	+ 108,642
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
			+
	Aggrega	te of taxable capital Transfer	= 108,642

E.L.K. Energy Account/Busin	· Inc. .ess No.: 86656778	7RC0001 Year	Ended:	2004	Instal-Fed. -12-31
	STALMENTS				
For The Taxation Yea	<b>r Ended:</b> 2005-12-31				
The following is a list of	f federal instalments payable	for the current taxation			
year. The last column i	ndicates the instalments paya	able to Revenue Canada.			
The instalments are du	e no later than on the dates i will be charged. A cheque or	naicatea, otherwise r money order should be ma	ade		
pavable to the Receive	r General. Payment may be	made either to an authorize	d		
financial institution or fi	led with form T9 (instalment	form) and addressed			
	enue Canada Taxation Centr				
	lu cáclus cuác	Instalments	Cumulative		Instalments
Date	Instalments Required	Paid	Difference		Payable
2005-01-31	40,977	0		0	40,977
2005-02-28	40,977	0		0	40,977
2005-03-31	40,977	0		0	40,977
2005-04-30	40,977	0		0	40,977
2005-05-31	40,977	0		0	40,977
2005-06-30	40,977	0		0	40,977
2005-07-31	40,977	0		0	40,977
2005-08-31	40,977	0		0	40,977
2005-09-30	40,977	0		0	40,977
2^05-10-31	40,977	0		0	40,977
2 15-11-30	40,977	0		0	40,977
2005-12-31	40,977	0		0	40,977
2000 12 01					
					401 704

0

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491,724

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Total

Page 1 of (1 or 3)

491,724

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Corporate Taxprep / Taxprep des sociétés - TP-10

E.L.K. Energy Inc. Account/Business No.:866567787RC0001 Year	Ended:	20	04-12-	Instal-Fed. 31
Indicate Instalment Method Chosen [1–3]: 1 1st Instalment Base Method				
f instalments are starting late, indicate the MONTH in which you want them o start (1=January, 2=February, etc.) $1$				
— 1. 1st INSTALMENT BASE METHOD				
1st Instalment Base Amount (Amount (I) Below)	491,718	/ 12	=	40,977
	Monthly Ins	talments R	equired	40,977
Provincial Tax	0			
Total	452,326	/ 12	= (A)	37,694
Total د 1/12 of Estimated Current Yr Credits [(H) below / 12]	·			
		• • • • • •		0
د : 1/12 of Estimated Current Yr Credits [(H) below / 12]	491,718	• • • • • •		0
د : 1/12 of Estimated Current Yr Credits [(H) below / 12]	491,718			0
د : 1/12 of Estimated Current Yr Credits [(H) below / 12]	491,718 75,388 416,330	/ 10	= (B)	0 37,694
L : 1/12 of Estimated Current Yr Credits [(H) below / 12] Each of the first 2 Instalment Payments	491,718 75,388 416,330	/ 10	= (B)	0 37,694 41,633
L : 1/12 of Estimated Current Yr Credits [(H) below / 12] Each of the first 2 Instalment Payments Total tax from (I) below Less: Amount (B) above x 2	491,718 75,388 416,330	/ 10	= (B)	0 37,694 41,633
L : 1/12 of Estimated Current Yr Credits [(H) below / 12] Each of the first 2 Instalment Payments	491,718 75,388 416,330	/ 10	= (B)	0 37,694 41,633 41,633

Corporate Taxprep / Taxprep des sociétés - TP-10

### E.L.K. Energy Inc. Account/Business No.: 866567787RC0001 Y

Year Ended:

Instal-Fed. 2004-12-31

INSTALMENT BASE CALCULATION	1st Instalment Base Method	Estimated Tax Method
Taxable Income	2,222,958	0
CALCULATION OF TAX PAYABLE		
Total of: Federal Part I Tax	844,724 24,897 0	0 0 0
Subtotal (A)	869,621	0
Less Total of: Small Business Deduction	0 0 222,296 0 0 155,607 0 0	0 0 0 0 0 0 0 0 0
resource deduction	0 0 377,903	0 0 
Total Part I Tax Payable       (A) - (B)       = (C)         Add:       Part I.3 Tax       (D)         Part VI Tax       (D.1)         Part VI.I Tax       (D.2)         Provincial/Territorial Tax       (E)	491,718 0 0 0 0	0 0 0 0 0
Total         Parts I, I.3, VI, VI.I and         Provincial/Territorial Tax         F(F)	491,718	0
Adjustment for Short Taxation Years: x 365/# of days in year if < 365	<b>365</b> / 365 491,718	365 / 0 0
Less - Estimated Current Year Credits: stment Tax Credit Refund Dividend Refund Federal Capital Gains Refund	0 0 0	0 0 0
Provincial and Territorial Capital Gains Refund	0 0 0 0	0 0 0 0
Total Estimated Current Year Credits	0	0
INSTALMENT BASE AMOUNT	491,718	0

Corporate Taxprep / Taxprep des sociétés - TP-10

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E.L.K. Energy Corp. Tax Acct	Inc. t. No. :1800	085	Year	Ended:	2004	Instal-Ont. 4-12-31
- ONTARIO TAX INST	TALMENTS					
For The Taxation Year	Ended: 2005-12	2-31				
Corporation P.O. Box	dicates the instalments are due no late e interest will be chate to the Minister of Fi ontario or filed with an f Revenue (Ontario) on Tax Branch 620 Street West	nts payable to r than on the rged. A chequ nance. Paym	the Ontario Ministr dates indicated ue or money order ent may be made e	ither		
Quarterly Instalment						
Date	Instalments Required		stalments aid	Cumulative Difference		Instalments Payable
2005-03-31		0	0		-	
2005-06-30		•	0		0	0
		Õ	0		Ō	Ō
15-09-30		-			0	0
		0	0		Ō	Ō
15-09-30		0	0		0	0 0 0
15-09-30		0	0		0	0

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
2005-01-31	29,058	0	0	29,058
2005-02-28	29,058	0	0	29,058
2005-03-31	29,058	0	0	29,058
2005-04-30	29,058	0	0	29,058
2005-05-31	29,058	0	0	29,058
2005-06-30	29,058	0	0	29,058
2005-07-31	29,058	0	0	29,058
1 75-08-31	29,058	0	0	29,058
2005-09-30	29,058	0	0	29,058
2005-10-31	29,058	0	0	29,058
2005-11-30	29,058	0	0	29,058
2005-12-31	29,058	0	0	29,058
Total	348,696	0		348,696
. otal	==========	==========		

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E.L.K. Ene Corp. Tax	ergy Inc. Acct. No. :1800085 Yea	r Ended: 200	Ins 04-12-31	stal-Ont.
	ant Nethod Changer [1,2]; 1			
	nent Method Chosen [1-3]: 1			
<ol> <li>1st Instalment</li> <li>Combined 1st</li> <li>Estimated Tax</li> </ol>	and 2nd Instalment Base Method			
Do not used the bayments	quarterly payment even if applicable "X" to continue mont	ıly 		[]
	e starting late, indicate the MONTH in which you want ther ary, 2=February, etc.)	1		
— 1. 1st INSTA				
1st Instalment B (Amt (I) Below)	ase Amount	348,693 / 12		29,058
		Monthly Instalments F		29,058
		Quarterly Instalments F	Required	0
,	ED 1st AND 2nd INSTALMENT BASE METHOD			
2. COMBINE	Base Amount: Income Tax. C.M.T	218,168 35,381		
2nd Instalment E	Base Amount:	218,168 35,381 253,549 / 12	= (A)	21,130
2nd Instalment E Indicate:	Base Amount: Income Tax, C.M.T	35,381 253,549 / 12	= (A) = (B)	21,130 21,130
2nd Instalment E Indicate: Each of the first Total tax from (I)	Base Amount: Income Tax, C.M.T	35,381 253,549 / 12		
2nd Instalment E Indicate: Each of the first Total tax from (I)	Base Amount: Income Tax, C.M.T Capital Tax, Prem. Tax Total 2 Instalment Payments	35,381 253,549 / 12 348,693	= (B)	
2nd Instalment E Indicate: Each of the first Total tax from (I) Less: Amount (/	Base Amount: Income Tax, C.M.T Capital Tax, Prem. Tax Total 2 Instalment Payments	35,381 253,549 / 12 348,693 42,260 306,433 / 10	= (B)	21,130
2nd Instalment E Indicate: Each of the first Total tax from (I) Less: Amount (/	Base Amount: Income Tax, C.M.TCapital Tax, Prem. Tax Total 2 Instalment Payments	35,381 253,549 / 12 348,693 42,260 306,433 / 10	= (B) =	21,130
2nd Instalment E Indicate: Each of the first Total tax from (I) Less: Amount (/ Each of the rem	Base Amount: Income Tax, C.M.TCapital Tax, Prem. Tax Total 2 Instalment Payments	35,381 253,549 / 12 348,693 42,260 306,433 / 10	= (B) =	21,130 30,644 30,644
2nd Instalment E Indicate: Each of the first Total tax from (I) Less: Amount (/ Each of the rem — 3. ESTIMAT Instalment Base	Base Amount: Income Tax, C.M.T Capital Tax, Prem. Tax Total 2 Instalment Payments ) below A) above x 2 aining 10 Instalment Payments ED TAX METHOD	35,381 253,549 / 12 348,693 42,260 306,433 / 10	= (B) = red	21,130 30,644 30,644
2nd Instalment E Indicate: Each of the first Total tax from (I) Less: Amount (/ Each of the rem — 3. ESTIMAT Instalment Base	Base Amount: Income Tax, C.M.T Capital Tax, Prem. Tax Total 2 Instalment Payments ) below A) above x 2 aining 10 Instalment Payments ED TAX METHOD	35,381 253,549 / 12 348,693 42,260 306,433 / 10 Quarterly Instalments Requi	= (B) = red	21,130 30,644 30,644 0

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E.L.K. Energy Inc. Corp. Tax Acct. No. :1800085

Year Ended:

INSTALMENT BASE CALCULATION	1st Instalment Base Method	Estimated Tax Method
Ontario Taxable Income	2,222,958	0
CALCULATION OF TAX PAYABLE Gross Ontario Tax	311,214	0
Less Total of:         ncentive Deduction for an S.B.C., net of surtax.         Manufacturing and Processing Profits Credit .         Additional deduction for credit unions.         Credit for foreign taxes paid.         Credit for Investment in S.B.D.C.         Specified credits applied against income tax.         (B)	. 0 . 0 . 0	0 0 0 0 0 0
ncome Tax(A) - (B) = (C)	311,214	0
Add:       Capital Tax	0 0	0 0 0
I Income Tax and Other Taxes (C+D+E+F) = (G)	348,693	0
Adjustment for Short Taxation Years x 365 / number of days in year if < 365	348,693	365 / 365 0 0
(1)	348,693	)

Page 3 of 3

CCH Canadian Ltd. - Corporate Taxprep, 2003 CT23, ver 2-2004

OntarioMinistry of Fina Corporations Tax PO Box 642 33 King Street W Oshawa ON L11	k Branch /est		ectronic Filing Certificate prations Tax Return CT23
			Page 1 of 2 Corporation's Ontario Tax Account Number 1800085
First Year of Filing Amended Return Taxation Year End has changed (approval by Revenue Canada required) Exempt From Filing	Final Taxation Year up to Dissolution Final Taxation Year before Amalgamation Floating Fiscal Year End Subject to CMT	Change of Control fed. s.249(4) Date Control was acquired: year month day	Date of Incorporation year month day 2000-01-06 Return for Taxation Year year month day 2004-01-01 year month day 2004 12 31
Change of Information? Yes No X Corporation's Legal Name E.L.K. Energy Inc. Mailing Address 172 Forest Avenue			- Cirld <u>2004-12-31</u> - Revenue Canada Taxation Account No If incorrect or missing, enter <u>866567787RC0001</u> Jurisdiction Incorporated
Essex		N8M-3E4	ONTARIO
Transmitter Data Transmitter Number: 0009036 Transmitter Name: KPMG Nan erson to Contact: Telephone Number: 519-251-3500	5	I am an authorized signing o this Return, including all sch part of this Return, has been and complete Return, and th the books and records of the financial statements accurate operating results of the corp the Corporations Tax Act. Th	fficer of the Corporation. I certify that edules and statements filed with or as a examined by me and is a true, correct at the information is in agreement with a corporation. I further certify that the ely reflect the financial position and oration as required under section 75 of he method of computing income for this ith that of the previous year, except as atement attached.
Facsimile Number: 519-251-3530 Transmitter Address:		Name SANDRA SLATER	
Disk Reference Number: 120 250 Aggregate of Total Revenue: 249 Aggregate of Total Assets: 10 Taxable Income (Non-capital Loss): 950 Total Tax Payable: 960 Payments: 990 Enclosed:	17,242,569 21,471,476 2,222,958 348,693 0 348,693	Title <u>DIRECTOR OF FINANCE</u> Full Residence Address	
Apply Refund to Year: 980 Amount to apply: 975 Refund: 0 If Yes, Due to: Loss Carryback: Overpayment:	0 Yes No X Yes No No Yes No	Signature	Date Phone Number 2005-04-08 519-776-5291
Refundable Tax Credit:	Yes No	Ministry Use Only Return I.D. # 8	6656778720050408143751000000

CORPORATE TAXPREP 2.0 - 2004 051G

<b>Ontario</b>	Ministry of Finance Corporations Tax Branch PO Box 642 33 King Street West Oshawa ON L1H 8T1		Enter the amount of pay	ment and i	Payment Advice
Corporation's Ontario Tax	Account Number	Date of Incorporation	Taxation Year End		Payment Amount
		year month day	year month day		
1800085		2000-01-06	2003-12-31	\$	0
Corporation's Legal Name			year month day		
E.L.K. Energy Inc.			2004-12-31	\$	348,693
			Total Payment	\$	348,693
Submit your cheque (draw	n on a Canadian financial ins	stitution) or money order, in Canac	lian funds, payable to the Mini	ister of Fin	ance.
Send to: Ontario Minis	try of Finance				

Corporations Tax Branch PO Box 642 33 King Street West Oshawa ON L1H 8T1

3

Incomplete information will result in a delay processing an assessment

Corporations PO Box 620 33 King Street Oshawa ON	Tax Branch - Hvdro Pil. West	Notice of Electricity Act, 197 from 2004/01	) to 2004/12/31
E.L.K. ENERGY INC.		Account No. <b>1800085</b>	Assessment Date FP MAREO 6 2005/08/16
SSMENT NO. 68			(YV L).
Tax: Federal and Provinc Assessment Interest Total Asse	ial PIL ssment Liability		840,411.00 <u>12,732.20</u> 853,143.20
SUMMARY OF 2004/12/31 TAXA	TION YEAR TRANSACTION	IS	
Payments/Transfers Sub-Total TAXATION YEAR BALANCE DUE	••	840,411.00	ICR <u>840,411,00</u> CR <u>12,732,20</u> <u>3</u> 0入
In accordance with s.s.80(8) of the by s.88 of the Electricity Act, 199 tax, penalty and interest for which Total tax assessed as per compa- **Remember to include additionation the balance is compounded daily payment is received by the Onta- The current interest rate is 0.019	6 notice is hereby given of th you are assessed. any estimate al interest due with your p from the date of this Not rio Electricity Financial Co	of the amount of ayment. Interest on ice/Statement until	all interest
(	F'04 Installments Final Pmt FDS	480,106 360,305 55-1 840,411	CEIVED JUN 2 0 2005

Tax (Re)Assessment Enquirles; • Toronto (416) 730-5585 • FAX (416) 730-5583	Account Billing Enquiries & Change of Address Information: • Oshawa and Local (905) 433-6708 • Toll-Free 1-800-262-0784 ed. 3036 & • Toronto (416) 920-9048 ed. 3038 • FAX (905) 433-5197 8	

0000006

Vassessed as filed.

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1	
2	APPENDIX 9-R
3	2005 Audited Financial Statements, Tax Returns and Assessment

Non-Consolidated Financial Statements of

# E.L.K. ENERGY INC.

Year ended December 31, 2005

### AUDITORS' REPORT TO THE DIRECTORS

We have audited the non-consolidated balance sheet of E.L.K. Energy Inc. as at December 31, 2005 and the non-consolidated statements of earnings, retained earnings and cash flows for the year then ended. These non-consolidated financial statements have been prepared for tax return filing purposes. These non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance the basis of accounting described in note 1 to the non-consolidated financial statements.

These non-consolidated financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are intended for the information and use of the Directors of E.L.K. Energy Inc. and the federal and provincial income tax authorities for income tax purposes. The non-consolidated financial statements are not intended to be and should not be used by anyone other than the specified users or for any other purpose.

KPMG LLP

**Chartered Accountants** 

Windsor, Canada March 8, 2006

# E.L.K. ENERGY INC. Non-Consolidated Balance Sheet

December 31, 2005, with comparative figures for 2004

	2005	2004
Assets		
Current assets:		
Cash:		
Unrestricted	\$ 7,792,116	\$ 6,202,997
Restricted	926,286	926,286
Accounts receivable	1,030,932	1,686,887
Work in process	38,633	21,738
Prepaid expenses	101,518	73,547
Unbilled revenue	3,483,315	2,753,894
Inventories	311,357	338,326
Payments in lieu of income taxes	510,210	-
	14,194,367	12,003,675
Capital assets, at cost (note 3)	18,928,303	18,102,055
Less accumulated amortization	11,035,676	10,388,863
	7,892,627	7,713,192
Regulatory assets (note 4)	635,024	46,502
Future payments in lieu of income taxes (note 12)	1,128,000	990,000
Investment in subsidiary - E.L.K. Solutions Inc.	100	100
	\$ 23,850,118	\$ 20,753,469

	2005	2004
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,362,018	\$ 2,561,458
Payment in lieu of income taxes payable	-	360,515
Current portion of customer deposits	1,517,733	340,419
Shareholders' promissory notes (note 5)	4,550,000	5,200,000
	10,429,751	8,462,392
Long-term liabilities:		
Customer deposits	239,692	248,996
Employee future benefits (note 6)	650,037	653,229
	889,729	902,225
Shareholders' equity:		
Share capital (note7)	100	100
Retained earnings	8,128,165	6,986,379
Contributed surplus	4,402,373	4,402,373
	12,530,638	11,388,852
	. ,	
Contingency (note 8)		

\$ 23,850,118	\$ 20,753,469

See accompanying notes to non-consolidated financial statements.

# **E.L.K. ENERGY INC.** Non-Consolidated Statement of Earnings

### Year ended December 31, 2005, with comparative figures for 2004

	2005	2004
Service revenue	\$ 19,668,758	\$ 16,227,060
Service revenue adjustment	729,421	223,599
	20,398,179	16,450,659
Cost of electricity	16,965,467	12,574,922
Gross margin on service revenue	3,432,712	3,875,737
Other operating revenue:		
Interest and other	552,379	445,719
Late payment charges	62,366	67,219
	614,745	512,938
	4,047,457	4,388,675
Expenditures:		
Administration	626,995	705,839
Billing and collecting	481,419	521,215
Amortization	646,813	607,909
Interest	387,319	428,047
Operations and maintenance	601,125	447,559
	2,743,671	2,710,569
Income before payments in lieu of income taxes	1,303,786	1,678,106
Payments in lieu of income taxes:		
Current	300,000	808,000
Future	(138,000)	(418,000)
	162,000	390,000
Net revenue	\$ 1,141,786	\$ 1,288,106

See accompanying notes to non-consolidated financial statements.

Non-Consolidated Statement of Retained Earnings

Year ended December 31, 2005, with comparative figures for 2004

	2005	2004
Balance, beginning of year	\$ 6,986,379	\$ 5,698,273
Net earnings	1,141,786	1,288,106
Balance, end of year	\$ 8,128,165	\$ 6,986,379

See accompanying notes to non-consoldiated financial statements.

Non-Consolidated Statement of Cash Flows

Year ended December 31, 2005, with comparative figures for 2004

	2005	2004
Cash provided by (used in):		
Operations:		
Net earnings Items not involving cash:	\$ 1,141,786	\$ 1,288,106
Amortization of capital assets	646,813	607,909
Increase (decrease) in employee future benefits	(3,192)	8,463
Future payments in lieu of income taxes	(138,000)	(418,000)
Changes in non-cash operating working capital	2,015,786	(1,331,268)
	3,663,193	155,210
Financing:		
Decrease in shareholders' promissory notes	(650,000)	(650,000)
Increase (decrease) in long-term customer deposits	(9,304)	38,625
	(659,304)	(611,375)
Investing:		
Capital assets additions, net	(826,248)	(415,789)
Decrease (increase) in regulatory assets	(588,522)	522,672
	(1,414,770)	106,883
Increase (decrease) in cash	1,589,119	(349,282)
Cash, beginning of year	7,129,283	7,478,565
Cash, end of year	\$ 8,718,402	\$ 7,129,283

See accompanying notes to non-consolidated financial statements.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2005

E.L.K. Energy Inc. supplies and distributes electric power and maintains electrical distribution systems in the following communities: Essex, Harrow, Belle River, Comber, Kingsville, and Cottam.

E.L.K. Energy Inc. also performs the billing function for the Municipality of the Town of Essex Water Department.

### 1. Basis of presentation:

The non-consolidated financial statements have been prepared in accordance with the significant accounting policies set out below. These non-consolidated financial statements materially differ from Canadian generally accepted accounting principles because they are non-consolidated. The Company's investment in its wholly-owned subsidiary, E.L.K. Solutions Inc., is accounted for using the cost method. Earnings from the investment are recognized only to the extent dividends are received or receivable. Consolidated financial statements are available for distribution.

### 2. Significant accounting policies:

(a) Restricted cash:

Restricted cash of \$926,286 consists of an irrevocable standby letter of credit issued in favour of the Independent Electricity System Operator ("IESO") as collateral in support of the Company's purchase of electricity.

(b) Inventories:

Inventories are valued at the lower of cost and market.

(c) Capital assets:

Capital assets are stated at cost. Buildings, plant and equipment and the transmission and distribution system are amortized on the straight-line basis at rates suggested by the Ontario Energy Board. These rates of amortization range from 2% to 25%.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2005

### 2. Significant accounting policies (continued):

(d) Revenue recognition:

Revenue from the sale of electrical energy is recognized when power is delivered to customers. Billings from the last meter reading date prior to December 31 are adjusted based on a number of factors to reflect estimated usage to the year end date. These estimates are reflected on the balance sheet as unbilled revenue. Unbilled revenue is the amount of electricity that has been shipped to customers but not billed by the end of the year.

(e) Employee future benefits:

The Company provides post retirement benefits for employees who retire from active employment. The Company measures the costs of its obligation based on its best estimate.

The Company accrues its obligations under employee benefit plans as the employees render the services necessary to earn employee future benefits.

The cost of retirement benefits earned by employees is actuarially determined using the projected cost method pro rated on service and the actuary's best estimate of expected plan investment performance, salary escalation, retirement ages of employees and expected health care costs.

Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment.

(f) Payments in lieu of taxes ("PILs"):

The Company is currently exempt from taxes under the Income Tax Act (Canada) ("ITA") and the Ontario Corporations Tax Act ("OCTA").

Pursuant to the Electricity Act, the Company is required to compute taxes under the ITA and OCTA and remit such amounts thereunder computed to the Ministry of Finance (Ontario). These amounts, referred to as PILs under the Electricity Act, are applied to reduce certain debt obligations of the former Ontario Hydro continuing as Ontario Electricity Financial Corporation.

The Company provides for amounts in lieu of corporate income taxes using the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2005

### 2. Significant accounting policies (continued):

(f) Payments in lieu of taxes ("PILs") (continued):

Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

(g) Pension plan:

The Company provides a pension plan for its employees through the Ontario Municipal Employees Retirement System ("OMERS"). OMERS is a multi-employer pension plan which operates as the Ontario Municipal Employees Retirement Fund ("the Fund"), and provides pensions for employees of Ontario municipalities, local boards, public utilities and school boards. The Fund is a contributory defined benefit pension plan.

(h) Customer deposits:

Customer deposits comprise cash collections from electricity customers which are applied against any unpaid portion of individual customer accounts. Customer deposits in excess of unpaid account balances are refundable to individuals upon termination of their electricity service.

(i) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities at the date of the financial statements. Certain estimates are also required as regulations, which will ultimately determine the actual results, have yet to be finalized and are dependent on the completion of regulatory proceedings or decisions. Due to these uncertainties, actual results reported in future periods might differ from those estimates.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2005

### 3. Capital assets:

					2005	2004
		Cost		nulated tization	Net book value	Net book value
Land Building, plant and	\$	156,387	\$	_	\$ 156,387	\$ 156,387
equipment Transmission and	3	,048,815	2,2	62,221	786,594	797,736
distribution system	15	,723,101	8,7	73,455	6,949,646	6,759,069
	\$ 18	,928,303	\$ 11,0	35,676	\$ 7,892,627	\$ 7,713,192

### 4. Regulatory assets:

Regulatory assets and liabilities arise as a result of the rate regulating process. The Company has recorded the following regulatory asset and liabilities:

	2005	2004
Regulatory assets:		
Deferred payments in lieu of tax	\$ 527,889	\$ _
Retail settlement variances	286,537	_
Transition costs	191,356	255,488
Other regulatory assets	143,594	3,969
Miscellaneous deferred debits	25,132	-
Regulatory liabilities:		
Retail settlement variances	(539,484)	(212,955)
	\$ 635,024	\$ 46,502

### (a) Deferred payments in lieu of tax

Deferred payments in lieu of taxes represent the OEB approved PILs methodology for determining the deferral account allowance.

### (b) Retail settlement variances

E.L.K. has deferred certain retail settlement variances amounts under the provisions of Article 490 of the OEB's Accounting Procedures Handbook.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2005

### 4. Regulatory assets (continued):

### (b) Retail settlement variances (continued)

These variances represent amounts that have accumulated since Market Opening and comprise:

- (i) variances between amounts charged by the Independent Electricity System Operator ("IESO") for the operation of the wholesale electricity market and grid, various wholesale market settlement charges, amounts charged to allow for the purchase of imported electricity and transmission charges, and the amounts billed to customers by the Company based on the OEB approved market service rate; and
- (ii) amounts allocated to the Company and approved by the OEB for the recovery of regulatory assets incurred by Hydro One including low voltage tariffs. The Hydro One recovery of these charges commenced on April 1, 2005 and these costs will be passed through to customers during the rate making process.

### (c) Transition costs

Transition costs represent specific and incremental costs to the Company for systems and process changes to support the opening of the competitive electricity market in Ontario on May 1, 2002 ("Market Opening"). These costs have been deferred pursuant to regulation underlying the Electricity Act and are subject to review and approval for recovery by the OEB. Expenditures determined to be ineligible for recovery will be expensed in the period of such determination.

During the year, the Company elected to file a minimum review application for regulatory assets. As a result of this election, the Company was required to write down 10% of the costs incurred.

### (d) Other regulatory assets

On December 20, 2004, the OEB issued a letter on the accounting treatment of OEB assessments. The OEB clearly identifies that it is their intent to allow electricity LDC's to record their OEB cost assessments for the Board's fiscal year 2004 and subsequent year(s) in order that these costs may be given consideration for rate recovery in the future. It is anticipated that rate recovery will commence May 1, 2006.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2005

### 4. Regulatory assets (continued):

### (d) Other regulatory assets (continued)

On February 15, 2005, the OEB issued a letter instructing the deferral of cash pension contributions made to the Ontario Municipal Employees Retirement System ("OMERS") for 2005 and subsequent years. The ultimate disposition of these balances, and their eligibility for recovery through rates, will be the subject of a future OEB proceeding.

### (e) Miscellaneous deferred debits

On December 13, 2005, the OEB issued a letter on the accounting treatment of costs related to Ontario Price Credit ("OPC"). Costs related to the payment of OPC should be deferred. The disposition of these accounts will be considered by the OEB when setting rates for 2007.

### (f) Electricity industry in Ontario

The Ontario Energy Board Act, 1988 (Ontario) ("OEBA"), conferred on the OEB increased powers and responsibilities to regulate the electricity industry. These powers and responsibilities include the power to approve or fix rates for the transmission and distribution of electricity, the power to provide continued rate protection for rural and remote electricity consumers, and the responsibility for ensuring the distribution companies fulfill obligations to connect and service customers. The OEB may also prescribe license requirements and records, regulatory accounting principles, separation of accounts for distinct business and filing and processing requirements for rate setting purposes. In its capacity to approve or set rates, the OEB has the authority to specify regulatory treatments that may result in accounting treatments that differ from Canadian generally accepted accounting principles for enterprises operating in a non-rate regulated environment.

### 5. Shareholders' promissory notes:

The shareholders' promissory notes are payable on demand, accrue interest at 7.25% payable annually, and are secured by a general security agreement.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2005

### 6. Employee future benefits:

E.L.K. Energy Inc. pays certain benefits on behalf of its retired employees.

The Corporation measures its accrued benefit obligation for accounting purposes as at December 31 each year. A valuation date of December 31, 2004 has been used with the initial valuation period 12 months ended December 31, 2005. Extrapolations from the initial calculations are performed for subsequent periods. Management intends to obtain the next valuation in 2006.

Information about E.L.K. Energy Inc.'s defined benefit plans, which are unfunded, is as follows:

	2005	2004
Accrued benefit obligation, beginning of year Service cost Interest cost Benefits paid	\$ 653,229 5,571 33,032 (41,795)	\$ 644,766 5,038 37,806 (34,381)
Projected accrued benefit obligation, end of year, as determined by actuarial valuation	\$ 650,037	\$ 653,229

The main actuarial assumptions employed for the valuations are as follows:

	2005	2004
Discount rate Rate of compensation increase	5.75% 3%	5.75% 3%
Medical trend rate: Initial Ultimate	9.4% 4%	9.4% 4%

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2005

### 6. Employee future benefits (continued):

The approximate impact of a 1% change in health insurance trend rates is as follows:

Change in obligation for 1% increase in trend rates	\$ 57,000
Change in obligation for 1% decrease in trend rates	(49,000)

### 7. Share capital:

The authorized and issued share capital is as follows:

	2005	2004
Authorized: Unlimited common shares Issued: 10,000 common shares	\$ 100	\$ 100

The common shares were issued as follows:

	# of Common shares	Amount paid		
Town of Essex Town of Lakeshore Town of Kingsville	3,800 2,400 3,800	\$	38 24 38	
	10,000	\$	100	

### 8. Contingency:

The Company belongs to the Municipal Electrical Association Reciprocal Insurance Exchange ("Exchange"). This is a pooling of the public liability insurance risks of many Ontario electrical distribution utilities. All members of the pool are subject to assessment for losses experienced by the pool for the years in which they were members on a pro rata basis based on the total of their respective service revenues. It is anticipated that should such an assessment occur, it would be funded over a period of up to five years. Since joining the Exchange, the Company has not been subject to any assessments for loss experiences.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2005

### 9. Pension costs:

The Company makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS") which is a multi-employer plan, on behalf of 20 members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS for 2005 was \$81,732 (2004 – \$85,432) for current service and is included as a regulatory asset in 2005 and as an expenditure on the statement of earnings in 2004.

In 2005 the contribution rates were 6.0% for employees earnings below the year's maximum pensionable earnings and 8.8% thereafter. The contribution rates will increase to 6.5% and 9.6% respectively for 2006.

### 10. Supplemental cash flow information:

	2005	2004
Cash paid during the year for: Interest Payments in lieu of income taxes	\$ 387,319 1,200,725	\$  428,047 1,133,393
Cash received during the year for: Interest	213,712	181,467

### 11. Related party transactions:

The amounts due to/from shareholders and subsidiary are as follows:

	2005	2004
Due to shareholders, included in accounts payable Due from shareholders, included in accounts receivable Due from subsidiary, included in accounts receivable	\$ 354,414  285,813	\$ 386,694 1,750 588,447

These amounts are measured at the exchange amount, which is the amount of consideration paid or received as established and agreed to by the related parties.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2005

### 12. Future payments in lieu of income taxes:

Future income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's future tax liabilities and assets are as follows:

	2005	2004
Future tax liabilities: Regulatory assets Investment	\$ 7,000 12,000	\$ 127,000 11,000
Total future tax liabilities	\$ 19,000	\$ 138,000
Future tax assets: Capital assets Employee future benefits Intangible assets Total future tax assets	\$ 694,000 235,000 218,000 1,147,000	\$ 658,000 236,000 234,000 1,128,000
Net future tax assets	\$ 1,128,000	\$ 990,000

### 13. Fair value of financial assets and liabilities:

The fair value of the Company's cash, accounts receivable, accounts payable and accrued liabilities, customer deposits and shareholders' promissory notes approximate their carrying values due to the relative short-term maturity of these financial instruments.

It is not practical to determine the fair value of the investment in subsidiary as it is not publicly traded.

Financial assets held by the Company expose it to credit risk. As at December 31, 2005, there were no significant concentrations of credit risk with respect to any class of financial assets.

The Company earns its revenue from a broad base of customers located principally in the towns of Essex, Lakeshore, and Kingsville. No single customer would account for revenue or an accounts receivable balance in excess of 10% of the respective reported balances.

Image: Symplectic state       Ministry of Finance         Corporations Tax Branch       Corporations Tax Branch         PO Box 620       33 King Street West         Oshawa ON L1H 8E9       One of the second				ling Certificate x Return CT23
			ax Acco	on's Ontario unt Number 00085
Image: Second state of the second s	Change of Control fed. s.249(4) ate Control was acquired:	F	Date of II 2 Return fo	ncorporation 000-01-06 or Taxation Year 2005-01-01
(approval by Revenue Canada required) Exempt From Filing		Start [ End [		2005-01-01
Change of Information? Yes No X				
Corporation's Legal Name E.L.K. Energy Inc.			Account	Canada Taxation Number
Mailing Address			8665	6 7787 RC0001
Essex ON CA N8M 3E4		[	Jurisdicti ONTA	ion Incorporated RIO
Transmitter Number       0009036         Transmitter Name:       KPMG LLP         Name of Person to Contact       Jason Grech         Telephone Number       (519) 251-3500         Facsimile Number       (519) 251-3540         Transmitter Address:       618 Greenwood Centre         3200 Deziel Drive       Windsor         ON       N8W5K8	<b>Certification</b> I am an authorized signing certify that this Return, inc statements filed with or as examined by me and is a f Return, and that the inform books and records of the of the financial statements ac position and operating res required under section 75 The method of computing consistent with that of the specifically disclosed in a Name SANDRA SLATER	luding all part of the true, correct corporation is in corporation courately ults of the of the Co income for previous	schedul nis Retur ect and o n agreer on. I furth reflect th corpora- rporation or this ta year, ex	les and rn, has been complete ment with the ner certify that ne financial ation as ns Tax Act. axation year is cept as
Disk Reference Number	Title DIRECTOR OF FINANCE			
Aggregate of Total Revenue         250         21,303,994           Aggregate of Total Assets         249         24,250,151	Full Residence address			
Taxable Income (Non-capital Loss)         10         793,400           Total Tax Payable         950         141,540				
Payments				
Apply to: Year				
Apply Amount				
Refund				
If Yes, Due to: Loss Carryback	Signature	Date 2006-0	04-10	Phone Number (519) 776-5291
Refundable Tax Credit	Ministry Use Only Return I.D. #	\$665677	87200604	10133434000000

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Corporation's Ontario Tax	Date of Incorporation	Taxation Year End	Payment Amount
Account Number 1800085	year month day 2000-01-06	2004-12-31	\$
Corporation's Legal Name E.L.K. Energy Inc.		2005-12-31	\$
2 2		Total Payment	\$
ubmit your cheque (drawn on a Canac	lian financial institution) or money	order, in Canadian funds, p	ayable to the Minister of Finance

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*		Agence des douanes et du revenu du Canada	T2 CORPORAT	
located i a separa	in Quebec, Ontario, or Al ate provincial corporate re	berta. If the corporation eturn.	prporation income tax return, is located in one of these pro	ovinces, you have to file
Parts, se contain return, s	ections, subsections, and changes that had not yet see the <i>T2 Corporation</i> –	b paragraphs mentioned become law at the time Income Tax Guide (T40	of printing. If you need more (12).	<i>come Tax Act.</i> This return may information about items on the
tax servi taxation	ices office or tax centre. year. For more information	You have to file the retur	n within six months after the	of Financial Information (GIFI), to your e end of the corporation's uide under the heading "Before you start."
	tification			
	ess Number (BN) 🛛 ration's name		656 7787 RC0001	
	E.L.K. Energy Inc.			
Has th	e corporation change he last time we were	d its name notified? 003 1 `	Yes 2 No X	If Yes, do you have a copy of the articles of amendment? 004 1 Yes 2 No
Has the last tim	ss of head office e address changed s ne we were notified?	ince the	Yes 2 No X	To which taxation year does this return apply?Taxation year startTaxation year end0602005-01-01061YYYY MM DDYYYY MM DD
012	172 Forest Avenue	Pro	vince, territory, or state	Has there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes 2 No X
015	110.951	anada) 016 Ol Pos	N tal code/ZIP code	If Yes, provide the date control was acquired
i Mailin	g address (if differer		3M 3E4	
Has th last tin	e address changed s ne we were notified?	ince the		Is the corporation a professional corporation that is a member of a partnership?
021 c 022 023	/o Dity	Pro	vince, territory, or state	Is this the first year of filing after:         Incorporation?         Amalgamation?         Other         Other         Other         Other         Other         Is this the first year of filing after:         Incorporation?         Other         Other         Is this the first year of filing after:         Is this the first year of filing after:         Incorporation?         Other         Other         Is this the first year of filing after:         Other         Is the first year of filing after:         Is the filing after:         Is the filing after:         Is the filing after: <tr< td=""></tr<>
025		026		If Yes, complete lines 030 to 038 and attach Schedule 24. Has there been a windup of a subsidiary
027	Country (other than C	028	stal code/ZIP code	under section 88 during the current taxation year?
Has th change	e location of books a	ind records		If Yes, complete and attach Schedule 24. Is this the final taxation year
notifie	172 Forest Avenue			before amalgamation?
	City		vince,territory, or state	Is this the final return up to dissolution?
	Essex Country (other than C	the second se	stal code/ZIP code	Is the corporation a resident of Canada? 080 1 Yes X 2 No If No, give the country of residence on line 081 and complete and attach Schedule 9
037	Type of corporation		8M 3E4	081
1	Canadian-controlle	ed $ \square $	Corporation controlled by a public corporation	Is the non-resident corporation claiming an exemption under an income tax treaty?
2 [	Other private corporation	5 🗙	Other corporation (specify, below)	If Yes, complete and attach Schedule 91. If the corporation is exempt from tax under section 149,
3	Public Utility	/-MEU		tick one of the following boxes: 085 1 Exempt under paragraph 149(1)(e) or (l)
the tax	type of corporation ch xation year, provide t	he effective	043	Exempt under paragraph 149(1)(j) Exempt under paragraph 149(1)(j) Exempt under paragraph 149(1)(t) Exempt under other paragraphs of section 149
			YYYY MM DD Do not use	
091	092	2		094 095 096

2005-12-31

r Attachments		
Financial statement information: Use GIFI schedules 100, 125, and 141.		
Schedules – Answer the following questions. For each Yes response, attach to the T2 return the schedule that applies.		
		s Schedule
Is the corporation related to any other corporations?	150 X	9
Does the corporation have any non-resident shareholders?	151	19
Is the corporation an associated Canadian-controlled private corporation?	160	23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161	49
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees,		11. 
other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162	11
If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length,		
were all or substantially all of the assets of the transferor disposed of to the transferee?	163	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167	T5013
Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did		-
not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168	22
Did the corporation have any foreign affiliates during the year?	169	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1)	-	7
of the federal Income Tax Regulations?	170	29
Has the corporation had any non-arm's length transactions with a non-resident?	171	T106
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	172	
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's		7
common and/or preferred shares?	173 X	50
e net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 X	
hne corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	202 X	
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 X	3
Is the corporation claiming any type of losses?	204	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205	5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 X	6
		•
i) is the corporation claiming the small business deduction and reporting income from: a) property (other than		
i) is the corporation claiming the small business deduction and reporting income from: a) property (other than		-
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207	7
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<ul> <li>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?</li> <li>Does the corporation have any property that is eligible for capital cost allowance?</li> <li>Does the corporation have any property that is eligible capital property?</li> <li>Does the corporation have any resource-related deductions?</li> </ul>	207 208 X 210 X	7 8 4 10
<ul> <li>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?</li> <li>Does the corporation have any property that is eligible for capital cost allowance?</li> <li>Does the corporation have any property that is eligible capital property?</li> <li>Does the corporation have any resource-related deductions?</li> <li>Is the corporation claiming reserves of any kind?</li> </ul>	207 208 X 210 X 212	7 8 4 10 12
<ul> <li>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?</li> <li>Does the corporation have any property that is eligible for capital cost allowance?</li> <li>Does the corporation have any property that is eligible capital property?</li> <li>Does the corporation have any resource-related deductions?</li> <li>Is the corporation claiming reserves of any kind?</li> <li>Is the corporation claiming a patronage dividend deduction?</li> </ul>	207 208 X 210 X 212 213	7 8 10 12 13
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<ul> <li>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?</li> <li>Does the corporation have any property that is eligible for capital cost allowance?</li> <li>Does the corporation have any property that is eligible capital property?</li> <li>Does the corporation have any resource-related deductions?</li> <li>Is the corporation claiming a patronage dividend deduction?</li> <li>Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?</li> <li>Is the corporation an investment corporation or a mutual fund corporation?</li> <li>Was the corporation carrying on business in Canada as a non-resident corporation?</li> </ul>	207 208 X 210 X 212 213 216 217 218 220	7 8 10 12 13 16 17 18 20
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<ul> <li>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?</li> <li>Does the corporation have any property that is eligible for capital cost allowance?</li> <li>Does the corporation have any property that is eligible capital property?</li> <li>Does the corporation have any resource-related deductions?</li> <li>Is the corporation claiming a patronage dividend deduction?</li> <li>Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?</li> <li>Is the corporation carrying on business in Canada as a non-resident corporation?</li> <li>Was the corporation an investment corporation or a mutual fund corporation?</li> <li>Was the corporation an investment corporation for allocations in gederal or provincial logging tax credits?</li> <li>Is corporation have any Canadian manufacturing and processing profits?</li> <li>Is the corporation claiming an investment tax credit?</li> <li>Is the corporation claiming an surfax credit?</li> <li>Is the corporation claiming a surfax credit?</li> <li>Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?</li> <li>Is the corporation claiming a Part I tax credit?</li> <li>Is the corporation claiming a Part I tax credit?</li> <li>Is the corporation claiming a Part I tax credit?</li> <li>Is the corporation claiming a Part I tax credit?</li> <li>Is the corporation claiming a Part I tax credit?</li> <li>Is the corporation claiming a Part I tax credit?</li> <li>Is the corporation claiming a Part I tax credit?</li> <li>Is the corporation claiming a Part I tax credit?</li> </ul>	207 208 X 210 X 212 213 216 217 217 218 220 221 221 2221 223 233 236 X 237 238 237 238 242 243	7 8 10 12 13 16 17 18 20 21 26* 27 31 T661 33/34/35 36 37 38 42 43
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<ul> <li>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?</li> <li>Does the corporation have any property that is eligible for capital cost allowance?</li> <li>Does the corporation have any resource-related deductions?</li> <li>Is the corporation claiming reserves of any kind?</li> <li>Is the corporation claiming a patronage dividend deduction?</li> <li>Is the corporation claiming a deduction for allocations in proportion to borrowing or an additional deduction?</li> <li>Is the corporation carrying on business in Canada as a non-resident corporation?</li> <li>Was the corporation carrying on business in Canada as a non-resident corporation?</li> <li>Was the corporation carrying on business in Canada as a non-resident corporation?</li> <li>Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?</li> <li>Is the corporation claiming any scientific research and experimental development (SR&amp;ED) expenditures?</li> <li>Is the corporation subject to gross Part I.3 tax?</li> <li>Is the corporation subject to gross Part VI tax on capital of financial institutions?</li> <li>Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?</li> <li>Is the corporation subject to Part I.4 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?</li> </ul>	207 208 X 210 X 212 213 216 217 218 220 221 226 227 231 232 233 236 X 237 238 242 243 244 249 249	7 8 10 12 13 16 17 18 20 21 26 * 27 31 T661 33/34/35 36 37 38 42 43 45 46 39
<ul> <li>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?</li> <li>Does the corporation have any property that is eligible for capital cost allowance?</li> <li>Does the corporation have any property that is eligible capital property?</li> <li>Does the corporation claiming a patronage dividend deduction?</li> <li>Is the corporation claiming a patronage dividend deduction?</li> <li>Is the corporation carrying on business in Canada as a non-resident corporation?</li> <li>Was the corporation a non-resident-owned investment corporation or a mutual fund corporation?</li> <li>Was the corporation anon-resident-owned investment corporation for allocations in proportion?</li> <li>Is the corporation a non-resident-owned investment corporation for allocation?</li> <li>Is the corporation a non-resident-owned investment corporation and experimental development (SR&amp;ED) expenditures?</li> <li>Is the corporation claiming an investment tax credit?</li> <li>Is the corporation claiming any scientific research and experimental development (SR&amp;ED) expenditures?</li> <li>Is the corporation subject to gross Part I.3 tax?</li> <li>Is the corporation subject to gross Part VI tax on capital of financial institutions?</li> <li>Is the corporation subject to Part VI.1 tax on dividend second received on taxable preferred shares or Part VI.1 tax on dividend second?</li> <li>Is the corporation subject to Part II - Tobacco Manufacturers' surfax?</li> <li>For financial institutions: Is the corporation a member of a related group of a related group of financial institutions with one or more members subject to gross Part VI tax?</li> </ul>	207 208 210 212 213 216 217 218 220 221 231 232 233 236 237 238 237 238 242 243 244 249 244 249	7 8 10 12 13 16 17 18 20 21 26 * 27 31 T661 33/34/35 36 37 38 42 43 45 46 39 T1131
<ul> <li>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 1 tax?</li> <li>Does the corporation have any property that is eligible for capital cost allowance?</li> <li>Does the corporation have any property that is eligible capital property?</li> <li>Does the corporation claiming reserves of any kind?</li> <li>Is the corporation claiming a patronage dividend deduction?</li> <li>Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?</li> <li>Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?</li> <li>Is the corporation claiming an investment corporation claiming an allowable refund?</li> <li>Does the corporation claiming any scientific research and experimental development (SR&amp;ED) expenditures?</li> <li>Is the corporation claiming a surtax credit?</li> <li>Is the corporation claiming a surtax credit?</li> <li>Is the corporation claiming a Part 1 tax?</li> <li>Is the corporation claiming an subject to gross Part 1.3 tax?</li> <li>Is the corporation claiming a Part 1 tax credit?</li> <li>Is the corporation claiming a Part 1 tax credit?</li> <li>Is the corporation claiming a Part 1 tax credit?</li> <li>Is the corporation subject to Part 1.4 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?</li> <li>Is the corporation agrees of the tax credit?</li> <li>Is the corporation and a film or video production tax credit refund?</li> </ul>	207 208 X 210 X 212 213 216 217 218 220 221 233 236 X 237 233 236 X 237 238 237 238 242 243 244 249 250 253 254	7 8 10 12 13 16 17 18 20 21 26 * 27 31 T661 33/34/35 36 37 38 42 43 45 46 39 T1131 T1177
<ul> <li>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?</li> <li>Does the corporation have any property that is eligible for capital cost allowance?</li> <li>Does the corporation have any property that is eligible capital property?</li> <li>Does the corporation claiming a patronage dividend deduction?</li> <li>Is the corporation claiming a patronage dividend deduction?</li> <li>Is the corporation carrying on business in Canada as a non-resident corporation?</li> <li>Was the corporation a non-resident-owned investment corporation or a mutual fund corporation?</li> <li>Was the corporation anon-resident-owned investment corporation for allocations in proportion?</li> <li>Is the corporation a non-resident-owned investment corporation for allocation?</li> <li>Is the corporation a non-resident-owned investment corporation and experimental development (SR&amp;ED) expenditures?</li> <li>Is the corporation claiming an investment tax credit?</li> <li>Is the corporation claiming any scientific research and experimental development (SR&amp;ED) expenditures?</li> <li>Is the corporation subject to gross Part I.3 tax?</li> <li>Is the corporation subject to gross Part VI tax on capital of financial institutions?</li> <li>Is the corporation subject to Part VI.1 tax on dividend second received on taxable preferred shares or Part VI.1 tax on dividend second?</li> <li>Is the corporation subject to Part II - Tobacco Manufacturers' surfax?</li> <li>For financial institutions: Is the corporation a member of a related group of a related group of financial institutions with one or more members subject to gross Part VI tax?</li> </ul>	207 208 210 212 213 216 217 218 220 221 231 232 233 236 237 238 237 238 242 243 244 249 244 249	7 8 10 12 13 16 17 18 20 21 26 * 27 31 T661 33/34/35 36 37 38 42 43 45 46 39 T1131

- Attacht	ments – continued from page 2	
Allacin		Yes Schedule
Did the co	orporation have any foreign affiliates that are not controlled foreign affiliates?	6 T1134-A
Did the co	orporation have any controlled foreign affiliates?	8 T1134-B
Did the co	orporation own specified foreign property in the year with a cost amount over \$100,000?	9 T1135
Did the co	orporation transfer or loan property to a non-resident trust?	0 T1141
Did the co	orporation receive a distribution from or was it indebted to a non-resident trust in the year?	1 T1142
Has the c	corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	2 T1145
Has the c	perpendition entered into an agreement to transfer gualified expenditures incurred in respect	
of SR&E		<b>3</b> T1146
Has the c	corporation entered into an agreement with other associated corporations for salary	<b>1 T</b> 4474
or wages	of specified employees for SR&ED?	4 T1174
	onal information —	
	rporation inactive?	2 No 🗙
Has the n	major business activity changed since the last return was filed? (enter Yes for first-time filers) 281 1 Yes	2 No X
What is t	the corporation's major business activity?	
	mplete if Yes was entered at line 281.)	
If the maj	jor business activity involves the resale of goods, show whether it is wholesale or retail 283 1 Wholesale	2 Retail
Specify th	he principal product(s) mined, manufactured, 284 ELECTRICITY 285	100.000 %
sold, con	nstructed, or services provided, giving the	%
approxim	nate percentage of the total revenue that each	%
p. 'uct c	or service represents.	
Did the c Did the c	corporation immigrate to Canada during the taxation year? 291 1 Yes 292 1 Yes 292 1 Yes 292 1 Yes 292 1 Yes 293 1 Ye	2 No X 2 No X
	le income	
Net incor	me or (loss) for income tax purposes from Schedule 1, financial statements, or GIFI.	795,505 A
	Charitable donations from Schedule 2 695	
Deduct:		
	Onto to Canada, a province, or a territory in entire enterent	
	Taxable dividends deductible under section 112 or 113, or         subsection 138(6) from Schedule 3	
	Part VI.1 tax deduction from Schedule 43 *	
	Non-capital losses of preceding taxation years from Schedule 4 331	
	Non-capital losses of preceding taxation years from Schedule 4 332	
	Restricted farm losses of preceding taxation years from Schedule 4 333	
	Farm losses of preceding taxation years from Schedule 4	
	Limited partnership losses of preceding taxation years from Schedule 4 335	
	Taxable capital gains or taxable dividends allocated from	
	a central credit union	
	Prospector's and grubstaker's shares	
	Subtotal2,105	2,105 B
	Subtotal (amount A minus amount B) (if negative, enter "0")	793,400 C
Add:	Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	D
		702 400
Taxable	income (amount C plus amount D)	793,400
	exempt under paragraph 149(1)(t)	
Income	exempt under paragraph 149(1)(t)	793,400 Z
axable		
* This ar	mount is equal to 3 times the Part VI.1 tax payable at line 724 on page 8.	
l ins di	nounce office to a minor that and that the payment of the second	

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2005-12-31

┌─Small business deduction ─────				
Canadian-controlled private corporations (CCPCs) throughout the taxa	ation year			
Income from active business carried on in Canada from Schedule 7			400	A
Taxable income from line 360 on page 3, minus 10/3 of the amount on line 632* on page line 636** on page 7, and minus any amount that, because of federal law, is exempt form	7, <b>minus</b> 3 tir Part I tax	mes the amount on	405	B
Calculation of the business limit:				
For all CCPCs, calculate the amount at line 4 below.				
225,000 × Number of days in the taxation year in 2003	=		1	
Number of days in the taxation year	365			
250,000 × Number of days in the taxation year in 2004	.=		2	
Number of days in the taxation year	365		-	
	365 =	300,000	3	
300,000 × Number of days in the taxation year after 2004 Number of days in the taxation year	365		0	
		2	٨	
Add amounts at line		3	4 410	C
Business limit (see notes 1 and 2 below)         Notes:       1. For CCPCs that are not associated, enter the amount from line 4 at line 410 taxation year is less than 51 weeks, prorate the amount from line 4 by the nudivided by 365, and enter the result on line 410.         2. For associated CCPCs, use Schedule 23 to calculate the amount to be enter	). However, if t umber of days	in the taxation year	. 410	0
Business limit reduction:				
Amount C x 415 *** D	=		1 102 102	E
11,250	<u>⇒</u> r – – – – – – – – – – – – – – – – – – –			
Reduced business limit (amount C minus amount E) (if negative, enter "0")	)		425	F
Small business deduction – 16.00 % of whichever amount is the least:			430	G
	7, 0, 0, 0, 1			
(enter amount G on line 9 of page 7) alculate the amount of foreign non-business income tax credit deductible on line 633	2 without refer	rence to the refundable tax o	in the	
CCPC's investment income (line 604) and without reference to the corporate tax redu	actions under s	section 123.4.		
** Calculate the amount of foreign business income tax credit deductible at line 636 with	nout reference	to the corporate tax reduction	ons under section 12	3.4.
*** Large corporation tax				
<ul> <li>The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which credits, increased to reflect a full-year tax liability if the taxation year is less than 5 reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in 1 f the corporation is not associated with any corporations in both the current and th gross Part I.3 tax for its <b>preceding</b> taxation year.</li> <li>If the corporation is not associated with any corporations in the current taxation year, enter the corporation's gross Part I.3 tax for its <b>current</b> taxation year.</li> <li>For corporations associated in the current taxation year, see Schedule 23 for the section of the current taxation year.</li> </ul>	i1 weeks. For t Canada <b>minu</b> he preceding t ear, but was as	the purpose of the business is \$10,000,000). taxation years, enter the corp ssociated in the preceding ta	limit poration's	
Canadian-controlled private corporations throughout the taxation year	r that claim	ed the small business	s deduction	
			-	Δ
Reduced business limit (amount from line 425)			,	
Net active business income (amount from line 400) *				B
Tavable income from line 360 on page 3 minus 3 times the amount at line	636** on		0	
p. 7, and minus any amount that, because of federal law, is exempt from	m Part I I ax		_ C	
Deduct:			_	
Aggregate investment income (amount from line 440 of page 6)		кэ х <u></u>	D	_
Amount C minus amount D (if negative, enter "0")		25.2	_	E
Amount A, B, or E above, whichever is less			5 6/G	F
Amount Z from Part 9 of Schedule 27				
Amount QQ from Part 13 of Schedule 27	100 / /		H	
Taxable resource income from line 435 above				
Taxable resource income from line 435 above	f Schodulo 1	7)		
Amount used to calculate the credit union deduction (amount E in Part 3 of	abover le les		— <mark>к</mark>	
Amount on line 400, 405, 410, or 425 of the small business deduction, which				1
Total of amounts G, H, I, J, and K		••••		L
Amount F minus amount L (if negative, enter "0")				N
Accelerated tax reduction - 7.00 % of amount M (enter amount N on li	ne 637 of pa	age /)	• : • • • • • • • • • • • • • • • • • •	N
* If the amount at line 450 of Schedule 7 is positive, members of partnerships need to	use Schedule	70 to calculate net active bu	Isiness Income.	2.4

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

		·			
<ul> <li>Resource deduction</li> <li>Taxable resource income</li> </ul>		ubsection 125.11(1)]		435	А
				x 2% =	B
Amount A	^	Number of days in the taxation year in 2004 Number of days in the taxation year	365	~ 2 /0 -	0
Amount A	x	Number of days in the taxation year in 2005		× 3% =	С
		Number of days in the taxation year	365		
Amount A	x			× 5% =	D
		Number of days in the taxation year	365		
Amount A	×	Number of days in the taxation year after 2006		× 7% =	E
		Number of days in the taxation year	365		
Resource deduction – to enter amount F on line 10		B, C, D, and E			F
General tax reduction	n for Canadia	n-controlled private corporations			
Faxable income from line		ons throughout the taxation year	28 800 800 801	10 10 10 10 10 <u>-</u>	A
Amount Z from Part 9 of 9	Schedule 27	· · · · · · · · · · · · · · · · · · ·		В	
Amount QQ from Part 13				С	
		bove			
		deduction (amount E in Part 3 of Schedule 17)			
		page 4, whichever is the least			
		40 of page 6			
					I
		nter "0")			J
					к
Amount J	^ · -	Number of days in the taxation year after 2003 Number of days in the taxation year	365		
General tax reduction fo enter amount L on line 63		ntrolled private corporations – amount K			L
General tax reduction Corporations other than nvestment corporation,	a Canadian-co	ontrolled private corporation, an investment cou and corporation	poration,	a mortgage	
Taxable income from line	360 on page 3				793,400 M
Amount Z from Part 9 of S	Schedule 27 .	· · · · · · · · · · · · · · · · · · ·		N	
Amount QQ from Part 13	of Schedule 27			0	
le resource income	from line 435 a	bove		P	
		n deduction (amount E in Part 3 of Schedule 17)			R
otal of amounts N, O, P,		· · · · · · · · · · · · · · · · · · ·			793,400 S
mount M minus amount		enter "0")			
Amount S	793,400 ×	Number of days in the taxation year after 2003		x 7% =	<u>55,538</u> T
		Number of days in the taxation year	365		
General tax reduction –	amount T		8.6.6	<u></u>	55,538 U
(enter amount U on line 6	39 of page 7)				

Refundable portion of Part I tax	
Canadian-controlled private corporations throughout the taxa	
Aggregate investment income       440         (amount P from Part 1 of Schedule 7)	× 26 2 / 3 % = A
Foreign non-business income tax credit from line 632 on page 7	
Deduct:	
Foreign investment income 445	× 9 1 / 3 % =
Foreign investment income    445      (amount O from Part 1 of Schedule 7)	(if negative, enter "0") B
Amount A minus amount B (if negative, enter "0")	
Taxable income from line 360 on page 3         Deduct:         Amount on line 400, 405, 410, or 425 on page 4, whichever is the least	
Foreign non-business income tax credit from line 632 of page 7 × 25 / 9 =	
Foreign business income tax credit from line 636 of page 7 x 3 =	
-	<b>P</b>
	× 26 2 / 3 % = D
Part I tax payable minus investment tax credit refund (line 700 min	nus line 780 of page 8)
Deduct: Corporate surtax from line 600 of page 7	
Net amount	
Refundable portion of Part I tax – Amount C, D, or E, whichever	ris the least F
┌ Refundable dividend tax on hand	
Refundable dividend tax on hand at the end of the preceding taxat <b>Deduct:</b> Dividend refund for the previous taxation year	465
Add the total of:	G
Refundable portion of Part I tax from line 450 above	
poration on amalgamation, or from a wound-up subsidiary of	corporation <mark>480</mark> ► H
Refundable dividend tax on hand at the end of the taxation ye	ar – Amount G plus amount H
└── Dividend refund ─────	
Private and subject corporations at the time taxable dividend	s were paid in the taxation year
Taxable dividends paid in the taxation year from line 460 of Scl	nedule 3 x 1 / 3 I
Refundable dividend tax on hand at the end of the taxation year	r from line 485 above J
Dividend refund – Amount I or J, whichever is less (enter this am	ount on line 784 of page 8)

– Part I tax –		
Base amount of Part I tax – 38.00 % of taxable income (line 360 or amount Z, whichever applies) from page 3	550	<u> </u>
Corporate surtax calculation		
Base amount from line A above	301,492 1	
Deduct:		
10 % of taxable income (line 360 or amount Z, whichever applies) from page 3	79,340 2	
Investment corporation deduction from line 620 below		
Federal logging tax credit from line 640 below	4	
Federal qualifying environmental trust tax credit from line 648 below	5	
For a mutual fund corporation or an investment corporation throughout the taxation year, enter amount a, b, or c below on line 6, whichever is the least:		
28.00 % of taxable income from line 360 of page 3		
28.00 % of taxed capital gains b	6	
Part I tax otherwise payable		
(line A plus lines C and D minus line F)		
Total of lines 2 to 6	79,340 7	
No. ( ) and () and an investigation ()	222,152 8	
Net amount (line 1 minus line 7)		0.000
Corporate surtax – 4.00 % of the amount on line 8		8,886 B
Rc ppture of investment tax credit from line PPP in Part 21 of Schedule 31	602	C
Carculation for the refundable tax on the Canadian-controlled private corporation's (CCPC) inverse (if it was a CCPC throughout the taxation year)	estment income	
Aggregate investment income from line 440 on page 6	Ì	
Taxable income from line 360 on page 3		
Amount on line 400, 405, 410, or 425 of page 4,		
whichever is the least		
Net amount	II	
Refundable tax on CCPC's investment income – 6 2 / 3 % of whichever is less: amount i or	ii 604	D
Subtotal (add lines	A, B, C, and D)	310,378 E
Deduct:		
Small business deduction from line 430 of page 4	9	
Federal tax abatement	79,340	
Manufacturing and processing profits deduction from amount BB		
Investment corporation deduction		
(taxed capital gains 624 )		
Additional deduction – credit unions from Schedule 17 628		
Federal foreign non-business income tax credit from Schedule 21		
Federal foreign business income tax credit from Schedule 21		
Accelerated tax reduction from amount N on page 4		
Resource deduction from line 438 on page 5	10	
General tax reduction for CCPCs from amount R on page 5		
General tax reduction from amount U on page 5	55,538	
Federal logging tax credit from Schedule 21 640		
Federal political contribution tax credit		
Federal political contributions 646		
Federal qualifying environmental trust tax credit       648		
Investment tax credit from Schedule 31		
Subtotal	134,878	134,878 F
		175,500 G
Part I tax payable - Line E minus line F (enter amount G on line 700 of page 8)	· · · · · · · · · · · · · · ·	0

Summary of tax and credits	
Federal tax	
Part I tax payable from page 7	
Part I.3 tax payable from Schedule 33, 34, or 35	700
Part IV tax payable from Schedule 3	
· •···································	716
Part VI tax payable from Schedule 38	
Inter more and the contract of the second	730
Part XIV tax payable from Schedule 20	
Add provincial or territorial tax:	Total federal tax 175,500
Provincial or territorial jurisdiction 750 Ontario	
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)	
Net provincial or territorial tax payable (except Quebec, Ontario, and Alberta)	a) . 760
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765
	►
	Total tax payable 770 175,500
Deduct other credits:	
Investment tax credit refund from Schedule 31	
Dividend refund from page 6	
Federal capital gains refund from Schedule 18	788
Federal qualifying environmental trust tax credit refund	792
nadian film or video production tax credit refund (Form T1131)	
. Im or video production services tax credit refund (Form T1177)	
Tax withheld at source	800
Total payments on which tax has been withheld 801	
Allowable refund for non-resident-owned investment corporations from Schedule 26	804
Provincial and territorial capital gains refund from Schedule 18	808
Provincial and territorial refundable tax credits from Schedule 5	812
Royalties deductible under Syncrude Remission Order 815	
Tax remitted under Syncrude Remission Order	
Tax instalments paid	840 186,176
Total	credits 890 186,176 > 186,176
Refund code 894 Overpayment 10,676	Balance (line A minus line B)
Direct deposit request	If the result is negative, you have an overpayment.
To have the corporation's refund deposited directly into the corporation's	If the result is positive, you have a balance unpaid.
bank account at a financial institution in Canada, or to change banking	Enter the amount on whichever line applies.
information you already gave us, complete the information below:	Generally, we do not charge or refund a difference
Start Change information 910	of \$2 or less.
Branch number 918	Balance unpaid
Institution number Account number	Enclosed payment 898
f the corporation is a Canadian-controlled private corporation throughout the ta	axation year.
does it qualify for the one-month extension of the date the balance of tax is due	e?
Certification —	
950 SLATER 951 SANDRA	954 DIRECTOR OF FINANCE
Last name First name	Position, office, or rank
am an authorized signing officer of the corporation. I certify that I have examined this return, i	including accompanying schedules and statements, and that
the information given on this return is, to the best of my knowledge, correct and complete. I fu taxation year is consistent with that of the previous year except as specifically disclosed in a s	statement attached to this return.
	956 (519) 776-5291
955 2006-04-10 Date (yyyy/mm/dd) Signature of the authorized signing officer of t	
the second s	
Is the contact person the same as the authorized signing officer? If No, complete the informa	
958	959
958	959
958 Name	959 Telephone number

Name of corp	oration	Bus	siness Number	Taxation year end
•				Year Month Day
E.L.K. Ene		8665	6 7787 RC0001	2005-12-31
Identifica	tion of the imported corporation from the GIFI file			
Name of the	e corporation E.L.K. Energy Inc.			
	umber			
Taxation ye	ar end			
Balance	Sheet			
Account	Description	GIFI	Amount	Prior year
-Assets -				
		1599 + _	14,194,367	12,003,675
		2008 +	18,928,303	18,102,055
	- Total documated amonazation of tangible copies and	2009 -	11,035,676	10,388,863
	Total Intaligible dapital addete	2178 +		
		2179 – 2589 +	1,763,124	1,036,602
		2589 + 2590 +	1,703,124	1,030,002
	*Assets held in trust	2550 4 -		
-	Total assets (mandatory field)	2599 = =	23,850,118	20,753,469
Liabilitie	8			
LIUMIIII	Total current liabilities	3139 +	10,429,751	8,462,392
	Total long-term liabilities	3450 +	889,729	902,225
	* Subordinated debt	3460 +		
	* Amounts held in trust	3470 +		
	Total liabilities (mandatory field)	3499 =	11,319,480	9,364,617
2				
Shareho	lder equity	2020	10 500 620	11,388,852
	Total shareholder equity (mandatory field)	3620 +	12,530,638	11,380,852
	Total liabilities and shareholder equity	3640 =	23,850,118	20,753,469
	l earnings			
amet	Retained earnings/deficit – end (mandatory field)	3849 =	8,128,165	6,986,379

\* Generic item

lame of corpo	ration	Bus	iness Number	Form identifier 12 Taxation year end Year Month Day
E.L.K. Ener		86656	5 7787 RC0001	2005-12-31
	tatement			
Description				
Description	ame	ION COMP	ANY	
Account	Description	GIFI	Amount	Prior year
Income s	tatement information			
	Total sales of goods and connect	8089 +	<u>20,398,179</u> 16,965,467	16,450,659
		8518 8519 =	3,432,712	3,875,73
		8518 +	16,965,467	12,574,92
		9367 +	2,743,671	2,710,569
		9368 =	19,709,138	15,285,49
	Total revenue (mandatory field)	8299 +	21,012,924	16,963,59
	Total expenses (mandatory field)	9368 -	19,709,138	15,285,49
		9369 =	1,303,786	1,678,100
Farming	Total farm expenses (mandatory field)	9659 + 9898 - 9899 =		
	Net income/loss before taxes and extraordinary items	9970 =	1,303,786	1,678,100
Extraordi	nary items and income (linked to Schedule 140) Extraordinary item(s) Legal settlements	9975 - 9976 - 9980 +		
	Unusual items	9985 —		
		9990	300,000	808,00
	Deferred income tax provision	9995 —	-138,000	-418,00

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#### **NOTES CHECKLIST**

Corporation's name	Business Number	Taxation year end Year Month Day
E.L.K. Energy Inc.	86656 7787 RC0001	2005-12-31
<ul> <li>This schedule should be completed from the perspective of the person who prepared or re is referred to as the "accounting practitioner", in this schedule.</li> </ul>	ported on the <b>financial</b> s	statements. This person
<ul> <li>For more information, see RC4088, Guide to the General Index of Financial Information (G T2 Corporation – Income Tax Guide.</li> </ul>	IFI) for Corporations and	d T4012,
• Attach a copy of this schedule, along with any Notes to the financial statements, to the GI	F1.	
┌ Part 1 – Accounting practitioner information		
Does the accounting practitioner have a professional designation?		5 1 Yes X 2 No
Is the accounting practitioner connected* with the corporation?		7 1 Yes 2 No 🗙
* A person connected with a corporation can be: (i) a shareholder of the corporation who ov shares; (ii) a director, an officer, or an employee of the corporation; or (iii) a person not de	vns more than 10% of th ealing at arm's length wit	e common h the corporation.
Note	the corporation	
If the accounting practitioner does not have a professional designation <b>or</b> is connected with you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Parts 2 and 3 of this schedule.	ete Part 4.	
□ 1 2 – Type of involvement		
Choose the option that represents the highest level of involvement of the accounting practition	oner: 19	8
Completed an auditor's report		X
Completed a review engagement report		
Conducted a compilation engagement		
□ Part 3 – Reservations		
If you selected option "1" or "2" under <b>Type of involvement</b> above, answer the following que	estion:	
Has the accounting practitioner expressed a reservation?		9 1 Yes 2 No X
□ Part 4 – Other information		
Were notes to the financial statements prepared?	10	1 1 Yes 🔀 2 No 🗌
If Yas, complete lines 102 to 107 below:	_	_
e any values presented at other than cost?		
Has there been a change in accounting policies since the last return?		3 1 Yes 2 No X
Are subsequent events mentioned in the notes?		4 1 Yes 2 No X
Is re-evaluation of asset information mentioned in the notes?	10	5 1 Yes 📃 2 No 🗙
Is contingent liability information mentioned in the notes?		06 1 Yes 🔀 2 No 🗌
Is information regarding commitments mentioned in the notes?		7 1 Yes 📃 2 No 🗙
Does the corporation have investments in joint venture(s) or partnership(s)?		08 1 Yes 🗌 2 No 🗙
If Yes, complete line 109 below:		9 1 Yes 2 No
T2 SCH 141 (04)		Canadä

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**SCHEDULE 1** 

#### NFT INCOME (LOSS) FOR INCOME TAX PURPOSES

Corporation's name	Business Number	Taxation year end
		Year Month Day
E.L.K. Energy Inc.	86656 7787 RC0001	2005-12-31

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

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et du revenu du Canada

	ome (loss) after taxes and extraordinary items per financial statements		1,141,786 A
Add:		200.000	
	ion for income taxes – current		
	sion for income taxes – deferred		
	st and penalties on taxes		
	ization of tangible assets		
Charit	able donations from Schedule 2		
	le capital gains from Schedule 6		
	eductible meals and entertainment expenses		
Reser	ves from financial statements – balance at the end of the year		
	Subtotal of additio	ns <u>1,490,304</u>	1,490,304
C r	additions:		
Misce	llaneous other additions:		
603a	Enerconnect Limited Partnership income 1,2	18	
	Total 1,2		
	Subtotal of other additio	ns 199 <u>1,218</u>	1,218
	Total addition	ns 500 1,491,522	1,491,522
Deduc	st:		
Gain	on disposal of assets per financial statements	401 35,956	
	al cost allowance from Schedule 8	403 560,655	
	lative eligible capital deduction from Schedule 10		
	ves from financial statements – balance at the beginning of the year	414 653,229	
	Subtotal of deductio		1,295,176
Other	deductions:		
Misce	llaneous other deductions:	_	
700.	Deduction of expenses capitalized for accounting	390 14,403	
7	Recovery of previous PILs in accounting income	391 527,889	
702	Enerconenecy Loss for income tax purposes	392 335	
	Subtotal of other deductio	ons 499 542,627	542,627
	Total deduction	ns 510 1,837,803	1,837,803
Net inc	come (loss) for income tax purposes – enter on line 300 of the T2 return		795,505
T2 SCH <sup>2</sup>	1 F (01)		Casad

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Amount (\$100 or more only)

#### SCHEDULE 2

#### CHARITABLE DONATIONS AND GIFTS

Name of corporation	Business Number	Taxation year end
		Year Month Day
E.L.K. Energy Inc.	86656 7787 RC0001	2005-12-31

- · For use by corporations to claim any of the following:
  - charitable donations;
  - gifts to Canada, a province, or a territory;
  - gifts of certified cultural property;
  - gifts of certified ecologically sensitive land.
- The donations and gifts are eligible for a five-year carryforward.

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- Use this schedule to show a credit transfer following an amalgamation or the windup of a subsidiary as described under subsections 87(1) and 88(1) of the federal *Income Tax Act.*
- For donations and gifts made after March 22, 2004, proposed subsection 110.1(1.2) of the Income Tax Act provides as follows:
- where a particular corporation has undergone a change of control, for taxation years that end on or after the change of control, no corporation can claim a deduction for a gift made by the particular corporation to a qualified donee before the change of control.
   if a particular corporation makes a gift to a qualified donee pursuant to an arrangement under which both the gift and the change of
  - If a particular corporation makes a gift to a qualified donee pursuant to an analgement under which both the gift and the online of control is expected, no corporation can claim a deduction for the gift unless the person acquiring control of the particular corporation is the qualified donee.
- File one completed copy of this schedule with your T2 Corporation Income Tax Return.
- For more information, see the T2 Corporation Income Tax Guide.

#### Part 1 – Charitable donations

Charity/Recipient

		Subtotal	695
	Add: Total donations of		695
	l otal donations in	Total donations in current taxation year	
	Federal	Quebec	Alberta
Charitable donations at the end of the preceding taxation year			
<b>Deduct:</b> Charitable donations expired after five taxation years 239			
Charitable donations at the beginning of the taxation year 240			
Add:			
Charitable donations transferred on an amalgamation or the windup of a subsidiary 250			
windup of a subsidiary       250         Total current-year charitable			
donations made (enter this amount			
on line 112 of Schedule 1) 210 695			
Subtotal (line 250 plus line 210)695 ►	695	695	695
Deduct: Adjustment for an acquisition of control (for donations			
made after March 22, 2004) 255	695 A	695	695
To charitable donations available	A		095
Deduct: Amount applied against taxable income (cannot be more than amount K in Part 2) (enter this amount on			
line 311 of the T2 return)	695	695	695
Charitable donations closing balance			
Amounts carried forward – Charitable donations			
Year of origin:	Federal	Quebec	Alberta
1 <sup>st</sup> prior year <u>2004</u>			
2 <sup>nd</sup> prior year2003			
3 <sup>rd</sup> prior year <u>2002</u>			
4 <sup>th</sup> prior year			
5 <sup>th</sup> prior year			
6 <sup>th</sup> prior year *2000			
Total (to line A)			
* These donations expired in the current year.			

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□ Part 2 – Calculation of the maximum allowable deduction for	or charitable donat	ions —	
Net income for tax purposes * multiplied by 75 %			596,629 B
Taxable capital gains arising in respect of gifts of capital property			
- lines 895 and 896 of Schedule 6, multiplied by the inclusion rate		·	
– other			
Truckle control win is segreet of deemed offer of pop qualifying	Total 225	0	
Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01)         The amount of the recapture of capital cost allowance in respect of charitable gifts         Proceeds of disposition, less		D	
outlays and expenses E			1
Capital cost F			
Amount E or F, whichever is less 235		G	
	amounts C, D, and G		
		t H multiplied by 25 %	1
		amount B plus amount I)	
Maximum allowable deduction for charitable donations (enter amo			
for tax purposes whichever is less)			695_K
* For credit unions, this amount is before the deduction of payments pu	irsuant to allocations in	n proportion to borrowing	and bonus interest.
Part 3 – Gifts to Canada, a province, or a territory			
Gifts to Canada, a province, or a territory at the end of the preceding ta	xation year		
D st: Gifts to Canada, a province, or a territory expired after five tax	ation years 339		
Gnis to Canada, a province, or a territory at the beginning of the taxatio		▶	
Add: Gifts to Canada, a province, or a territory transferred on an amale or the windup of a subsidiary	gamation		
Total current year gifts made to Canada, a province, or a territory			
Subtotal (lin	ne 350 plus line 310) _		
Deduct: Adjustment for an acquisition of control (for gifts made after M	larch 22, 2004)		
Total gifts to Canada, a province, or a territory available		<u></u>	
Deduct: Amount applied against taxable income (enter this amount on	line 312 of the T2 retu	irn)	
* Not applicable for gifts made after February 18, 1997, unless a writter straddles February 18, 1997, and gifts were made after this date, enter the straddles February 18, 1997, and gifts were made after the straddles february 18, 1997, and 1997	n agreement was mad er the amount on line 2	e before this date. If the 10 and complete Part 2.	taxation year
Part 4 – Gifts of certified cultural property	Federal	Quebec	Alberta
Gifts of certified cultural property at the end of the preceding			
taxation year			
Deduct: Gifts of certified cultural property expired after five taxation years			
G of certified cultural property at the beginning of the taxation year			
the taxation year 440 Add: Gifts of certified cultural property transferred on an			
amalgamation or the windup of a subsidiary			
Total current-year gifts of certified cultural property			
Subtotal (line 450 plus line 410)			
Deduct: Adjustment for an acquisition of control (for gifts made after March 22, 2004)			
Total gifts of certified cultural property available			
Deduct: Amount applied against taxable income (enter this			
amount on line 313 of the T2 return) 460			
Gifts of certified cultural property closing balance 480			

#### -Amount carried forward - Gifts of certified cultural property

Voor of origin:		Federal	Quebec	Alberta
Year of origin:	2004			
1 <sup>st</sup> prior year	2004		· · · · · · · · · · · · · · · · · · ·	
2 <sup>nd</sup> prior year	2003			
3 <sup>rd</sup> prior year				
4 <sup>th</sup> prior year	2001			
5 <sup>th</sup> prior year	2001			
6 <sup>th</sup> prior year *	2000			
Total	0			
* These donations expired in the current year.				
Part 5 – Gifts of certified ecologically sensiti	ve land	Federal	Quebec	Alberta
Deduct: Adjustment for an acquisition of control (for made after March 22, 2004) Tu gifts of certified ecologically sensitive land availa	expired 			
Deduct: Amount applied against taxable income (ent amount on line 314 of the T2 return)	er this 560			-
Gifts of certified ecologically sensitive land closing ba	lance . 580			
Amounts carried forward – Gifts of certified	ecologically ser	sitive land		
Year of origin:		Federal	Quebec	Alberta
1 <sup>st</sup> prior year	2004			
2 <sup>nd</sup> prior year	2003			
3 <sup>rd</sup> prior year	2002			

2001

2000

6<sup>th</sup> prior year \* Total

\* These donations expired in the current year.

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5<sup>th</sup> prior year

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Agence des douanes	DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND	SCHEDU
et du revenu du Canada	PART IV TAX CALCULATION	

#### LE 3

Name of corporation	Business Number	Taxation year end Year Month Day
E.L.K. Energy Inc.	86656 7787 RC0001	2005-12-31

This schedule is for the use of any corporation to report:

- non-taxable dividends under section 83;
- deductible dividends under subsection 138(6);
- taxable dividends deductible from income under section 112, subsection 113(2) and paragraphs 113(1)(a), (b) or (d); or
- taxable dividends paid for purposes of a dividend refund.
- The calculations in this schedule apply only to private or subject corporations.
- Parts, sections, subsections, and paragraphs referred to on this schedule are from the federal Income Tax Act.
- A recipient corporation is connected with a payer corporation at any time in a taxation year, if at that time the recipient corporation: - controls the payer corporation, other than because of a right referred to in paragraph 251(5)(b); or
  - owns more than 10% of the issued share capital (with full voting rights), and shares that have a fair market value of more \_ than 10% of the fair market value of all shares of the payer corporation.
- File one completed copy of this schedule with your T2 Corporation Income Tax Return.
- For more information, see the sections about Schedule 3 in the T2 Corporation Income Tax Guide.
- "X" under column A if dividend received from a foreign source (connected corporation only).
- "X" under column B if the payer corporation is connected.

#### Part 1 – Dividends received during the taxation year

Do not include dividends received from foreign non-affiliates.			Complete if payer corpo	ration is connected
Name of payer corporation (Use only one line per corporation, abreviating its name if necessary)	A	В	C Business Number	D Taxation year end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends were
200		205	210	paid YYYY/MM/DD 220

Note: If your corporation's taxation year end is different than that of the connected payer corporation, your corporation could have received dividends from more than one taxation year of the payer corporation. If so, use a separate line to provide the information for each taxation year of the payer corporation.

			tion is not connected, columns blank.	
E Non-taxable dividend under section 83	F Taxable dividends deductible from taxable income under section 112, subsections 113(2) and 138(6), and paragraphs 113(1)(a), (b), or (d)	G Total taxable dividends paid by connected payer corporation	H Dividend refund of the connected payer corporation	I Part IV tax before deductions F x 1 / 3 ★
230	240	250	260	270
1	1,410			
otal (enter amount of column	n F on line 320 of the T2 return)			
	1,410			
dividends received from	connected corporations:	Part IV tax equals:	Column F x Column H	
			Column G	

Public corporations (other than subject corporations) do not need to calculate Part IV tax.

#### Part 2 – Calculation of Part IV tax payable

Part IV tax before deductions (amount J in Part 1)	
Deduct: Part IV I tax payable on dividends subject to Part IV tax	320
Part IV.I tax payable on dividends subject to Part IV tax	Subtotal
Deduct:       330         Current-year non-capital loss claimed to reduce Part IV tax       330         Non-capital losses from previous years claimed to reduce Part IV tax       335         Current-year farm loss claimed to reduce Part IV tax       340         Farm losses from previous years claimed to reduce Part IV tax       345         Total losses applied against Part IV tax       345	× 1 / 3 =
Part IV tax payable (enter amount on line 712 of the T2 return)	360

# Part 3 – Taxable dividends paid in the taxation year for purposes of a dividend refund

Ē	Α	В	C	D
	Name of connected recipient corporation	Business Number	Taxation year end of connected recipient corporation in which the dividends in column D were received YYYY/MM/DD	Taxable dividends paid to connected corporations
1	400	410	420	430
1	1			
	2			
	3			
	4			
(tot C	al taxable dividends paid in the taxation year for the purposes of a divide al of column D above plus line 450) Part 4 – Total dividends paid ulete this part if the total taxable dividends paid in the taxation year for n the total dividends paid in the taxation year.	d in the taxation yea	-	
Tot Oth	al taxable dividends paid in the taxation year for the purposes of a divid- ner dividends paid in the taxation year (total of 510 to 540)			
De	duct:			
Ca Di Ta	vidends paid out of capital dividend account apital gains dividends vidends paid on shares described in subsection 129(1.2) axable dividends paid to a controlling corporation that was ankrupt at any time in the year		►	
Tot	al taxable dividends paid in the taxation year for purposes of a dividend	refund		
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#### **SCHEDULE 6**

SUMMARY OF DISPOSITIONS OF CAPITAL PROPERTY

Name of corporation	Business Number	Taxation year end Year Month Day
E.L.K. Energy Inc.	86656 7787 RC0001	2005-12-31

- 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 the control of the corporation has been acquired by a person or group of persons.

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)? 2 No X If Yes, attach a statement specifying which properties are subject to such a designation. 050 1 Yes Part 1 - Shares Foreign Adjusted Outlays Gain (or loss) Proceeds Name of Class of Date of No. of (column 120 less and expenses source cost base corporation shares acquisition of shares (dispositions) cols. 130 and 140) YYYY/MM/DD disposition 150 130 140 120 100 106 105 110 Δ Totals Part 2 - Real estate - Do not include losses on depreciable property Gain (or loss) Foreign Adjusted Outlays Date of Proceeds Municipal address and expenses (column 220 less source cost base 1 = Address 1 acquisition of cols. 230 and 240) (dispositions) YYYY/MM/DD disposition 2 = Address 2 3 = City 4 = Province, Country, Postal Code and Zip Code or Foreign Postal Code 230 250 210 220 240 200 33,701 1,299 35,000 47 Maple 1 2 33,701 B 1,299 35,000 Totals

Part 3 – Bonds

	Face value	Maturity date	Name of issuer	Date of acquisition YYYY/MM/DD	Proceeds of disposition	Adjusted cost base	Outlays and expenses (dispositions)	Gain (or loss) (column 320 less cols. 330 and 340)	Foreign source
	300	305	307	310	320	330	340	350	1
1			<u> </u>	Totals					c

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

Description	Date of acquisition YYYY/MM/DD	Proceeds of disposition	Adjusted cost base	Outlays and expenses (dispositions)	Gain (or loss) (column 420 less cols. 430 and 440)	Foreigr source
400	410	420	430	440	450	 
	Totals					D

#### Part 5 - Personal-use property

Description	Date of acquisition YYYY/MM/DD	Proceeds of disposition	Adjusted cost base	Outlays and expenses (dispositions)	Gain only (column 520 less cols. 530 and 540)	Foreign source
500	510	520	530	540	550	
1 Note: Losses are not deductible.	Totals					

#### Part 6 – Listed personal property

Description	Date of acquisition YYYY/MM/DD	Proceeds of disposition	Adjusted cost base	Outlays and expenses (dispositions)	Gain (or loss) (column 620 less cols. 630 and 640)	Foreign source
600	610	620	630	640	650	
	Totals					
Note: Net listed personal property losses may or use applied against listed personal property gains Amount from line 655 is from line 530 in	Subtract: Una Part 5 of Schedule		al property losses fr	om other years 655 Net gains (or losses)		F
e applied against listed personal property gains	Subtract: Una Part 5 of Schedule	4.	al property losses fr	,		F
Je applied against listed personal property gains Amount from line 655 is from line 530 in	Subtract: Una Part 5 of Schedule investment losses	3		,		F

#### 950 930 940 905 910 920 900 1 Note: Properties listed in Part 7 should not be Totals included in any other parts of Schedule 6. x 50 % = Amount G Allowable business investment losses \* \*\*\* \*\*\* \*\*\* \*\*\* \*\*\* \*\*\* \* Enter amount H on line 406 of Schedule 1. Part 8 – Determining capital gains or losses

Fart o – Determining Capital gams of losses		· · · ·
Tripl of amounts A to F (do not include F, if the amount is a loss)	33,701	1
		Foreign
Aad:	12	source
Capital gains dividend received in the year		1
Capital gains reserve opening balance (from Schedule 13)		ĸ
Subtotal (add amounts I, J, and K)	33,701	L I
Deduct: Capital gains reserve closing balance (from Schedule 13)		М
Capital gains or losses (amount L minus amount M)	33,701	

G

Н

E.L.K.	Energ	y Inc.
86656 77	787 RC	0001

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Part 9 – Determining taxable capital gains	and total capital losses —

Capital gains or losses (amount from line 890 above	e)	33,701	<u>N</u>
Deduct the following gains that are included in the a	amount N:		
Gain on donation of a share, debt obligation, or			_
right listed on a prescribed stock exchange and other amounts under paragraph 38(a.1) of the	,		Foreign source
Income Tax Act	× 50 % = 895		
			Foreign source
Gain on donation of ecologically sensitive land	× 50 % = 896		
	Subtotal (line 895 plus line 896)		0
Amount N minus amount O		33,701	P
Total capital losses: If amount P is a loss, enter it	on line 210 of Schedule 4.		
Taxable capital gains: If amount P is a gain, enter		16,851	Q
Enter amount Q on line 113 of Schedule 1.			~

Portion of gain or loss from foreign sources (100%) (excluding business investment losses)

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2005-12-31

E.L.K. Energy Inc. 86656 7787 RC0001

SCHEDULE 8

Taxation year end Year Month Day 2005-12-31

**Business Number** 

CAPITAL COST ALLOWANCE (CCA)

Name of corporation

E.L.K. Energy Inc.

86656 7787 RC0001

Is the corporation electing under regulation 1101(5q)? 101 1 Yes 2 No X

÷	2	ო	4	2 2	þ	-	, ,			-	1	2
Class number	Undepreciated r capital cost at the beginning of the year	Cost of acquisitions during the year*	Net adjustments	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Undepreciated capital cost (column 2 plus column 3 plus or minus column 5)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)**	Reduced undepreciated capital cost (column 6 minus column 7)	CCA rrate % 212	Recapture of capital cost allowance (amount on line 107 of Schedule 1) 213	Terminal loss (amount on line 404 of Schedule 1) 215	Capital cost allowance (column 8 multiplied by column 9; or a lower amount) (amount on line 403 of Schedule 1)***	Undepreciated capital cost at the end of the year (column 6 minus column 12) 220
	1 9 039 670			0	9.039.670		6,039,670	4		0	361,587	8,678,083
1 "	246.052	32.276		0	278,328	16,138	262,190	20	0	0	52,438	225,890
1 7				1,657	214,622		214,622	30	0	0	64,387	150,235
		28,588		0	60,799	14,294	46,505	100	0	0	46,505	14,294
45		27,691		0	27,691	13,846	13,845	45	0	0	6,230	21,461
47	2	737,693		0	737,693	368,847	368,846	8	0	0	29,508	708,185
Total	al 9,534,212		~	1,657	10,358,803	413,125	9,945,678				560,655	9,798,148

T2 SCH 8 (99)

\*\* The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4. \*\*\* If the taxation year is shorter than 365 days, prorate the CCA claim. See the T2 Corporation Income Tax Guide for more information.

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# **Fixed Assets Reconciliation**

Reconciliation of change in fixed assets per financial statements to amounts used per tax return

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	7,736,240
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=	179,435

Canada Customs and Revenue Agency

#### **SCHEDULE 9**

# RELATED AND ASSOCIATED CORPORATIONS

Name of corporation	Business Number	Taxation year end Year Month Day
E.L.K. Energy Inc.	86656 7787 RC0001	2005-12-31

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

Agence des douanes et du revenu du Canada

- related corporation(s)

- associated corporations(s)

Name	Country of resi- dence (if other than Canada)	Business Number (Canadian corporation only) (see note 1)	Rela- tion- ship code (see note 2)	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of preferred shares owned	Book value of capital stock
100	200	300	400	500	550	600	650	700
1. E.L.K. SOLUTIONS INC.		86487 7519 RC0001	2	10,000	100.000			100

Note 1: Enter "NR" if a corporation is not registered.

Note 2: Enter the code number of the relationship that applies from the following order: 1 - Parent 2 - Subsidiary 3 - Associated 4 - Related, but not associated.

T2 SCH 9(99)

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> Canada Customs and Revenue Agency

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# CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

Name of corporation	Business Number	Taxation year end Year Month Day
E.L.K. Energy Inc.	86656 7787 RC0001	2005-12-31

• For use by a corporation that has eligible capital property. For more information, see the T2 Corporation Income Tax Guide.

• A separate cumulative eligible capital account must be kept for each business.

Agence des douanes et du revenu du Canada

r	Part 1 – Calculation of current year deduction and carry-forward	
Cumulativ	ve eligible capital - Balance at the end of the preceding taxation year (if negative, enter "0") 200	<u>647,656</u> A
Add:	Cost of eligible capital property acquired	
	during the taxation year	
	Other adjustments	
	Non-taxable portion of a non-arm's length transferor's gain realized on the transfer	
	of an eligible capital property to the	
	corporation after December 20, 2002 228 × 1 / 2 = C	_
	amount B minus amount C (if negative, enter "0")P	D
	Amount transferred on amalgamation or wind-up of subsidiary	
7	Subtotal (add amounts A, D, and E) 230	647,656 F
De	Proceeds of sale (less outlays and expenses not	
	otherwise deductible) from the disposition of all eligible capital property during 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         I	
	Other adjustments	
	(add amounts G,H, and I) × 3 / 4 = 248	J
Cumulati	ve eligible capital balance (amount F minus amount J)	647,656 K
	t K is negative, enter "0" at line M and proceed to Part 2)	
Cumulativ	re eligible capital for a property no longer owned after ceasing to carry on	
that busin		
	amount K 647,656	
	less amount from line 249        647,656         x         7.00 %         =         250         45,336         *           ear deduction        647,656         x         7.00 %         =         250         45,336         *	
Current y	ear deduction $647,656 \times 7.00 \% = 250$ $45,336 \times 45,336 \times $	45 226
		45,336 L
Cumulati	ve eligible capital – Closing balance (amount K minus amount L) (if negative, enter "0")	
* \ a	You can claim any amount up to the maximum deduction of 7%. The deduction may not exceed the maximum amount prorated by the number of days in the taxation year divided by 365.	um
T2 SCH 10 (	04)	Canada

Part 2 – Amount to be included in income arisi (complete this part only if the amount at line b	ng from disposition — K is negative)	
Amount from line K (show as positive amount)		N
Total of cumulative eligible capital (CEC) deductions from income for taxation years beginning after June 30, 1988	400	1
Total of all amounts which reduced CEC in the current or prior years under subsection 80(7)	401	2
Total of CEC deductions claimed for taxation years         beginning before July 1, 1988         402	_ 3	
Negative balances in the CEC account that were included in income for taxation years beginning before July 1, 1988 408	_ 4	
Line 3 minus line 4 (if negative, enter "0")	_	5
Total of lines 1, 2 and 5	131 93 S	6
Amounts included in income under paragraph 14(1)(b), as that paragraph applied to taxation years ending after June 30, 1988 and before February 28, 2000, to the extent that it is for an amount described at line 400	7	
Amounts at line T from Schedule 10 of previous taxation years		
ending after February 27, 2000	8	
Subtotal (line 7 plus line 8) 409	▶	9
Line 6 minus line 9 (if negative, enter "0")	aasa	►0
Line N minus line O (if negative, enter "0")		P
	× 1/2	= Q
L' p minus line Q (if negative, enter "0")		R
	× 2/3	=S
Amount N or amount O, whichever is less		- T
Amount to be included in income (amount S plus amount T) (enter this amount on I		10

Canada Customs

and Revenue Agency

Agence des douanes

et du revenu du Canada

**SCHEDULE 36** 

## AGREEMENT AMONG RELATED CORPORATIONS - PART I.3 TAX

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$50,000,000 among the members of the related group. Do not file this agreement if no members of the related group have to pay Part I.3 tax.
- In cases where a related corporation has more than one taxation year ending in a calendar year, it has to file an
  agreement for each of those taxation years.
- A corporation that is related to any other corporation at any time in a taxation year of the corporation that ends in a calendar year may file such an agreement.
- In accordance with subsection 181.5(7) of the federal Income Tax Act, a Canadian-controlled private corporation is not considered to be related to another corporation for purposes of the capital deduction unless it is also associated with that corporation.

- Agreement	Year Month Day
Date filed (do not use this area)	
Is this an amended agreement?	1 Yes 2 No X
Calendar year to which the agreement applies	Year 2005
Note: This agreement must include all the information indicated below for all members of the related group, members to which no amount of capital deduction is allocated for the year. However, any member the Part 1.3 tax under subsection 181.1(3) does not have to be included.	, including at is exempt from

Names of all corporations which are members of the related group	Business Number (if a corporation is not registered, enter "NR")	Allocation of capital deduction for the year \$	Taxation year end to which this agreement applies* (YYYY/MM/DD)
200	300	400	500
E.L.K. Energy Inc.	86656 7787 RC0001	45,000,000	
E.L.K. SOLUTIONS INC.	86487 7519 RC0001	5,000,000	

Total (cannot be more than \$50,000,000)

- than \$50,000,000) 50,000,000
- \* Entries are only required in this column for a corporation that has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year.
   a capital deduction of the first corporation for each such taxation year at the end of which it is related to the other corporation is amount equal to its capital deduction for the first such taxation year. Enter the taxation year end to which this agreement applies.

T2 SCH 36 (04)

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Canada Customs and Revenue Agency Agence des douanes

et du revenu du Canada

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#### SHAREHOLDER INFORMATION

Name of corporation	Business Number	Taxation year end Year Month Day
E.L.K. Energy Inc.	86656 7787 RC0001	2005-12-31

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

	Name of shareholder	Business Number (Notes 1 & 3)	Social Insurance Number (Note 2 & 3)	Percentage common shares	Percentage preferred shares
	100	200	300	400	500
1	THE CORPORATION OF THE TOWN OF ESSEX	NR		38.000	
2	THE CORPORATION OF THE TOWN OF LAKESHORE	NR		24.000	
3	THE CORPORATION OF THE TOWN OF KINGSVILLE	NR		38.000	
4					
5					
6					
7					
	4				
10					

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.

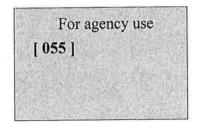
T2 SCH 50 (05)

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#### Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

#### Taxation Year End: 2005-12-31



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[002] E.L.K. Energy Inc.

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### Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

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#### Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

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Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

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Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

	Certification	
and complete,	SANDRA SLATER orporation. I certify that the following amounts are, to and fully disclose the corporation's income tax payable ven on the corporation's income tax return for the taxa	e. These amounts also reflect the
	(or loss) for income tax purposes edule 001, or GIFI [line 200300]	795 505
Part I tax pa	ayable [line 200700]	175 500
Part I.3 tax	payable [line 200704]	0
Part II surta	x payable [line 200708]	00
Part IV tax	payable [line 200712]	0
Part IV.1 ta	x payable [line 200716]	0
Part VI tax	payable [line 200720]	0
Part VI.1 ta	x payable [line 200724]	0
Part XIV ta	x payable [line 200728]	00
Net provinc	tial and territoral tax payable [line 200760]	00
Provincial t	ax on large corporations [line 200765]	0
I further certify previous year of	y that the method of calculating income for this taxation except as specifically disclosed in a statement attached	on year is consistent with that of the l to this return.
2006-04-10		DIRECTOR OF FINANCE
Date	Signature of an authorized signing officer of the c	corporation Position, office or rank

#### Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

- [ 600 ]
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- [ 602 ]\_\_\_\_\_\_[ 603 ]Enerconnect Limited Partnership income[ 604 ]\_\_\_\_\_\_[ 700 ]Deduction of expenses capitalized for accounting
- [701] Recovery of previous PILs in accounting income
- [702] Enerconenecy Loss for income tax purposes
- [ 703 ]
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Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

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Name: E.L.K. Energy Inc.

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Name:	E.L.K. Energy Inc.			
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Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

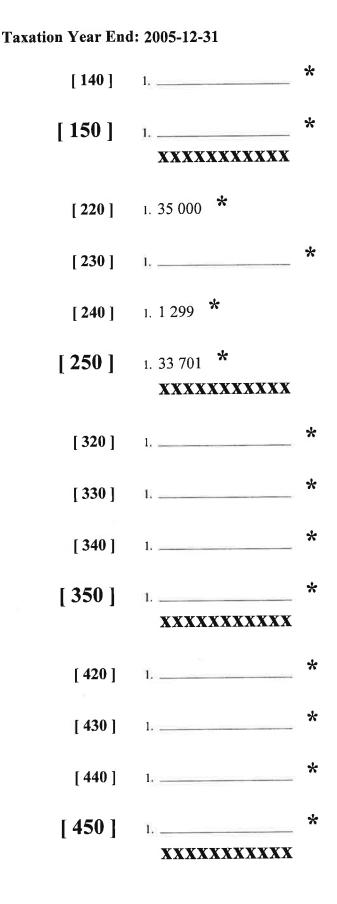
Taxation Year End: 2005-12-31

[200] 1. SUN LIFE FINANCIAL \*

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Name:	E.L.K. Energy Inc.		
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Name:	E.L.K. Energy Inc.		
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# **T2-RETURN AND SCHEDULE INFORMATION**

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BN: 86656	5 7787 RC 0001	Taxation Year End: 2005-12-31
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	5. 21 461	

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EP04 Page 2 of 2

- Name: E.L.K. Energy Inc.
- BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

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- [400] 1.2 \* XXXXXXXXXX
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BN: 86656 7787 RC 0001	Taxation Year End: 2005-12-31
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# **T2-RETURN AND SCHEDULE INFORMATION**

Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001 Taxation Year End: 2005-12-31

- [ 010 ]
- [020] 2
- [030] 2005
- [ 300 ] 1. 86656 7787 RC 0001 2. 86487 7519 RC 0001 \*
- [ 500 ] 1. \_\_\_\_\_ \* 2. \_\_\_\_\_ \*
- [ 400 ] 1. 45 000 000 2. 5 000 000 \*

#### XXXXXXXXXXXX

[200] 1. E.L.K. Energy Inc.
 2. E.L.K. SOLUTIONS INC.
 \*
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BN: 86656 7787 RC 0001 Taxation Year End: 2005-12-31

- [100] 1. THE CORPORATION OF THE TOWN OF ESSEX
  - 2. THE CORPORATION OF THE TOWN OF LAKESHORE
  - 3. THE CORPORATION OF THE TOWN OF KINGSVILLE \*
- [200] 1. NR
  - 2. NR
  - 3. NR \*
- [ 300 ] 1. \_\_\_\_\_\_ 2. \_\_\_\_\_ 3. \_\_\_\_\_ \*
- [400] 1.38
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- 2. \_\_\_\_\_

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- 3. \_\_\_\_\_ \*
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BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

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Name:	E.L.K. Energy Inc.		
BN: 86656 7	7787 RC 0001	Т	<b>Caxation Year End: 2005-12-31</b>
[ 0001 ]			
[ 0002 ]	MUNICIPALLY OWN	ED ELECTR	ICAL DISTRIBUTION COMPANY
	XXXXXXXXXXXX		
[ 0003 ]	·		
	XXXXXXXXXXXX		
[ 8519 ]	3 432 712	[ 8710 ]	387 319
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- **[ 8670 ]** 646 813

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

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🗑 Ontario

Ministry of Finance Corporations Tax Branch PO Box 620 33 King Street West Oshawa ON L1H 8E9 2004/

2005

This form is a combination of the Ministry of Finance (MOF) CT23 Corporations Tax Return and the Ministry of Consumer and Business Services (MCBS) Annual Return. Page 1 is a common page required for both Returns. For tax purposes, depending on which criteria the corporation satisfies, it must complete either the Exempt from Filing (EFF) declaration on page 2 or file the CT23 Return on pages 3-17. Corporations that do not meet the EFF criteria but do meet the Short-Form criteria, may request and file the CT23 Short-Form Return (see page 2). CT23 Corporations Tax and Annual Return

Corporations Tax Act – Ministry of Finance (MOF) Corporations Information Act – Ministry of Consumer and Business Services (MCBS)

The Annual Return (common page 1 and MCBS Schedule A on pages 18 and 19, and Schedule K on page 20) contains non-tax information collected under the authority of the *Corporations Information Act* for the purpose of maintaining a public database of corporate information. This return must be completed by Ontario share-capital corporations or Foreign-Business share-capital corporations that have an extra-provincial licence to operate in Ontario.

MCBS Annual Return Required? (Not required if already fi Annual Return Required? Annual Return exempt. R	led or Refer to Guide) X Yes	No Page 1 of 20	
Corporation's Legal Name (including punctuation)			Ontario Corporations Tax Account No. (MOF)
			1800085
E.L.K. Energy Inc.			This Return covers the Taxation Year
Mailing Address			Start year month day
			2005-01-01
172 Forest Avenue			End year month day
_			2005-12-31
Essex			
ON CA N8M 3E4		year month day	Date of Incorporation or Amalgamation
Has the mailing address changed since last filed CT23 Return?	Date of Change	year month day	
Rr >red/Head Office Address			year month day 2000-01-06
4			2000 01 00
172 Forest Avenue			
Freeve			Ontario Corporation No.
Essex ON CA N8M 3E4			(MCBS) 1395434
Location of Books and Records			
172 Forest Avenue			Canada Customs and Revenue Agency Business No.
			If applicable, enter
Essex			86656 7787 RC0001
ON CA N8M 3E4			
Name of person to contact regarding this CT23 Return	Telephone No.	Fax No.	
			Jurisdiction Incorporated ONTARIO
SANDRA SLATER	(519) 776-5291		ONTARIO
Address of Principal Office in Ontario (Extra-Provincial Corpo	orations only)	(MCBS)	If not incorporated in Ontario, indicate the
1			date Ontario business activity commenced
			and ceased: year month day
			Commenced
Ontario Canada			le menthe dou
		(MCBS)	year month day
Former Corporation Name (Extra-Provincial Corporations on	ly) X Not Applicable	(10000)	l
			X Not Applicable
			Preferred Language / Langue de préférence
Information on Directors/Officers/Administrators must t	e completed on MCBS	No. of Schedule(s)	X English anglais French français
Schedule A or K as appropriate. If additional space is re only this schedule may be photocopied. State number s	equired for Schedule A,		Anglais français
If there is <b>no change</b> to the Directors'/Officers'/Admini	strators' information previo	ously ired (MCBS). <b>X</b> Change	
submitted to MCBS, please check (X) this box. Schedu			
	Certifica	tion (MCBS)	
I certify that all information set out in the Annu	al Return is true, cor	rect and complete.	
Name of Authorized Person (Print clearly or type in full)			
SANDRA SLATER			
	individuale having knowledge	e	
Title X Director Officer of the Note: Sections 13 and 14 of the Corporations Infor	Individuals having knowledg Corporation's business activ	ities alties for making false or mis	leading statements or omissions.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End CT23 Page 3 of 20
E.L.K. Energy Inc.	1800085	2005-12-31
CT23 Corporations Identification continued (for CT23 filers or		
Type of Corporation – Please check (X) box(es)	if applicable in sections	Ontario Retail Sales Tax Vendor Permit No. (Use Head Office no.)
<ol> <li>Canadian-controlled Private (CCPC) a (Generally a private corporation of white 50% or more shares are owned by Canadian residents.) (fed.s.125(7)(b))</li> <li>Other Private</li> </ol>	ch	If applicable, enter Ontario Employer Health Tax Account No.
3 Public		(Use Head Office no.)
4 Non-share Capital	Share Capital with full voting rights owned by Canadian Residents	If applicable, enter
Utility-MEU		Specify major business activity
2 1 Family Farm Corporation s.1 (2)	14 Bare Trustee Corporation	
2 Family Fishing Corporation s.1 (2)	15 Branch of Non-resident s.63(1)	
3 Mortgage Investment Corporation s.47	16 Financial institution prescribed by Regulation only	
4 Credit Union s.51	17 Investment Dealer	
5 Bank Mortgage Subsidiary s.61 (4) 6 Bank s.1 (2)	<ul> <li>18 Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale</li> </ul>	n
7 Loan and Trust Corporation s.61 (4)		
8 Non-resident Corporation s.2(2)(a) or (b)	<ul> <li>Hydro successor, Municipal Electrical Utility or subsidiary of either</li> <li>Producer and seller of steam for uses other than for the generation of electricity</li> </ul>	
9 Non-resident Corporation s.2(2)(c)	21 Insurance Exchange s.74.4	
10 Mutual Fund Corporation s.48	22 Farm Feeder Finance Co-operative	
11 Non-resident owned investment Corporation s.49	Corporation	
12 Non-resident ship or aircraft under reciprocal agreement with Canada s.2	23 Professional Corporation 8(b) (incorporated professionals only)	
Please check (X) box(es) if applicable	Manual A	
First Year of Filing	Final Taxation Year up to Dissolution (wind-up) (Note: For discontinued businesses, see Guide	.) Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent
Amended Return	Final Taxation Year before Amalgamation	establishment outside Ontario
Taxation Year End has changed – Canada Customs and Revenue Agency approval required	Floating Fiscal Year End	Acquisition of Control fed s. 249(4) Date Control was acquired year month day
		Yes No
Was the corporation inactive throughout the taxation		
	vith the Canada Customs and Revenue Agency (CCRA)?	
Are you requesting a refund due to: the Carry-back	of a Loss?	X
an Overpaymer		X
	fundable Tax Credit?	
Are you a Member of a Partnership or Joint Venture?		

Are you a Member of a Partnership or Joint Venture?

#### CT23 Page 4 of 20

	n	С	0	m	e	Τ	a	Х	
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Allocation – If you carry on a business t portion of taxable income deemed earned	hrough a permanent establishment in a j I in that jurisdiction to that jurisdiction (s.	urisdiction outside ( 39) (Int.B. 3008).	Ontario, you may allocate ti	hat	DOLLARS ONLY
Net Income (loss) for Ontario purposes (	per reconciliation schedule, page 15)			- <u>+</u> From 690	795,505 •
Subtract: Charitable donations				1	695 .
Subtract: Gifts to Her Majesty in right of	Canada or a province and gifts of culture	al property (Attach s	chedule 2)	2	
Subtract: Taxable dividends deductible, p				3	1,410 •
Subtract: Ontario political contributions (				4	
Subtract: Federal Part VI.1 tax	• × 3			5	
Subtract: Prior years' losses applied –	Non-capital losses			From 704	
	From 715	inc	lusion		
	Net capital losses (page 16)	• × rat	e 50.000000 %	= _ 714	
	Farm losses			From 724	•
	Restricted farm losses			From 734	
	Limited partnership losses -			- — From 754	
Taxable Income (Non-capital loss)				- = 10	793,400 •
Addition to taxable income for unused for	eion tax deduction for federal purposes		+ 11		
	11 (if 10 is negative, enter 11 )		= 20	793,400 .	
			Number of Doug in Taxa	tion Vort	
			Number of Days in Taxa Days after Dec. 31, 2002		
Taxable Income			Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days	
From 10 (or 20 if applicable)	793,400 • × 30 100.0000 %		33	365 = + 29	•
	Ontario Allocation	1	Days after Dec. 31, 2003	Total Days	
From 10 (or 20 if applicable)	793,400 • × 30 100.0000 %		34 <u>365</u> ÷ 73	365 = + 32	111,076 •
Les and Tree Develope () (	Ontario Allocation	1 		= 40	111,076 .
Income Tax Payable (before deduct	tion of tax credits) 29 + 32			- 40	
Incentive Deduction for Small If this section is not completed, the I Did you claim the federal Small Busir federal Small Business Deduction ha	DSBC will be denied. ness Deduction (fed.s.125(1)) in the ta	axation year or wo	ould you have claimed th n the taxation year? (X)	e	Yes X No
* Income from active business carried or	ı in Canada for federal purposes (fed.s.1	125(1)(a))	50		
Federal taxable income, less adjustment	for foreign tax credit (fed.s.125(1)(b))	+ 51			
	d for federal purposes (fed.s.111)	+ 52			
Subtract: Losses of other years deducte		- 53			
		=	• 54	•	
Fer Business limit (line 410 of the Tablet, the application of fed.s.125(5.1)	Return) for the year	55	•		
Ontario Business Limit Calculation					
Days after Dec. 31, 2002 and before Jan 1, 2004					
	365 = + 46	6			
Days after Dec 31, 2003	$\equiv$				
**	365 = + 47	Percentage o Business (from T2 Sche Enter 100 not associ	limit edule 23). )% if		
Business Limit for Ontario purposes 46 + 47	= 44	X 48 .	% = 45	•	
		<u> </u>			1
Income eligible for the IDSBC	Fr	the second	0000 % x 56 rio Allocation Least o	• = 60 f 50 , 54 or 45	•

\* Note: Modified by s.41(6) and (7) for corporations that are members of a partnership. (Refer to Guide.)

\*\* Note: Adjust accordingly for a floating taxation year and use 366 for a leap year.

\*\*\* Note: Ontario Allocation for IDSBC purposes may differ from 30 if Taxable Income is allocated to foreign jurisdictions. See special rules (s.41(4)).

continued on Page 5

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23	Page 5 of 20
E.L.K. Energy Inc.	1800085	2005-12-31		DOLLARS ONLY
Income Tax continued from Page 4				
	Numbe	er of Days in Taxation Year		
		r Dec 31, 2002 e Jan 1, 2004 Total Days		
Calculation of IDSBC Rate	7% × 31		+ 89	
		r Dec 31, 2003 Total Days		
	8.5 % × 34	265		8 5000
IDSBC Rate for Taxation Year 89 + 90 -		<u>365</u> ÷ <u>73</u> <u>365</u> =	+ 90 = 78	8.5000 8.5000
Claim From	m 60 X From 78	8.5000 %	= 70	•
Corporations claiming the IDSBC must complete the Surta	x section below if the corporation's taxable incom	)		
(or if associated, the associated group's taxable income) is	greater than the amount	n 114 below.		
Surtax on Canadian-controlled Private Co	rporations (s.41.1)			
Applies if you have claimed the Incentive Deduction for Sn	nall Business Corporations.			
Associated Corporation - The Taxable Income of association the taxation year ending on or before the date of this contract of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on or before the date of the taxation year ending on yea	ated corporations is the taxable income rporation's taxation year end.			
*T: //e Income of the corporation		) (or 20 if applicable)	+ 80	
			1	
If you are a member of an associated group (X)	81 (Yes) Ontario Corporations Tax			
Name of associated corporation (Canadian & foreign)	Account No. (MOF) (if applicable)	Taxation Year End		<ul> <li>Taxable Income (if loss, enter nil)</li> </ul>
(if insufficient space, attach schedule)			+ 82	•
			+ 83	
			+ 84	
Aggregate Taxable Income 80 + 82 + 8	33 + 84 , etc.		= 85	
Number of Days in Taxati	on Year			
Days after Dec 31, 2002 and before Jan 1, 2004	otal Days			
320,000 × 31 ÷ 73	365 = + 115			
Days after Dec. 31, 2003	otal Days			
400,000 × 34 365 ÷ 73	365 = + 116			
[115]	+ 116 =		- 114	
(If negative, enter nil)			= 86	•
		er of Days in Taxation Year er Dec 31, 2002 Total Days		
Calculation of Specified Rate for Surtax	4.6670 % × 38		+ 97	
From 86	• X From 97 . % -		87	•
From 87	• X From 60 • ÷ From	<u>[114]</u> • =	88	•
Surtax Lesser of 70 or 88			100	

\* Note: Short Taxation Years - Special rules apply where the taxation year is less than 51 weeks for the corporation and/or any corporation associated with it.

DOLLARS ONLY

y is guidance. It is black and the course allowances but excluding amounts from sale of Canadian Profils fr. by your activation depletion purposes, after deducting applied and resource allowances but excluding amounts from sale of Canadian Profils fr. by your activation between the sale of Canadian Profils fr. by your activative business income automates from manufacturing and concessing, mining, family, logging or fairing is 20% or less of the total active business income and b). The total active business income is 3250.0000 or sets. It is the total active business income sale scale active business income and b). The total active business income is 3250.0000 or sets. It is the total active business income sale scale active business income and b). The total active business income is 3250.0000 or sets. It is the total active business income active business income and b). The total active business income is 3250.0000 or sets. It is the total active business income sale business income active business income active business income is 3250.0000 fits = ream 728.85000 fits = ream 728.400 is another comparisons = ream 728.85000 fits = ream 728.400 is another comparisons = ream 728.85000 fits = ream 728.400 is another comparisons = ream 728.400 is another comparison set is another comparisons = ream 728.400 is another comparison = ream 728.400 is another comparisons = ream 728.400 is another comparison = re	Additional Deduction for Credit Unions (s.51(4)) (Attach schedule 17)
page/set to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined         ligible Canadian Profits from manufacturing and processing, farming, mining, as determined for Ontario deplotion purpose.       if determine days in the detecting applies to the active business income and by the solar of an active business income and by the solar of an active business income and by the solar of the active business income and by the solar of the active business income and by the solar of the active business income and by the solar of the active business income and by the solar of the active business income and by the solar of the active business income and by the solar of the active business income and by the solar of the active business income and by the solar of the active business income and by the solar of the active business income and by the solar of the active business income and by the solar of the active business income and by the solar of the active business income and by the solar of the active business income and by the solar of the active business income active business income and by the solar of the active business income active business incom	Manufacturing and Processing Profits Credit (M&P) (s.43)
spletion and resource attowneds but excluding anounts from sale of Canadian resource property, findlas or ryshifes. If you are claiming this dream. The whole of the active business income gualities as Eligible Canadian Profits (f) your active business income from sources ofter than manufacturing and recessing, including, family, logging or family is 20% or less of the total active business income from sources ofter than manufacturing and recessing, including, family, logging or family is 20% or less of the total active business income from sources ofter than manufacturing and recessing, including controlled prime corporations (DBBC) = reme (10) =	Applies to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.
rocessing, mining, familing, legging of fashing is 20% or less of the total active business income and b) the total active business income active base in the total active business income and b) the total active business income and b) the total active business income and b) the total active business income active base in the total active bactive bactines in the total active bacti	Eligible Canadian Profits from mining are the "resource profits from the mining operations", as determined for Ontario depletion purposes, after deducting depletion and resource allowances but excluding amounts from sale of Canadian resource property, rentals or royalties. If you are claiming this credit, attach a copy of Ontario schedule 27.
applied chandle income eligible for the incentive Deduction for Small Business Corporations (IDSBC)       From 100       From 100         add:       Adjustment for Surtax on Canadian-controlled private corporations       •       •         contract Allocation       •       •       •         add:       Adjustment for Surtax on Canadian-controlled private corporations       •       •         contract Allocation       •       •       •       •         Contract Allocation       •       •       •       •         Contract Allocation       •       •       •       •       •         Contract Allocation       •       •       •       •       •       •         Contract Allocation       •	The whole of the active business income qualifies as Eligible Canadian Profits if: a) your active business income from sources other than manufacturing and processing, mining, farming, logging or fishing is 20% or less of the total active business income and b) the total active business income is \$250,000 or less.
The first end of the f	Eligible Canadian Profits + 120
100 + From 100 + Fro	Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)
"Ontario Allocation         esser of 60 or 121         120 - 66 + 122         isaxhile income         isaxhile income eligible for the incentive Deduction for Small Business Corporations (IDSBC)         isaxhile income         isdiction         isdi         isdiction	Add: Adjustment for Surtax on Canadian-controlled private corporations
ease if is the interview of isolation of the interview of isolation of the interview of isolation isolation interview of isolation isolation interview of isolation isolation isolation interview of isolation isolation isolation isolation interview of isolation isola	
$\frac{1}{22} = \frac{1}{100}$ $\frac{1}{122}$ $\frac{1}{223}$ $\frac{1}{233}$ $\frac{1}{$	esser of 56 or 121 + 122
address income eligible for the incentive Deduction for Small Business Corporations (IDSBC)       - From 160         vide:       Adjustments for Surtax on Canadian-controlled private corporations       + Frem 122         vide:       Adjustments for Surtax on Canadian-controlled private corporations       + Frem 122         vibitract:       Travable Income       100       233,400       X Allocation % to jurisdictions outside Canada       %       1440       230,563         10       - 66       + 122       - 1441       230,563       -       1441       230,563         10       - 66       + 122       - 1441       -       142       562,837         10       - 66       + 122       - 1441       -       142       562,837         10       - 66       + 122       - 1441       -       142       562,837         10       - 66       + 122       - 1441       -       142       562,837         10       - 66       + 122       - 1441       -       156       -       156       + 122       -       562,837         10       - 66       + 122       - 1441       -       -       562,837       -       -       -       562,837       -       -       -       -	120 - 56 + 122 = 130
Adjustments for Surfax on Canadian-controlled private corporations       +       From 122       +         Subtract:       Taxable Income       703,400       X Allocation % to jurisdictions outside Canada       %       -       140       -         Subtract:       Amount by which Canadian and foreign investment income exceeds net capital losses       -       140       -       230,563         10       -       66       +       722       141       -       562,837         Chaim       -       143       -       141       -       -       142       562,837         Chaim       -       143       -       141       -       -       142       562,837         Chaim       -       143       -       X From 30       100,0000 % X       1,5 % X       203       +       733,365       =       +       166       +       166       +       166       +       166       -       0 <td>Faxable Income + From 10 793,400</td>	Faxable Income + From 10 793,400
Adjustments for Surfax on Canadian-controlled private corporations       +       From 122       +         Subtract:       Taxable Income       70       793,400       X       X       Form 122       +       140       -       140       -       140       -       140       -       140       -       140       -       141       230,563         10       -       66       +       722       -       140       -       141       230,563         10       -       66       +       722       -       140       -       142       230,563         10       -       66       +       722       -       140       -       142       562,837         Chain       -       143       -       X       From 30       100,0000       %       X       1,5%       X       133       +       73       365       =       +       166       -       -       166       -       0       100,0000       %       X       136       473       365       =       +       166       -       -       166       -       -       166       -       -       166       -       -       166       <	Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)
biblitract:       Taxable Income       10       793,400       X Allocation % to jurisdictions outside Canada       %       -       140       230,563         biblitract:       Amount by which Canadian and foreign investment income exceeds net capital losses       -       141       230,563         10       -       56       +       122       -       140       -       230,563         10       -       56       +       122       -       140       -       230,563         10       -       56       +       122       -       140       -       142       552,837         Claim       -       -       143       -       × From       30       100,0000 % ×       1.5 % ×       200       Total Days       =       +       156       -       -       156       -       +       156       -       -       100,0000 % ×       2 % ×       ×       2 365       +       156       -       -       -       166       -       -       -       166       -       -       -       140       230,563       -       -       166       -       -       -       166       -       -       -       166       -       -	
Bubtract:       Amount by which Canadian and foreign investment income exceeds net capital losses       -       -       141       230,563 •         10       -       56       +       122       -       140       -       230,563 •         10       -       56       +       122       -       140       -       230,563 •         10       -       56       +       122       -       140       -       230,563 •         11       -       560       +       122       -       140       -       230,563 •         12       -       560       +       122       -       140       -       230,563 •         12       -       140       -       141       230,563 •       -       141       230,563 •         12       -       140       -       140       -       140       -       120,563 •       -       141       230,563 •       -       141       230,563 •       -       141       230,563 •       -       141       230,563 •       -       141       230,563 •       -       141       230,563 •       -       141       230,563 •       -       141       1230,563 •       -	
10 $= 100$ $100$ <td< td=""><td></td></td<>	
$\begin{bmatrix} 443 & & & & & & & & & & & & & & & & & &$	10 - 56 + 122 - 140 - 141 - 141 - 142 562,837
143       • × From       30       100.0000 % ×       1.5 % ×       33       + 73       365       =       + 154       •         143       • × From       30       100.0000 % ×       2 % ×       34       365       =       + 158       •         143       • × From       30       100.0000 % ×       2 % ×       34       365       + 73       365       =       + 158       •         143       • × From       30       100.0000 % ×       2 % ×       34       365       + 73       365       =       + 158       •         143       • × From       30       100.0000 % ×       2 % ×       34       365       + 73       365       =       + 158       •         145       • Ontario Allocation       150 or 142       • Ontario Allocation       =       160       •       •         161       • Ontario Allocation for M&P Credit purposes may differ from       30       if Taxable income is allocated to foreign jurisdictions. See special rules (s.43(1))         Wanufacturing and Processing Profits Credit for Corporations that Produce       =       =       •       •       •       •       •       •       •       •       •       •       •       •       •	Claim Number of Days In Taxation Year Days after Dec. 31, 2002 and before Jan 1, 2004 Total Days
$\begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} \begin{array}{c} $	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$
A&P claim for taxation year       154 + 156       = 160       •         A*       Ontario Allocation for M&P Credit purposes may differ from       30       if Taxable Income is allocated to foreign jurisdictions. See special rules (s.43(1))         Manufacturing and Processing Profits Credit for Electrical Generating Corporations       = 161       •         Manufacturing and Processing Profits Credit for Corporations that Produce       = 162       •         Manufacturing and Processing Profits Credit for Corporations that Produce       = 162       •         Manufacturing and Processing Profits Credit for Corporations that Produce       = 162       •         Manufacturing and Sell Steam for uses other than the Generation of Electricity       = 162       •         Credit for Foreign Taxes Paid (s.40)       Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule).       170       •         Credit for Investment in Small Business Development Corporations (SBDC)       Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations Act       Eligible Credit 175       Credit Claimed 180       •         Eligible Credit 175       •       Credit Claimed 180       •       •       •       •         Subtotal of Income Tax       40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180       = 190       1	$\begin{bmatrix} 143 \\ 0 \\ 143 \end{bmatrix} = \frac{1}{100.0000} \% \times 2\% \times 2\% \times \begin{bmatrix} 0 \\ 34 \\ 365 \\ 0 \\ 365 \end{bmatrix} = +\begin{bmatrix} 156 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ 0 \\ $
Manufacturing and Processing Profits Credit for Electrical Generating Corporations       = 161         Manufacturing and Processing Profits Credit for Electrical Generating Corporations       = 161         Manufacturing and Processing Profits Credit for Corporations that Produce       = 161         and Sell Steam for uses other than the Generation of Electricity       = 162         Credit for Foreign Taxes Paid (s.40)       = 170         Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule).       = 170         Credit for Investment in Small Business Development Corporations (SBDC)       = 100         Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)         Eligible Credit 175	
Manufacturing and Processing Profits Credit for Electrical Generating Corporations       = 161         Manufacturing and Processing Profits Credit for Corporations that Produce       = 162         and Sell Steam for uses other than the Generation of Electricity       = 162         Credit for Foreign Taxes Paid (s.40)       =         Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule).       170         Credit for Investment in Small Business Development Corporations (SBDC)       -         Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)         Eligible Credit 175       Credit Claimed 180         Subtotal of Income Tax       40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 = 190	
Manufacturing and Processing Profits Credit for Corporations that Produce       = 162         and Sell Steam for uses other than the Generation of Electricity       = 162         Credit for Foreign Taxes Paid (s.40)       =         Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule).       170         Credit for Investment in Small Business Development Corporations (SBDC)       -         Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)         Eligible Credit 175       •         Credit Claimed 180       •         Automation of the prior of the pr	• M Ontario Allocation for M&P Credit purposes may differ from 30 if Taxable income is allocated to foreign jurisdictions. See special rules (3.45(7))
and Sell Steam for uses other than the Generation of Electricity       = 162         Credit for Foreign Taxes Paid (s.40)         Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule).       170         Credit for Investment in Small Business Development Corporations (SBDC)         Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)         Eligible Credit 175       Credit Claimed 180         Gubtotal of Income Tax       40 - 70 + 100 - 110 - 180 - 161 - 162 - 170 - 180       = 190	Manufacturing and Processing Profits Credit for Electrical Generating Corporations
Credit for Foreign Taxes Paid (s.40)         Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule).         170         Credit for Investment in Small Business Development Corporations (SBDC)         Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)         Eligible Credit 175       Credit Claimed 180         6       0       111,076	Manufacturing and Processing Profits Credit for Corporations that Produce
Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule).       170         Credit for Investment in Small Business Development Corporations (SBDC)         Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)         Eligible Credit 175       Credit Claimed 180         Subtotal of Income Tax       40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180       = 190	
Credit for Investment in Small Business Development Corporations (SBDC)         Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)         Eligible Credit 175       •         Credit Claimed 180       •         Subtotal of Income Tax       40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 = 190	Credit for Foreign Taxes Paid (s.40)
Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)         Eligible Credit 175       •         Credit Claimed 180       •         Subtotal of Income Tax       40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 = 190	Applies if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001R). (Attach schedule).
Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small Business Development Corporations Act)         Eligible Credit 175       •         Credit Claimed 180       •         Subtotal of Income Tax       40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 = 190	Credit for Investment in Small Business Development Corporations (SBDC)
Eligible Credit 175       Credit Claimed 180         Subtotal of Income Tax       40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180        = 190       111,076	Applies if you have an unapplied, previously approved credit from prior years' investments in new issues of equity shares in Small Business Development Corporations. Any unused portion may be carried forward indefinitely and applied to reduce subsequent years' income taxes. (Refer to the former Small
continued on Page 7	Subtotal of Income Tax 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 = 190 111,076
	continued on Page 7

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 7 of 20
E.L.K. Energy Inc.	1800085	2005-12-31	DOLLARS ONLY
Income Tax continued from Page 6			0
Specified Tax Credits (Refer to Guide)			
Ontario Innovation Tax Credit (OITC) (s.43.3) A Eligible Credit From 5620 OITC Claim Form (Attach origin		elopment in Ontario.	+ 191
Co-operative Education Tax Credit (CETC) (s.4 Eligible Credit From 5798 CT23 Schedule 113 (Attach Sc			+[192]
Ontario Film & Television Tax Credit (OFTTC) Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Eligible Credit From 5850 of the Certificate of Eligibility is: (Attach the original Certificate of Eligibility)	Name of Production	on (OMDC)	+ 193
Graduate Transitions Tax Credit (GTTC) (s.43.6 Applies to employment of eligible unemployed post second commencing prior to July 6, 2004 and expenditures incurre Eligible Credit From 6598 CT23 Schedule 115 (Attach Sci	dary graduates, for employment [194] ed prior to January 1, 2005.	of Graduates From 6596	+ 195
Ontario Book Publishing Tax Credit (OBPTC) Applies to qualifying expenditures in respect of eligible lite Eli, Credit From 6900 OBPTC Claim Form (Attach be	rary works by eligible Canadian authors.	Eligibility)	+ 196
Ontario Computer Animation and Special Effe Applies to labour relating to computer animation and spec Eligible Credit From 6700 of the Certificate of Eligibility is (Attach the original Certificate of Eligibility)	ial effects on an eligible production.	ion (OMDC)	+ 197
Ontario Business-Research Institute Tax Cred Applies to qualifying R&D expenditures under an eligible r Eligible Credit From 7100 OBRITC Claim Form (Attach of	research institute contract. original Claim Form)		+ 198 •
Ontario Production Services Tax Credit (OPST Applies to qualifying Ontario labour expenditures for eligib Eligible Credit From 7300 of the Certificate of Eligibility is (Attach the original Certificate of Eligibility)	le productions where the OFTTC has not been cl		+ 199
Ontario Interactive Digital Media Tax Credit (CApplies to qualifying labour expenditures of eligible productEligible CreditFrom 7400 of the Certificate of Eligibility is(A:the original Certificate of Eligibility)	cts for the taxation year.	ion (OMDC)	+ 200
Ontario Sound Recording Tax Credit (OSRTC) Applies to qualifying expenditures in respect of eligible Ca Eligible Credit From 7600 OSRTC Claim Form (Attach b	anadian sound recordings.	Eligibility)	+ 201
Apprenticeship Training Tax Credit (ATTC) (s. Applies to employment of eligible apprentices Eligible Credit From 5898 CT23 Schedule 114 (Attach St	202	b, of Apprentices From 5896	+ 203
Other (specify)			+ 203.1
Total Specified Tax Credits 191 + 192 + 193	+ 195 + 196 + 197 + 198 + 199 + 200 +	201 + 203 + 203.1	= [220]
Specified Tax Credits Applied to reduce Income	Tax		= 225
Income Tax 190 – 225 OR Enter NIL if report To determine if the Corporate Minimum Tax (CMT) is on Page 8. If CMT is not applicable, transfer amount	rting Non-Capital Loss (amount cannot be negativ applicable to your Corporation, see Determination in 230 to Income Tax in Summary section on	on of Applicability section f	= 230 <u>111,076</u>

OR

If CMT is not applicable for the current taxation year but your corporation has CMT Credit Carryovers that you want to apply to reduce income tax otherwise payable, then proceed to and complete the **Application of CMT Credit Carryovers** section part B, on **Page 8**.

## **Corporate Minimum Tax (CMT)**

CT23 Page 8 of 20

DOLLARS ONLY

Total Assets of the corporation	12	4	÷.	÷.	÷	÷		2	ж 0		÷		-			*		æ	+	-[2	240			2	23,8	850	,118	•				
Total Revenue of the corporation		4		2	-		-	-	s sa	-	÷	ų,	÷	-	-		e 1.	<		- 124		a 19	2.5		•	•		+	- [2	241	 21,0	12,924 .

The above amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

If you are a member of an	associated group (X)	242 X (Y	(es)					
Name of associated corporation (if insufficient space, attach sch		Ontario Corpo Account No. (N (if applicable)		Taxation Year End	Tot	tal Assets	Tot	al Revenue
E.L.K. SOLUTIONS INC.		1800362		2005-12-31	+ 243	400,033 •	+ 244	291,070 •
		-			+ 245	•	+ 246	•
					+ 247		+ 248	•
Aggregate Total Assets	240 + 243 + 245 +	247 , etc.			= 249	24,250,151 .	[]	24 202 004
Aggregate Total Revenue	241 + 244 + 246 +	248 , etc.					= 250	21,303,994 •

#### **Determination of Applicability**

Applies if either Total Assets 249 exceeds \$5,000,000 or Total Revenue 250 exceeds \$10,000,000.

Short Taxation Years – Special rules apply for determining total revenue where the taxation year of the corporation or any associated corporation or any fiscal period of any partnership(s) / joint venture(s) of which the corporation or associated corporation is a member, is less than 51 weeks.

Associated Corporation – The total assets or total revenue of associated corporations is the total assets or total revenue for the taxation year ending on efore the date of the claiming corporation's taxation year end.

If CMT is applicable to current taxation year, complete section Calculation: CMT below and Corporate Minimum Tax Schedule 101.

#### Calculation: CMT (Attach Schedule 101.)

Gross CMT Payable CMT Base From Schedule 101 2136 1,302,376 Y From 30 100.0000 % X 4 % = 276 52, If negative, enter zero Ontario Allocation	,095 🖕
Subtract: Foreign Tax Credit for CMT purposes (Attach Schedule)	,076 •
Net CMT Payable (If negative, enter Nil on Page 17.)	,981 .
If 280 is less than zero and you do not have a CMT credit carryover, transfer 230 from Page 7 to Income Tax Summary, on Page 17. If 280 is less than zero and you have a CMT credit carryover A & B below. If 280 is greater than or equal to zero, transfer 230 to Page 17 and transfer 280 to Page 17, and to Part 4 of Schedule 101: Continuity of CMT Credit Carryovers.	
CMT Credit Carryover available From Schedule 101 From 2333	
A. Income Tax (before deduction of specified credits) Gross CMT Payable + From 276 52,095 • Subtract: Foreign Tax Credit for CMT purposes - From 277 • If 276 - 277 is negative, enter NIL in 290 = 52,095 • 290 52,	2,076 • 2,095 • 3,981 •
Subtract: CMT credit used to reduce income taxes	.,076 • • ,076 • page 17
If A & B apply, 310 cannot exceed the lesser of 230, 300 and your CMT credit carryover available 2333.	

Corporation's Legal Name	Ontario Corporations T	ax Account No. (MOF)	Taxation Year End	CT23 Page 9 of 20
E.L.K. Energy Inc.	1800085		2005-12-31	DOLLARS ONLY
Capital Tax (Refer to Guide and Int.B. 3011R)				
If your corporation is a Financial Institution (s. 58(2)), comple [430] on page 10 then proceed to page 13. If your corporation is not a member of an associated group and the Gross Revenue and Total Assets as calculated on and [430] are both \$3,000,000 or less, your corporation is Tax for the taxation year, except for a branch of a non-resid A corporation that meets these criteria should disregard all Tax items (including the calculation of Taxable Capital). End on page 12 and complete the return from that point. All other compute their Taxable Capital in order to determine their Ca Members of a partnership (limited or general) or a joint venture all financial statements of each partnership or joint venture of a member. The Paid-up Capital of each corporate partner member. Members be included if the pa a corporation. If Investment Allowance is claimed, Total Asset	and/or partnership page 10 in 480 exempt from Capital dent corporation. other Capital er NIL in 550 er corporations must apital Tax payable. ure, must attach of which they are just include its rtnership were	and by deducting invest corporation's balance s (s.61(5)). Special rules Any Assets and liabiliti venture must be include liabilities when calcular Special rules and rates s.69(3)). Paid-up Capital of No non-resident subject to not carried on solely Income in Canada divi	thents in the partnership sheet, in addition to any o apply to limited partners es of a corporation that a led along with the corpora- ting its Taxable Paid-up Ca- apply to Non-Resident co- on-resident: Paid-up cap tax by virtue of s.2(a) or in Canada is deemed to	ther required adjustments hips (Int.B. 3017R). re being utilized in a joint ation's other Assets and Capital. corporations (s.63, s.64 and bital employed in Canada of a (b), and whose <b>business is</b> be the <b>greater</b> of (1) taxable tal assets in Canada minus
Paid-up Capital				
Paid-up capital stock (Int.B. 3012R and 3015R)				- + 350 100 •
Retained earnings (if deficit, deduct) (Int.B. 3012R)				- ± 351 8,128,165 •
Capital and other surpluses, excluding appraisal surplus (In	t B 3012R) -			- + 352 4,402,373 •
Loans and advances (Attach schedule) (Int.B. 3013R)				- + 353 6,307,425 •
Be vans (Int.B. 3013R)				- + <u>354</u>
Balmers acceptances (Int.B. 3013R)				- + <u>355</u>
Bonds and debentures payable (Int.B. 3013R) -				- + 356
Mortgages payable (Int.B. 3013R)				- + 357
Lien notes payable (Int.B. 3013R)				- + 358
Deferred credits (including income tax reserves, and deferred	ed revenue where it would	d also		
be included in paid-up capital for the purposes of the large	corporations tax) (Int.B. 3	013R)		- + 359 <u>-1,128,000</u>
Contingent, investment, inventory and similar reserves (Int.I				- + 360 650,037 •
Other reserves not allowed as deductions for income tax put			* * * * * * * *	- + 361
Share of partnership(s) or joint venture(s) paid-up capital (A	ttach schedule(s)) (Int.B	. 3017R)		- + 362
Subtotal				- = <u>370</u> <u>18,360,100</u>
Subtract: Amounts deducted for income tax purposes i (Retain calculations. Do not submit.) (Int.B. 3		ked 		371762,196 •
Deductible R & D expenditures and ONTTI c if not already deducted for book purposes (In		tax		372
Total Paid-up Capital				- = 380 17,597,904 •
Su st: Deferred mining exploration and development	expenses (s.62(1)(d)) (l	nt.B. 3015R)		[381]
Electrical Generating Corporations Only to the extent that they have been deducted by for the current or any prior taxation year, that <i>Corporations Tax Act</i> , and the assets are use energy source and are qualifying property as Net Paid-up Capital	<ul> <li>All amounts with respe- the corporation in comp are deductible by the cor ed both in generating ele prescribed by regulation</li> </ul>	ct to electrical generating uting its income for incor poration under clause 11	ne tax purposes (10)(a) of the	<u>382</u> - = <u>390</u> 17,597,904 •

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

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

Bonds, lien notes and similar obligations, (similar obligations, e.g. stripped interest coupons, applies to taxation years ending after October 30, 1998)												402	
Mortgages due from other corporations			۰	•		7	•			•		403	•
Shares in other corporations (certain restrictions apply) (Refer to Guide)				•			20			Ξ.		404	100 •
Loans and advances to unrelated corporations	-				•	- (9)	260		÷	5		405	•
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)			190 - E			- 90					. +	406	•
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)	•	3 <b>1</b> 1	( <b>.</b>		•	- 90		20	e.	8	- +	407	•
Total Eligible Investments	35						•	۰.	•	ž.	8 =	410	100 .

continued on Page 10	continu	ied o	n Pac	ie 10	)
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#### Capital Tax continued from Page 9

#### CT23 Page 10 of 20

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Total Assets (Int.B. 3015R)	DOLLARS ONLY
	23,850,118 •
Total Assets per balance sneet	
Mongages or other habilities deducted from assets	
Share of partnership(s)/joint ventore(s) total assets (Attach schedule)	•
Subtract: Investment in partnership(s)/joint venture(s)	•
Total Assets as adjusted =	23,850,118 .
Amounts in 360 and 361 (if deducted from assets) + 440	
Subtract: Amounts in 371, 372 and 381 441	762,196 •
Subtract: Appraisal surplus if booked	
+ 40	
Add of Subtract. Other aujustments (specify on an attached schedule)	
Total Assets	
Investment Allowance (410 ÷ 450) × 390 Not to exceed 410 = 460	76 .
Taxable Capital         390         460         470	
Gross Bevenue (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue) 480	21,012,924 .
Gross Revenue (as adjusted to include the share of any participant to hard(a) and a share of any participant to hard (a) and a share of any participant to hard (a) and (b) an	
Total Assets (as adjusted)	23,850,118 •

# Calculation of Capital Tax for all Corporations except Financial Institutions

**Note:** This version (2004/2005) of the CT23 may only be used for a taxation year that commenced after December 31, 2002. Financial Institutions use calculations on page 13.



If the corporation is a family farm corporation, family fishing corporation or a credit union that is not a Financial Institution, complete only Section A below.

- **OR** If the corporation is **not** a member of an associated group and/or partnership, complete Section B below, then review only the Capital Tax calculations in Section C below, selecting and completing the one specific subsection (e.g. C3) that applies to the corporation.
- OR If the corporation is a member of an associated group and/or partnership, complete Section B below and Section D on page 11, and if applicable, complete Section E or Section F on page 12. Note: if the corporation is a member of a connected partnership, please refer to the 2004/2005 CT23 Guide for additional instructions before completing the Capital Tax section.

#### SECTION A

This section applies only if the corporation is a family farm corporation, a family fishing corporation or a credit union that is not a Financial Institution (Int.B. 3018).

Enter NIL in 550 on page 12 and complete the return from that point.

#### SECTION B

$5,000,000 \times 35 + 73 365 = + 500 - 0 = 0$ $7,500,000 \times 35 + 73 365 = + 501 - 7,500,000 - 0 = 0 = 0$ $7,500,000 \times 365 + 73 365 = + 502 - 0 = 0 = 0 = 0$ $Taxable Capital Deduction (TCD) = 500 + 501 + 502 = 503 - 7,500,000 = 0 = 0 = 0$ $SECTION C$ This section applies if the corporation is not a member of an associated group and/or partnership. $C1. \text{ if } 430 \text{ and } 480 \text{ on page 10 are both $3,000,000 or less, enter NIL in } 550 \text{ on page 12 and complete the return from that point.}$ $C2. \text{ if } Taxable Capital in 470 \text{ is equal to or less than the TCD in } 503, emplete the following calculation and transfer the amount from } 523 \text{ to } 543 \text{ on page 12, and } 500 \text{ complete the return from that point.}$ $From 470 - 0 = 0$ $Days in texation year$	Calculation of Taxable Capital Deduction (TCD)	Number of Days in Taxation Year Days before Jan. 1, 2005 Total Days
$7,500,000 \times 36 365 \div 73 365 = +501 7,500,000 \bullet$ $37 \div 73 365 = +502 \bullet$ $Taxable Capital Deduction (TCD) 500 + 501 + 502 = 503 7,500,000 \bullet$ SECTION C This section applies if the corporation is not a member of an associated group and/or partnership. C1. If 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point. C2. If Taxable Capital in 470 is equal to or less than the TCD in 503, enter NIL in 550 on page 12 and complete the return from that point. C3. If Taxable Capital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point. $From \frac{470}{470} \bullet$	5,000,000	
10,000,000 × 37 ÷ 73 365 = + 502       •         Taxable Capital Deduction (TCD) 500 + 501 + 502 = 503 7,500,000 •         SECTION C         This section applies if the corporation is not a member of an associated group and/or partnership.         C1. If 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.         C2. If Taxable Capital in 470 is equal to or less than the TCD in 503, enter NIL in 550 on page 12 and complete the return from that point.         C3. If Taxable Capital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.         + From 470	7,500,000	x 36 365 $\div$ 73 365 = + 501 7,500,000 •
SECTION C         This section applies if the corporation is not a member of an associated group and/or partnership.         C1.       If 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.         C2.       If Taxable Capital in 470 is equal to or less than the TCD in 503, enter NIL in 550 on page 12 and complete the return from that point.         C3.       If Taxable Capital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.         +       From 470	10,000,000	
<ul> <li>This section applies if the corporation is not a member of an associated group and/or partnership.</li> <li>C1. If 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.</li> <li>C2. If Taxable Capital in 470 is equal to or less than the TCD in 503, enter NIL in 550 on page 12 and complete the return from that point.</li> <li>C3. If Taxable Capital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.</li> <li>C3. If Taxable Capital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.</li> </ul>	Taxable Capital Dedu	ction (TCD) $500 + 501 + 502 = 503 - 7,500,000$
<ul> <li>C1. If 430 and 480 on page 10 are both \$3,000,000 or less, enter NIL in 550 on page 12 and complete the return from that point.</li> <li>C2. If Taxable Capital in 470 is equal to or less than the TCD in 503, enter NIL in 550 on page 12 and complete the return from that point.</li> <li>C3. If Taxable Capital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.</li> <li>+ From 470</li> </ul>	SECTION C	
<ul> <li>C2. If Taxable Capital in 470 is equal to or less than the TCD in 503, enter NIL in 550 on page 12 and complete the return from that point.</li> <li>C3. If Taxable Capital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.</li> <li>+ From 470</li> </ul>	This section applies if the corporation is <b>not</b> a member of an associated grou	up and/or partnership.
C3. If Taxable Capital in 470 exceeds the TCD in 503, complete the following calculation and transfer the amount from 523 to 543 on page 12, and complete the return from that point.  + From 470	C1. If 430 and 480 on page 10 are both \$3,000,000 or less, enter N	IL in 550 on page 12 and complete the return from that point.
and complete the return from that point. + From 470	C2. If Taxable Capital in 470 is equal to or less than the TCD in 5	03, enter NIL in 550 on page 12 and complete the return from that point.
Description of the second s	and complete the return from that point.	ne following calculation and transfer the amount from 523 to 543 on page 12,
=       471       •       x       From 30       100.0000 % x       0.3 % x       555       365       = + 523         Ontario Allocation       365       (366 if leap year)       Transfer to 543 on page 12 a	- From 503	x         0.3 %         x         555         365          = +         523         •           n         365         (366 if leap year)         Transfer to         543         on page 12 and

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 11 of 20
E.L.K. Energy Inc.	1800085	2005-12-31	DOLLARS ONLY

# Capital Tax Calculation continued from Page 10

SECTION D

is section applies ONLY to a corp d/or partnership. You must check Section F.	poration that is a member of an associated either 509 or 524 and complete this s	group (excluding Financial Institu section before you can calculate y	tions and corporations e our Capital Tax Calculati	xempt from Capital ion under either Se	Tax) ction E				
1. 509 (X if applicable)	All corporations that you are associated	d with do <b>not</b> have a permanent e	stablishment in Canada.						
	If Taxable Capital 470 on page 10 is equal to or less than the TCD 503 on page 10, enter NIL in 550 on page 12 and complete the return from that point.								
	If Taxable Capital 470 on page 10 e 542 in Section E, and complete Secti	exceeds the TCD 503 on page ion E and the return from that poir	10, proc <del>ee</del> d to <b>Section B</b> ht.	E, enter the TCD ar	mount in				
2. X 524 (X if applicable)	One or more of the corporations that yo	ou are associated with maintains	a permanent establishm	ent in Canada.					
	You and your associated group may co Calculation below. Or, the associated g of the Corporations Tax Act, whereby f associated group. Once a ss.69(2.1) e required to file in accordance with the e referred to as <b>Net Deduction</b> ) of the c corporation in the group on the basis of multiplied by its Ontario allocation is to	proup may file an election under total assets are used to allocate the lection is filed, all members of the election and allocate a portion (pol apital tax effect relating to the TCI f the ratio that each corporation's	subsection 69(2.1) e TCD among the group will then be tion is henceforth D to each						
	The total asset amounts and Ontario al must be taken from each corporation's in the immediately preceding calendar	financial information from its last	or this calculation taxation year ending						
	In addition, although each corporation i amount as apportioned by the total ass reallocate the group's total Net Deducti group wishes, as long as the total of th total Net Deduction amount originally c	et formula, the group may, at the ion among the group on what ever e reallocated amounts does not e	group's option, · basis the corporate xceed the group's						
Determine aggregate taxable corporations exempt from c Names of associated corporations Institutions and corporations exem having a permanent establishmer (if insufficient space, attach sched	npt from Capital Tax) t in Canada	ding financial institutions and permanent establishment in C Ontario Corporations Tax Account No. (MOF) (if applicable)	<b>anada</b> Taxation Year End	Taxab	le Capital				
E.L.K. SOLUTIONS INC.		1800362	2005-12-31	+ 531	134,001				
				+ 532					
Aggregate Taxable Capital	470 + 531 + 532 + 533 , etc.			= 540	17,731,829				
	If 540 above is equal to or less year, is NIL. Enter NIL in 523 in section E o If 540 above is greater than the the TCD below in order to calcul	n page 12, as applicable. TCD 503 on page 10, the	corporation must cor	npute its share	of				
Fron	n 470 17,597,828 • ÷ From 540	17,731,829 • X From 5		· · · · · · · · · · · · · · · · · · ·	7,443,322 action E on page 1				
Ss.69(2.1) Election Filed									
591 (X if applicable)	Election filed. Attach a copy of Schedul Proceed to Section F on page 12.	e 591 with this CT23 Return.							
ontinued on Page 12									

# CT23 Page 12 of 20

DOLLARS ONLY

# Capital Tax Calculation continued from Page 11

SECTION E
This section applies if the corporation is a member of an associated group and/or partnership whose total aggregate Taxable Capital 540 on page 11 exceeds the TCD 503 on page 10.
Complete the following calculation and transfer the amount from 523 to 543, and complete the return from that point.
+ From $470$ $17,597,828 \bullet$ Total Capital Tax for the taxation year- $542$ $7,443,322 \bullet$ Days in taxation year== $471$ $10,154,506 \bullet$ ×From $30$ $100.0000$ % × $0.3$ % × $555$ $365$ ==+ $523$ $30,464$ Ontario Allocation* $365$ (366 if leap year)Transfer to $543$ and completethe return from that put
SECTION F
This section applies if a corporation is a member of an associated group and the associated group has filed a ss.69(2.1) election
+ From 470 X From 30 100.0000 % X 0.3 % = + 561 Ontario Allocation
Capital tax deduction from 995 relating to your corporation's Capital Tax deduction, on Schedule 591     From 995     From 995     S62     S62
Capital Tax 562 562 563
* If floating taxation year, refer to Guide.
Capital Tax before application of specified credits 30,46
Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide)
Capital Tax 543 - 546 (amount cannot be negative) = 550 30,46 Transfer to pag

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 13 of 20
E.L.K. Energy Inc.	1800085	2005-12-31	DOLLARS ONLY
Capital Tax continued from Page 12			
Calculation of Capital Tax for Financia	al Institutions		
1.1 Credit Unions only For taxation years commencing after May 4, 1999 er	nter NIL in 550 on page 12, and complete the return	from that point.	
1.2 Other than Credit Unions			
(Retain details of calculations for amounts in boxes	565 and 570. Do not submit with this tax return.)		
565       x       0.6 %       x         Lesser of adjusted       Taxable Paid Up Capital       x       x       x         and Basic Capital Amount       x <td>Days in taxatlon year X From 30 100.0000 % x 555 365 ÷ * Ontario Allocation</td> <td>365 (366 if leap year) =</td> <td>+ 569e</td>	Days in taxatlon year X From 30 100.0000 % x 555 365 ÷ * Ontario Allocation	365 (366 if leap year) =	+ 569e
570	Days in taxation year X From 30 100.0000 % x 555 365 ÷ * ate Ontario Allocation	365 (366 if leap year) =	+ 574]
Capital Tax for Financial Institutions – oth * If floating taxation year, refer to Guide.	her than Credit Unions (before Section 2)	569 + 574	= 575
2. Small Business Investment Tax Cre (Retain details of eligible investment calculation and, the credit issued in accordance with the Community	e <b>dit</b> if claiming an investment in CSBIF, retain the original l Small Business Investment Fund Act. Do not submit w	etter approving vith this tax return.)	
Allowable Credit for Eligible Investments -	ment in Community Small Business Investment Fund (		- 585
Capital Tax - Financial Institutions	- 585		= 586 Transfer to 543 on page 12
Pi _inium Tax (s.74.2 & 74.3) (Refer to	o Guide)		
(1) Uninsured Benefits Arrangements - <i>Applies</i> to Ontario-related uninsured benefits a	arrangements.	<u> </u>	= 588
(2) Unlicensed Insurance (enter premium tax payal (1) above, add both taxes together and enter tot		tions. If subject to tax under	
	is placing insurance for persons resident or property sit	uated in Ontario with	
Deduct: Specified Tax Credits applied to reduce pre	mium tax <i>(Refer to Guide)</i>		- 589
Premium Tax 588 - 589		* * * * * * * *	= 590 Transfer to page 17

DOLLARS ONLY

# Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

		Transfer to page 15
Add:	+ 601 560,655 •	
Federal capital cost allowance	+ 602 45,336	
Federal cumulative eligible capital deduction	+ 603 16,851 •	
Ontario taxable capital gain	+ 604 653,229 •	
Federal non-allowable reserves. Balance beginning of year	1 005	
Federal allowable reserves. Balance end of year	+ 606 650,037	
Ontario non-allowable reserves. Balance end of year	+ 607	
Ontario allowable reserves. Balance beginning of year	+ 608	
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	+ [609]	
Federal resource allowance ( <i>Refer to Guide</i> )	+ 610	
	+ 611	
Federal foreign exploration and development expenses	+ 617	
Management fees, rents, royalties and similar payments to non-arms' length non-residents		
Number of Days in Taxation Year		
Days after Dec. 31, 2002 and		
before Jan. 1, 2004 Total Days		
612 <u>• x 5 / 12.5 x 33</u> <u>÷ 73 365</u> =+ 633 <u>•</u>		
Days after Dec. 31, 2003 Total Days		
612x 5 / 14 x 34 365 ÷ 73 365 =+ 634		
	+ 613	
Total add-back amount for Management fees, etc. 633 + 634 =		
Federal Scientific Research Expenses claimed in year from line 460 of fed. form T661	+ 615	
excluding any negative amount in 473 from Ont. CT23 Schedule 161	+ 615	
Add any negative amount in 473 from Ont. CT23 Schedule 161	+ 616	
Federal allowable business investment loss	+ 620	
Total of other items not allowed by Ontario but allowed federally (Attach schedule)	+ 614	
	= 1,926,108 • 640	1,926,108 •
Total of Additions 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614		Transfer to page 15
Deduct:	FED FEE	
Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650 560,655 •	
Ontario cumulative eligible capital deduction	+ 651 45,336 •	
Federal taxable capital gain	+ 652 16,851 •	
Ontario non-allowable reserves. Balance beginning of year	+ 653 653,229 •	
Ontario allowable reserves. Balance end of year	+ 654	
Federal non-allowable reserves. Balance end of year	+ 655 650,037 •	
Federal allowable reserves. Balance beginning of year	+ 656	
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	+ 657	
Ontario depletion allowance	+ 658	
Ontario resource allowance (Refer to Guide)	+ 659	
Ontario current cost adjustment (Attach schedule)	+ 661	
CCA on assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	
Subtotal of deductions for this page 650 to 659 + 661 + 675	681 1,926,108 .	
Captoral of academonia for this bags [ [ [ ] [ [ [ [ [ [ [ [ [ [ [ [ [ [ [	Transfer to page 15	

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 15 of 20
E.L.K. Energy Inc.	1800085	2005-12-31	DOLLARS ONLY
	ederal income tax purposes with net income	e (loss)	
for Ontario purposes if amounts continued from Page 14	differ		
Net Income (loss) for federal income tax purpo	oses, per federal Schedule 1	$\mathbf{x} = \mathbf{x} + \mathbf{x} + \mathbf{z}$	From ± 600 795,505 •
Total of Additions on page 14 -			From = 640 1,926,108 •
Sub Total of deductions on page 14	From	= 681 1,92	6,108 •
Deduct:			
Ontario New Technology Tax Incentive ( (Applies only to those corporations whose (	ONTTI) Gross-up Ontario allocation is less than 100% in the current taxation yea	r.)	
Capital Cost Allowance (Ontario) (CCA) on intellectual property deducted in the current	prescribed qualifying		
ONTTI Gross-up deduction calculation: Gross-up of CCA			
From X	100 - From 662	= 663	•
From 30	100.0000 Ontario Allocation		
Workplace Child Care Tax Incentive (WC			
(Applies to eligible expenditures incurred p		= 666	
Qualifying expenditures:	• × 30 % × 100 From 30 100.0000 Ontario allocation	- [000]	•
Workplace Accessibility Tax Incentive (			
(Applies to eligible expenditures incurred p	rior to January 1, 2005.)		
667	• × 100 % × 100	= 668	
Qualifying expenditures:	From 30 100.0000 Ontario allocation		
Number of Employees accommodated	669		
Ontario School Bus Safety Tax Incentive ( <i>Applies</i> to the eligible acquisition of school after May 4, 1999 and before January 1, 20	buses purchased		
670	• X 30 % X 100	= 671	
Qualifying expenditures:	From 30 100.0000 Ontario allocation		
ational Technology Tax Incentive ( (Applies to eligible expenditures incurred p	ETTI) rior to January 1, 2005.)		
672	• × 15 % × 100	= 673	
Qualifying expenditures:	From 30 100.0000 Ontario allocation	- C	
Ontario allowable business investment	loss	+ 678	•
Ontario Scientific Research Expenses c	laimed in year in 477 from Ont. CT23 Schedule 161	+ 679	14 5 <b>.</b>
Amount added to income federally for a federal form T661, line 454 or 455 (if file	n amount that was negative on d after June 30, 2003)	+ 677	•
Total of other deductions allowed by Or	ntario (Attach schedule)	+ 664	•
Total of Deductions 681 + 663 + 66	6 + 668 + 671 + 673 + 678 + 679 + 677 + 664	= 1,92	26,108 • 680 1,926,108 •
Net income (loss) for Ontario Pu	rposes 600 + 640 - 680		= 690 795,505 • Transfer to page 4

#### CT23 Page 16 of 20

#### **Continuity of Losses Carried Forward**

DOLLARS ONLY

		Non-Capital Losses (1)	Total Capital Farm Loss Losses		Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
Balance a	t Beginning of Year	700 (2)	710 (2)	720 (2)	730	740	750
Add:	Current year's losses (7)	701	711	721	731	741	751
	Losses from predecessor corporations (3)	702	712	722	732		752
Subtotal		703	713	723	733	743	753
Subtract:	Utilized during the year to reduce taxable income	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	(4)
	Expired during the year	705		725	735	745	
	Carried back to prior years to reduce	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
Subtotal	taxable income (5)	707	717	727	737	747	757
Balance a	t End of Year	709 (8)	719	729	739	749	759

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

	Year of Origin (oldest year first) year month day	Non-Capital Losses	Non-Capital Losses of Predecessor Corporations	Total Capital Losses from Listed Personal Property only	Farm Losses	Restricted Farm Losses		
800	9th preceding taxation year 1997-09-30	817 (9)	860 (9)		850	870		
801	8th preceding taxation year 1998-09-30	818 (9)	861 (9)		851	871		
802	7th preceding taxation year 1999-09-30	819 (9)	862 (9)		852	872		
803	6th preceding taxation year 2000-09-30	820	830	840	853	873		
804	5th preceding taxation year 2001-09-30	821	831	841		874		
805	4th preceding taxation year 2001-12-31	822	832	842	855	875		
8	3rd preceding taxation year 2002-12-31	823	833	843	856	876		
807	2nd preceding taxation year 2003-12-31	824	834	844	857	877		
808	1st preceding taxation year 2004-12-31	825	835	845	858	878		
809	Current taxation year 2005-12-31	826	836	846	859	879		
Total	1	829	839	849	869	889		

#### 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 from 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) Include non-capital losses incurred in taxation years ending after March 22, 2004.

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	CT23 Page 17 of 20
E.L.K. Energy Inc.	1800085	2005-12-31	DOLLARS ONLY

#### 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.
- 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 the Minister, or
  - the day on which the Minister receives a request in writing from the 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 Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
Total amount of loss		910	920	930	940
Deduct: Loss to be carried back to preceding taxation and applied to reduce taxable income	years				
Predecessor Ontario Corporation's Tax Account No. (MOF) 901	Taxation Year Ending year month day	911	921	931	941
i) preceding 902	2002-12-31	912	922	932	942
ii) 2 <sup>nd</sup> preceding	2003-12-31	913	923	933	943
iii) 1 <sup>er</sup> preceding	2004-12-31	From 706	From 716	From 726	From 736
Total loss to be carried back					/
Balance of loss available for carry-forward	d	919	929	939	949

# Summary

Quinnin	July												
Income Ta	ax -		-	Ξ	÷	ŝ	+	Fro	m	23	0 or	320	111,076 •
Corporate	Minim	um T	ax		đ		-	Ð		+	From	280	•
Capital Ta	x ·		-	-	-	-	-	-		+	From	550	30,464 •
Premium <sup>-</sup>	Гах	-	-	-	-	-	8	3		+	From	590	•
To+-I Ta	x Pay	able	Э		-	-					=	950	141,540 •
Subuact:	Paym	ents		-	-	-	-	-	-	-		960	654,244 •
	Capit	al Ga	ins	Re	fund	d (s	.48	)			-	965	•
	Quali <sup>.</sup> Trust	fying Tax	Env Cre	viro dit	nme (Re	enta fer	al to (	Guid	de)		-	985	•
	Speci ( <i>Refe</i>				edit	s _	-	-	-	2		955	
	Other,	spec	cify	_							-		
Balance			-	-	-	-	-	-	-	-	=	970	-512,704 •
lf paymer	nt due		-	-		-		E	En	clo	sed *	990	
lf overpa	yment	: Ref	unc	<b>1</b> (F	Refei	r to	Gui	de)		-	=	975	512,704 •
					У	ear	mo	nth	da	y		í	
	Ар	ply t	• [			h.		10.7				980	(includes credit interest)
order in your Or	n Cana ntario C	dian f Corpo	funo prati	ds,   on's	pay s Ta	able ax A	e to	the oun	t N	ini o,	ster (MOI	<b>of Fin</b> F) on t	ution) or a money ance and print he back of ent 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)	
SANDRA SLATER	
Title	
DIRECTOR OF FINANCE	
Full Residence Address	
Signature	Date

**Note:** Section 76 of the *Corporations Tax Act* provides penalties for making false or misleading statements or omissions.

#### Corporate Minimum Tax (CMT) CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Acc	ount No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085		2005-12-31
Part 1: Calculation of CMT Base			
Banks - Net income/loss as per report accepted by Superintendent of Financ	ial Institutions (SFI)		
under the Bank Act (Canada), adjusted so consolidation/equity methods are r	not used.		
Life insurance corporations – Net income/loss before Special Additional Ta			0 1,141,786 .
	9 m m m m m m m m	± 210	U 1,141,700 •
Subtract (to the extent reflected in net income/loss): Provision for recovery of income taxes / benefit of current income taxes	+ 2101		
Provision for recovery of income taxes / benefit of current income taxes Provision for deferred income taxes (credits) / benefit of future		•	
income taxes	+ 2102 138,0	. 000	
Equity income from corporations	+ 2103	•	
Share of partnership(s)/joint venture(s) income	+ 2104	•	
Dividends received/receivable deductible under fed.s.112	+ 2105 1,2	10.	
Dividends received/receivable deductible under fed.s.113			
Dividends received/receivable deductible under fed.s.83(2)			
	+ 2108	•	
Federal Part VI.1 tax paid on			
dividends declared and paid, under fed.s.191.1(1)	+ 2109		
Subtotal		10 - 211	0 139,410 .
Ar 'o extent reflected in net income/loss):			
	+ 2111 300,0	000	
Provision for deferred income taxes (debits) / cost of future			
income taxes	+ 2112		
	+ 2113	•	
Share of partnership(s)/joint venture(s) losses	+ 2114		
Dividends that have been deducted to arrive at net income per Financial	0115		
Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	+ 2115	000 + 211	6 300,000 .
Subtotal	- 500,0		0
Add/Subtract: Amounts relating to s.57.9 election/regulations for disposals etc. of proper	ty for current/prior years		
	- 2118		
	- 2120	•	
	- 2122		
** Amounts relating to amalgamations			
(fed s 87) as prescribed in regulations			
	- 2124		
* Amounts relating to wind-ups (fed.s.88)			
as prescribed in regulations for current/ prior years	- 2126		
** Amounts relating to s.57.10 election/			
regulations for replacement re fed.s13(4), 14(6) and 44 for current/prior years + 2127	- 2128		
14(6) and 44 for current/prior years + 2127	2120	•	
ITA to the extent not otherwise deducted in			
determining CMT adjusted net income	- 2150		
Subtotal (Additions) =		+ 212	
Subtotal (Subtractions)	=	► - 213	
** Other adjustments		± 213	
Subtotal ± 2100 - 2110 + 2116 + 2129 - 2130 ± 2131		= 213	
** Share of partnership(s)/joint venture(s) adjusted net income/loss		<u>+</u> 213	
Adjusted net income (loss) (if loss, transfer to 2202 in Part 2: Continuity of CMT L	osses Carried Forward.)	= 213	1,302,376
Deduct: * CMT losses: pre-1994 Loss + Fr		•	
* CMT losses: other eligible losses	2211		
=		. ► - 213	
* CMT losses applied cannot exceed adjusted net income or increase a loss			
** Retain calculations. Do not submit with this schedule.		- [047	1 202 276
CMT Base		= 213	36 1,302,376 • the CT23 or Page 6 of the CT8
	ransier to CMT.	uase on raye o or	and when our age o or me or o

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#### Corporate Minimum Tax (CMT) CT23 Schedule 101

6123 3			
Corporatio	on's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. I	Energy Inc.	1800085	2005-12-31
	Continuity of CMT Losses Carried Forward		
Balance		+ 220'	
Add:	Current year's losses Losses from predecessor corporations on amalgamation NOTE (3) Losses from predecessor corporations on wind-up NOTE (3)	+ 2203 + 2204	
	Amalgamation (X) 2205 Yes Wind-up (X) 2206		-
	ents (attach schedule)	± 2200	3
	ses available 2201 + 2207 ± 2208	= 2209	9
Subtract Subtotal	<ul> <li>Pre-1994 loss utilized during the year to reduce adjusted net income</li> <li>Other eligible losses utilized during the year to reduce adjusted net income NOTE (4)</li> <li>Losses expired during the year</li> </ul>	+ 2211 + 2212 = ► - 2213	
Balance	s at End of Year NOTE (5) 2209 - 2213	= 2214	4
Nc .:			
balan	ce at beginning of the year. Attach schedule showing outation of pre-1994 CMT loss.	Include and indicate whether CMT losses ar amalgamation to which fed.s.87 applies and which fed.s.88(1) applies. (see s.57.5(8) and	l/or a wind-up to d s.57.5(9))
the ut	tilization of CMT losses can be restricted. (see s.57.5(3)	CMT losses must be used to the extent of th adjusted net income 2134 and CMT losses Amount in 2214 must equal sum of 2270	available 2209.

# Part 3: Analysis of CMT Losses Year End Balance by Year of Origin

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

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year	2260	2280
2	1997-09-30 8th preceding taxation year 1998-09-30	2261	2281
2242	7th preceding taxation year 1999-09-30	2262	2282
2243	6th preceding taxation year 2000-09-30	2263	2283
2244	5th preceding taxation year 2001-09-30	2264	2284
2245	4th preceding taxation year 2001-12-31	2265	2285
2246	3rd preceding taxation year 2002-12-31	2266	2286
2247	2nd preceding taxation year 2003-12-31	2267	2287
2248	1st preceding taxation year 2004-12-31	2268	[2288]
2249	Current taxation year 2005-12-31	2269	2289
Totals		2270	2290

The sum of amounts2270 + 2290must equal amount in2214

### Corporate Minimum Tax (CMT) CT23 Schedule 101

		1
Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2005-12-31
Part 4: Continuity of CMT Credit Carryovers		
Balance at Beginning of year NOTE (1)	+ 230	1
Add: Current year's CMT Credit (280 on page 8 of the CT23		
or 347 on page 6 of the CT8. If negative, enter NIL) + From 28	0 or 347	
Gross Special Additional Tax NOTE (2) 312 on page 5 of CT8.		
(Life Insurance corporations only.		
Others enter NIL.) + From 312		
Subtract Income Tax		
(190 on page 6 of the CT23 or		
page 4 of the CT8) From 190	- 2305	
Subtotal (If negative, enter NIL) =	= + 231	
Current year's CMT credit (If negative, enter NIL) 280 or 347 - 2305		
	+ 232	5
Amalgamation (X) 2315 Yes Wind-up (X) 2320 Ye		
Subtotal 2301 + 2310 + 2325	= 233	0
Adjustments (Attach schedule)	± 233	2
	= 233	3
	Transfer to Page 8 of	the CT23 or Page 6 of the C
Si act: CMT Credit utilized during the year to reduce income tax		
(310 on page 8 of the CT23 or 351 on page 6 of the CT8.) + From 31	0 or 351	
CMT Credit expired during the year	+ 2334	
Subtotal	= > - 233	5
Notes:	= 233	
1) Where acquisition of control of the corporation has occurred, the utilization	on of CMT credits can be restricted. (see s	.43.1(5))
in the second		

- (2) The CMT credit of life insurance corporations can be restricted (see s.43.1(3)(b)).
- (3) Include and indicate whether CMT credits are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.43.1(4))
- (4) Amount in 2336 must equal sum of 2370 + 2390.

## Part 5: Analysis of CMT Credit Carryovers Year End Balance by Year of Origin

	Year of Origin (oldest year first) year month day	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)	
2340	9th preceding taxation year	2360	2380	<i>2</i>
	1997-09-30			-
23-1	8th preceding taxation year	2361	2381	
	1998-09-30			
2342	7th preceding taxation year	2362	2382	
· · · · ·	1999-09-30			
2343	6th preceding taxation year	2363	2383	
	2000-09-30		_	
2344	5th preceding taxation year	2364	2384	
	2001-09-30			
2345	4th preceding taxation year	2365	2385	
	2001-12-31			
2346	3rd preceding taxation year	2366	2386	
	2002-12-31		[	
2347	2nd preceding taxation year	2367	2387	
	2003-12-31	(	(2000)	
2348	1st preceding taxation year	2368	2388	
	2004-12-31 Current taxation year			
2349	2005-12-31	2369	2389	
	2003-12-31	0070	2200	The sum of amounts
<b>Fotals</b>		2370	2390	must equal amount in

# Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Na	ime			Ontario Corporations Ta		Taxation Year End
E.L.K. Energy Inc.					0085	2005-12-31
CMT Losses Car				e.		
(i) Continuity o	f Pre-1994 CMT	Losses			Dradoooscor	s' Pre-1994 Loss
commencing after	1993	ne corp's 1st tax year		Corporation's Pre-1994 Loss	Amalgamation	Wind-Up
Less: Deducted in	the current year					
(max. = adj. Expired afte	. net income for the er 10 years	e year)				
Pre-1994 Loss Ca	rryforward	• • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •			4). ( <del></del>
– (ii) Continuity o (for losses o	occurring in tax	CMT Losses – Fili years commencing Opening Balance	ng Corporatio j after 1993) Adjustment		Expired	Closing Balance
10th Prior Year	1996-09-30					
9th Prior Year	1997-09-30					
81 Jior Year	1998-09-30					
7th Prior Year	1999-09-30					
6th Prior Year	2000-09-30					
5th Prior Year	2001-09-30					
4th Prior Year	2001-12-31					
3rd Prior Year	2002-12-31					
2nd Prior Year	2003-12-31					
1st Prior Year	2004-12-31					
	Total					
Indicate the amoun of the Filing Corpor Year of Origin	orporations Only nts of eligible CMT ration.	y – Amalgamation - losses from predecess Add		Do not include these Deduction	amounts in the 'op Expired	ening balance' Closing Balanc
YYYY/MM/DD 1996-09-30						
1990-09-30						
1 -09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Tatal						

Total

# Corporate Minimum Tax (CMT) CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2005-12-31

# CMT Losses Carried Forward Workchart (continued)

## Predecessor Corporations Only – Wind-Up

Indicate the amounts of eligible CMT losses from predecessor corporations. **Do not include** these amounts in the 'opening balance' of the Filing Corporation.

Year of Origin YYYY/MM/DD	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

#### **Corporate Minimum Tax (CMT)** CT23 Schedule 101 – Supporting Schedule

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End	
	1800085	2005-12-31	

E.L.K. Energy Inc.

#### CMT Credit Carryovers Workchart

	Year of Origin YYYY/MM/DD	Opening Balance	Adjustment	Deduction	Expired	Closing Balance
10th Prior Year	1996-09-30					
9th Prior Year	1997-09-30					
8th Prior Year	1998-09-30					
7th Prior Year	1999-09-30					
6th Prior Year	2000-09-30					
5th Prior Year	2001-09-30					
4th Prior Year	2001-12-31					
3rd Prior Year	2002-12-31					
2nd Prior Year	2003-12-31					
1st Prior Year	2004-12-31					
	Total					

#### Predecessor Corporations Only – Amalgamation –

Indicate the amounts of CMT credit carryovers from predecessor corporations. Do not include these amounts in the 'opening balance' of the Filing Corporation.

Y of Origin	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						

#### Predecessor Corporations Only – Wind-Up

Indicate the amounts of CMT credit carryovers from predecessor corporations. Do not include these amounts in the 'opening balance' of the Filing Corporation.

Y of Origin	Opening Balance	Add	Adjustment	Deduction	Expired	Closing Balance
Y TY/MM/DD	1					
1996-09-30						
1997-09-30						
1998-09-30						
1999-09-30						
2000-09-30						
2001-09-30						
2001-12-31						
2002-12-31						
2003-12-31						
2004-12-31						
Total						



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Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2005-12-31
Loans or Advances Credited or Advanced to Corporation (includes accounts payable to related parties outstanding at the taxation yeand accounts payable to non-related parties outstanding for 365 days or m	ear end for 120 days or more, ore at the taxation year end)	
Shareholders' promissory notes		+ 4,550,000
Current portion of cistomer deposits		+ 1,517,733
Customer deposits		+ 239,692
		+
		+
		+
		+
		+
		+
		+
		+
		+
		+
		+
		+
	-	+
		+
e		+
		+
		+
		+
		+
	Total	+
	Transfer to 353 of the CT23	= 6,307,425



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Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2005-12-31
<ul> <li>For use by a corporation to claim any of the following: <ul> <li>Charitable donations;</li> <li>Gifts to Her Majesty in right of Ontario, to Ontario crown agen</li> <li>Gifts to Canada or a province;</li> <li>Gifts of certified cultural property; or</li> <li>Gifts of certified ecologically sensitive land.</li> </ul> </li> <li>The donations and gifts are eligible for a five year carry-forward.</li> <li>Use this schedule to show a credit transfer following an amalgan subsection 87(1) and 88(1) of the federal <i>Income Tax Act</i> (Canada)</li> <li>File one completed copy of this schedule with your CT23.</li> </ul>	nation or wind-up of subsidiary as describ	ed under
Part 1 – Charitable Donations		r
Charitable Donations at end of preceding taxation year	. <u>1917</u> - 1917	
Deduct: Donations expired after 5 taxation years		
Charitable donations at beginning of taxation year		
A Donations transferred on amalgamation or wind-up of subsidiar	y + D	
Total current year charitable donations made	+ <u>695</u> E	
Subtotal D + E		695
Total donations available C + F		
Deduct: Amount applied against taxable income (amount T)		695
	=	
<ul> <li>Part 2 – Maximum Deduction Calculation for Donations</li> <li>Ontario net income for tax purposes multiplied by 75%</li> <li>Note: For credit unions the Ontario net income for tax purposes is the a deduction of payments pursuant to allocations in proportion to bo</li> <li>Ontario taxable capital gains arising in respect of gifts of capital property</li> <li>Ontario taxable capital gain in respect of deemed gifts</li> </ul>	prrowing and bonus interest.	596,629
of non-qualifying securities per subsection 40(1.01) ITA	· · · · · · · · · · · · · · · · · · ·	
Aα, the lesser of: 1. The amount of the recapture of capital cost allowance in respect of charitable gifts	L	
<ul> <li>2. The lesser of:</li> <li>2a. Proceeds of dispositions less outlays and expenses</li> <li>2b. The capital cost</li> </ul>		
The lesser of M and N	0	
The lesser of L and O	▶ +P	
Subtotal J + K + P	Q	
25% X Q		
Maximum deduction allowable I + R	tur telt telt telt telt telt telt del del del tel tel del del del del del del del del del d	596,629
	ort 1. S and not income for tax nurnoses)	695
Claim for charitable donations (not exceeding the lesser of G from Pa	it i, e and het moome for tax purposes)	Enter in 1 of the C

#### **Ontario Charitable Donations and Gifts**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2005-12-31

## Part 3 – Gifts to Her Majesty in right of Ontario

For use by a corporation claiming gifts to Her Majesty in right of Ontario, to Ontario Crown Agencies, or to Ontario Crown Foundations.

Gifts to Ontario Crown Agency or Ontario Foundation at end of the preceding taxation year	
Deduct: Gifts expired after 5 years	-
Gifts to Ontario Crown Agency or Ontario Crown Foundation at the beginning of the taxation year	+
Add: Gifts transferred on amalgamation or wind-up of a subsidiary	+
Total current year gifts	+
Subtotal	=
Deduct: Amount applied against taxable income 2 of the CT23	-
Gifts to Ontario Crown Agency or Ontario Crown Foundation closing balance	=

Foundation Name	Date of Donation	Amount \$
	F	
L 164 4 Malasty in sight of Optonio	=	
I gifts to Her Majesty in right of Ontario	REAL-REAL-REAL FOR FOR FOR FOR FOR FOR FOR FOR FOR TO THE TOTAL	

## Part 4 – Maximum Deduction Calculation for Gifts to Her Majesty in Right of Ontario

#### Deduction is the lesser of:

1. Ontario Net Income before deductions of gifts after deducting charitable donations and gifts to Her Majesty in right of Canada or a province other than Ontario       7         2. Lesser of:       2a. Ontario Net Income for the taxation year       795,505 V         2b. Gifts made in the taxation year or any of the five preceding taxation years to Her Majesty in Right of Ontario, an Ontario Crown Agency or an Ontario Crown Foundation       W         a lesser of V and W       Maximum deduction allowable the lesser of U and X       Transfer to 2		_	s to Canada or a province other than Ontario	Pa
and gifts to Her Majesty in right of Canada or a province other than Ontario 2. Lesser of: 2a. Ontario Net Income for the taxation year 2b. Gifts made in the taxation year or any of the five preceding taxation years to Her Majesty in Right of Ontario, an Ontario Crown Agency or an Ontario e lesser of V and W	to 2 of the CT23			NE
and gifts to Her Majesty in right of Canada or a province other than Ontario 2. Lesser of: 2a. Ontario Net Income for the taxation year 2b. Gifts made in the taxation year or any of the five preceding taxation years to Her Majesty in Right of Ontario, an Ontario Crown Agency or an Ontario Crown Foundation W	T		that allowship the leaser of it and Y	
and gifts to Her Majesty in right of Canada or a province other than Ontario 2. Lesser of: 2a. Ontario Net Income for the taxation year 2b. Gifts made in the taxation year or any of the five preceding taxation years to Her Majesty in Right of Ontario, an Ontario Crown Agency or an Ontario			of V and W	
and gifts to Her Majesty in right of Canada or a province other than Ontario	X	W	lajesty in Right of Ontario, an Ontario Crown Agency or an Ontario	
and gifts to Her Majesty in right of Canada or a province other than Ontario		795,505		
1. Ontario Net Income before deductions of gifts after deducting charitable donations and gifts to Her Majesty in right of Canada or a province other than Ontario		JOE FOF V		
and the second	794,810 <sup>U</sup>		Income before deductions of gifts after deducting charitable donations Her Majesty in right of Canada or a province other than Ontario	1.

	-
Gifts to Canada or a province other than Ontario at the end of the preceding year	T
Deduct: Gifts to Canada or a province other than Ontario expired after five taxation years	
Gifts to Canada or a province other than Ontario at the beginning of the taxation year	+
Add: Gifts to Canada or a province other than Ontario transferred on amalgamation or wind-up of a subsidiary	+
Total current year Gifts to Canada or a province other than Ontario (Not applicable for gifts made after February 18, 1997, unless a written agreement was made before this date.)	+
Subtotal	=
Deduct: Amount applied against taxable income	-
Gifts to Canada or a province other than Ontario closing balance	=

#### **Ontario Charitable Donations and Gifts**

Corporation's Legal Name		Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.		1800085	2005-12-31
Part 6 – Gifts of certified c	ultural property		
Gifts of certified cultural proper	ty at the end of the preceding taxation yea	ar +	-
Deduct: Gifts of certified cultur	al property expired after five years		-
Gifts of certified cultural prop	perty at the beginning of the taxation y	ear +	
Add: Gifts of certified cultur	al property transferred on amalgamation	or wind-up of a subsidiary	-
Total current year gifts	of certified cultural property	+	
		=	
Deduct: Amount applied agains	st taxable income		
Gifts of certified cultural pro	perty closing balance		-
Part 7 – Gifts of certified e	cologically sensitive land		
Gifts of certified ecologically se	nsitive land at the end of the preceding ta	axation year	-
Deduct: Gifts of certified ecolog	gically sensitive land expired after five yea	ars	-
Gifts of certified ecologically	sensitive land at the beginning of the	taxation year	-
	gically sensitive land transferred on amalg		

Add: Gits of certified ecologically sensitive and transferred on antigenation of white up of a substancy	
Total current year gifts of certified ecologically sensitive land	+
Subtotal	=
Deduct: Amount applied against taxable income	-
Gifts of certified ecologically sensitive land closing balance	=

## Part 8 – Analysis of balance by year of origin

Year of origin	Charitable donations	Gifts to Her Majesty in right of Ontario	Gifts to Canada or a province other than Ontario	Gifts of certified cultural property	Gifts of certified ecologically sensitive land
2004-12-31					
2003-12-31					
2002-12-31					
2001-12-31					
2001-09-30					
2000-09-30					
Totals				n	

Schedule 2

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## Schedule 6

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2005-12-31

For a corporation that has disposed of capital property or claimed an allowable business investment loss, or both, in the taxation year.

This schedule may be used to make a designation under section 34(10) of the Corporations Tax Act provided the corporation has made a designation under paragraph 111(4) (e) of the Income Tax Act (Canada), if control of the corporation has been acquired by a person or group of persons.

#### Part A: Designation under section 34(10) of the Corporations Tax Act

Complete part A if there are any dispositions shown on this schedule related to deemed dispositions designated under paragraph 111(4)(e) of the *Income Tax Act* (Canada) or section 34(10) of the *Corporations Tax Act*.

Property	Class #	Date of disposition YYYY/MM/DD	Proceeds of disposition	Adjusted cost base	Other adjustments	Designated amount	Gain or loss

#### Part B: Inter-provincial asset transfers

Complete part B if there was any disposition shown on the schedule as a result of a federal election under section 85 of the *Income Tax Act* (Canada) that transferred assets to a non-arm's length corporation with a permanent establishment in another Canadian jurisdiction.

Property	Class #	Corporation name of transferee/or	Date of disposition YYYY/MM/DD	Cost of asset in other jurisd.	Name of other jurisdiction	Allocation ratio to other jurisdictions	Ontario elected amount	Gain or loss
						%		
						%		
						%		
						%		

acquisition disposition of disposition cost base expenses (loss) (co	1 Types of capital property			4 Proceeds of disposition	5 Ontario adjusted cost base	6 Outlays and expenses	7 Ontario gain or (loss) (col. 4 less cols. 5 & 6)
--	--------------------------------	--	--	---------------------------------	------------------------------------	------------------------------	---

#### Part 1 – Shares

No. of shares	Name of corporation	Class of shares	2	3	4	5	6	7
							Totala	

Totals A1

A2

A3

Before February 28, 2000

After February 27, 2000 and before October 18, 2000

After October 17, 2000

orpo	ration's Legal Na	me				Ontario Corpo	prations Tax Account	t No. (MOF)	axation Year End
E.L.	K. Energy Inc.						1800085		2005-12-31
									1
	Types o	1 of capital propert	V	2 Date of acquisition YYYY/MM/DD	3 Date of disposition YYYY/MM/DD	4 Proceeds of disposition	5 Ontario adjusted cost base	6 Outlays and expenses	7 Ontario gain or (loss) (col. 4 less cols. 5 & 6)
	Deal Fat		lude losses on		vronostu)				
art		lunicipal address		2	3	4	5	6	7
-	47 Maple					35,000		1,29	33,701
-									
								Total	33,701
								ebruary 28, 200	,
						After February 2	27, 2000 and before		,
art	3 – Bonds						After	October 17, 200	33,701
	Face value	Maturity date	Name of issuer	2	3	4	5	6	7
1									
	A.								
							Poforo F	Total ebruary 28, 200 <sup>1</sup>	S
						After February 2	27, 2000 and before		
								October 17, 200	
art	4 – Other pr	Description	not include loss	ses on depred	ciable property) 3	4	5	6	7
1		Description		-					
3									
23 8 - 13								*	
2								Total	s
								ebruary 28, 200 <sup>-</sup>	U
						After February	27, 2000 and before	October 18, 200	0
							After	October 17, 200	0
art	5 – Persona			0	2	4	5	6	7
2	Descri	ption of capital p	орепу	2	3	4	5	v	-
8									
i.									
ote:	Losses are not d	leductible			,			Net gain or (loss	;)
							Before I	- 	0
								-	
						After February	27, 2000 and before	October 18, 200	0

Ontario Summary of Dispositions of Capital P	roperty
Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)

E.L.K. Energy Inc.				1800085		2005-12-31
1 Types of capital property	2 Date of acquisition YYYY/MM/DD	3 Date of disposition YYYY/MM/DD	4 Proceeds of disposition	5 Ontario adjusted cost base	6 Outlays and expenses	7 Ontario gain or (loss) (col. 4 less cols. 5 & 6)

## Part 6 – Listed personal property

	2	3	4	5	6	7
1						
Deduct: Unapplied listed personal property losses	from other years				······ –	
<b>lote:</b> Net listed personal property losses may only be applied against personal property gains.	У				Net gain or (loss)	
PP gains or losses realized before February 2	8, 2000					
$e^{-1}$ loss on dispositions before February 28, 20					· · · · · · · · · · · · · · · · · · ·	
ess. Portion of unapplied LPP losses from other y			ary 28, 2000			
Net gain (loss) on dispositions before February 28,	2000				=	
PP gains or losses realized after February 27,	2000 and before C	october 18, 2000	)			
LPP gains or losses realized after February 27, Gain or loss on dispositions after February 27, 200	2000 and before C 0 and before Octobe	<b>October 18, 200</b> er 18, 2000	)			
<b>.PP gains or losses realized after February 27</b> , Gain or loss on dispositions after February 27, 200 <b>.ess</b> : Portion of unapplied LPP losses from other y	2000 and before C 0 and before Octobe years applicable to g	<b>October 18, 200</b> 0 er 18, 2000 ain after Februar	) y 27, 2000 and be			
<b>_PP gains or losses realized after February 27</b> , Gain or loss on dispositions after February 27, 200 <b>_ess</b> : Portion of unapplied LPP losses from other y Net gain (loss) on dispositions after February 27, 2	2000 and before C 0 and before Octobe rears applicable to g 000 and before Octo	<b>October 18, 200</b> 0 er 18, 2000 ain after Februar	) y 27, 2000 and be	fore October 18, 20		
<b>LPP gains or losses realized after February 27</b> , Gain or loss on dispositions after February 27, 200 <b>Less</b> : Portion of unapplied LPP losses from other y Net gain (loss) on dispositions after February 27, 2 LPP gains or losses realized after October 17,	2000 and before C 0 and before Octobe /ears applicable to g 000 and before Octo 2000	October 18, 2000 er 18, 2000 ain after Februar ober 18, 2000	) y 27, 2000 and be	fore October 18, 20		
Net gain (loss) on dispositions before February 28, LPP gains or losses realized after February 27, Gain or loss on dispositions after February 27, 200 Less: Portion of unapplied LPP losses from other y Net gain (loss) on dispositions after February 27, 2 LPP gains or losses realized after October 17, Gain or loss on dispositions after October 17, 2000 Less: Portion of unapplied LPP losses from other y	2000 and before C 0 and before Octobe years applicable to g 000 and before Octo 2000	October 18, 2000 er 18, 2000 ain after Februar ober 18, 2000	) y 27, 2000 and be	fore October 18, 20		

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

	1 Name of small business corporation	Shares – enter 1 Debt – enter 2	2 Date of acquisition YYYY/MM/DD	3 Date of disposition YYYY/MM/DD	4 Proceeds of disposition	5 Ontario adjusted cost base	6 Outlays and expenses	7 Ontario loss (col. 4 less cols. 5 & 6)
1								
	<b>Note:</b> Properties listed in Part 7 should included in any other Part of Sch	not be nedule 6.		Totals			Net Loss	G
					After February	27, 2000 and before	ebruary 28, 2000	G1 G2 G3

#### Commence of Dispersitions of Capital Broporty 4

Ontario Summary of Dispositions of Capital Prop	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
Corporation's Legal Name		
E.L.K. Energy Inc.	1800085	2005-12-31
Determining capital gains and capital losses		
Total of A to F (Do not include F if it is a loss)		33,701
Add: Amount (if any) of capital gain reserve opening balance from Schedule 13		+
		+
Subtotal	2	= 33,701
Deduct: Amount (if any) of capital gain reserve closing balance from Schedule 13		-
Gain or Loss (excluding Allowable Business Investment Losses)		= <u>33,701</u> Z
Determining the inclusion rate Gains or losses realized before February 28, 2000		1
		+
Capital gain reserve opening balance (only if taxation year commenced before		+
Subtotal		
Deduct: Portion of capital gains reserve closing balance applicable to dispositions	before February 28, 2000	-
Gains or Losses		= <u> </u>
Gains or losses realized after February 27, 2000 and before October 18, 200	0	r]
Total of A2 to G2		
Add: Capital gains dividend attributable to period after February 27, 2000 and be Capital gain reserve opening balance (only if taxation year commenced after	r February 27, 2000	+
<b>Deduct:</b> Portion of capital gains reserve closing balance applicable to dispositions	s after February 27, 2000	_
		= 1
Gains or losses realized after October 17, 2000		
		33,701
		+
Capital gain reserve opening balance (only if taxation year commenced afte	r October 17, 2000)	+
Subtotal		= 33,701
Deduct: Portion of capital gains reserve closing balance applicable to dispositions	after October 17, 2000	-
Gains or Losses		= <u>33,701</u> J
Calculate Inclusion Rate		
Gains or losses Inclusion Rate	Net	capital gain / capital loss = K
H x 75%		
I x 66 2/3%		=
Subtotal M x %		= AA
33,701 J × 50%		= 16,851 N
		= 16,851 P
	·····	10,001
Inclusion rate P + O (expressed as a percentage)		50.000000
Note: (1) Mutual fund corporations may treat their capital gains and losses as if they we determining net capital gains or losses attributable to a particular period within	in the year.	
(2) If either lines H or I are positive and the other one is negative, enter the differe amount originates and calculate the net gain or net loss based on that rate. If on line O and use the inclusion rate where the higher amount originated.	ence on the subtotal line M. Use the inclusion rate from which the either line J or M are positive and the other is negative enter the	larger difference
Allowable business investment loss (G1+ G2+ G3) X Inclusion Rate	50.000000 <b>Q</b>	=G4
		Transfer to 678 of the CT23
Determining taxable capital gains		33,701 <b>Z</b>
Gain or Loss (excluding Allowable Business Investment Losses)	*****	·
<b>Deduct:</b> Gain on donations (made to charities other than private foundations) of securities listed on a prescribed stock exchange divided by 2		r
(for donations made after February 18, 1997 and before the year 2002.)	× 50 %	-
Gain on donation of ecologically sensitive land after February 27, 2000	× 50 %	-

Gains or Loss			••••	• • •			
Include 100% of the losses in box	711 of the CT23						
Taxable capital gains		33,701	R	х	Inclusion Rate	50.000000	%

Transfer to 603 of the CT23

=[

33,701 R

16,851 S

c

Sch	ed	Π	le

# Ontario Capital Cost Allowance Schedule 8

Ontario Corporations Tax Account No. (MOF) Taxation Year End

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

**V** Ontario

Corporation's Legal Name

E.L.K. Energy Inc.	ergy Inc.								- 18	1800085	2005-12-31	12-31
Is the corpo	Is the corporation electing under regulation 1101(5q)?	nder regulation	1101(5q)?	1 🗌 Yes	2 X No							
	2	m	4	ъ	9	7	80	ი	10	11	12	13
Class number	Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	Cost of acquisitions during the year (new property must be available for use) See note 1 below	Net adjustments (show negative amounts in brackets)	Proceeds of dispositions during the year (amount not to exceed the capital cost)	Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5) See note 2 below	Reduced undepreciated capital cost (column 6 minus column 7)	CCCA rate %	Recapture of capital cost allowance	Terminal loss	Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
-	9,039,670			0	9,039,670		9,039,670	4	0	0	361,587	8,678,083
8	246,052	32,276		0	278,328	16,138	262,190	20	0	O	52,438	225,890
10	216,279			1,657	214,622		214,622	30	0	0	64,387	150,235
12	32,211	28,588		0	60''236	14,294	46,505	100	0	0	46,505	14,294
45		27,691		0	27,691	13,846	13,845	45	0	0	6,230	21,461
47		737,693		0	737,693	368,847	368,846	œ	0	0	29,508	708,185
								-				
Totals	<b>s</b> 9,534,212	826,248		1,657	10,358,803	413,125	9,945,678	_			560,655	9,798,148
	2.						Ente	Enter in boxes	es 650 · ·	650	650 on the CT23.	e CT23.
Noto 1 Inclu	Notes 1. Incorrect and the second	, ensirement et bestive		1 aldaliana amaaad		ton and for and the second s	udovo vlovoje oso o	and from	tai 1 5 constants -	oo ino i lojono oo	a nicitione that are r	***

Note 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).

Note 2. The net cost of acquisitions is the cost of acquisitions plus or minus certain adjustments from column 4.

Note 3. If the taxation year is shorter than 365 days, prorate the CCA claim.

Note 4. Ontario recapture should be included in net income after deducting the federal recapture and the Ontario terminal loss is deducted from net income after including the federal terminal loss.

CORPORATE TAXPREP - 2005 V.2 Page 1 of 1



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

## Ontario Cumulative Eligible Capital Deduction Schedule 10

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
	1800085	2005-12-31
<ul> <li>E.L.K. Energy Inc.</li> <li>For use by a corporation that has eligible capital property.</li> </ul>	1800085	2003-12-51
<ul> <li>A separate cumulative eligible capital account must be kept for each</li> </ul>	business.	
Part 1 – Calculation of current year deduction and carry-forward		
Ontario Cumulative eligible capital – balance at end of preceding taxation yea	r (if negative, enter zero)	647,656 <b>A</b>
Add: Cost of eligible capital property acquired during the taxation year	+ <u>B</u>	
Amount transferred on amalgamation or wind-up of subsidiary		
Other adjustments	<b>B</b>	
Total of B + C + D	= × 3/4 =	E
Subtotal A + E         Deduct:       Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year         The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the Income Tax Act (Canada)	+G	= <u>647,656 <sup>F</sup></u>
Other adjustments		
Tc of G + H + I		J
Ontario cumulative eligible capital balance F - J		е <u>647,656</u> К
If K is negative, enter zero at line M and proceed to Part 2		
Current year deduction 647,656 K × 7 % *		=45,336 L
* The maximum current year deduction is 7%. However, you can claim any amount up to	the maximum. Enter an	nount in box 651 of the CT23
Ontario cumulative eligible capital – closing balance K - L (if negative, el	nter zero)	= 602,320 M
Note: Any amount up to the maximum deduction of 7% may be claimed. Tax	ation years starting after December 21, 2	000, the deduction
may not exceed the maximum amount prorated for the number of day	s in the taxation year divided by 365 or 36	6 days.
Part 2 – Amount to be included in income arising from dispositio	n	
Only complete this part only if the amount at line K is negative		N
Amount from line K above <i>show as a positive amount</i>		
years beginning after June 30, 1988	1	
Total of all amounts which reduced cumulative eligible capital in the current or prior years under subsection 80(7) of the ITA	2	
Tc       of cumulative eligible capital deductions         claimed for taxation years beginning before       3         July 1, 1988       3		14.1
Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988	5	
Line 3 deduct line 4		
Total lines <b>1</b> + <b>2</b> + <b>5</b> Line <b>T</b> from previous Ontario Schedule 10 for taxation years ending after February 27, 2000	7	
Deduct line 7 from line 6		0
N - O (cannot be negative)		P
Amount on line 5 × 1 / 2		C
P-Q		R
Amount on line R × 2 / 3		S
Lesser of line N or line O		T
Amount to be meruded in meenie e	· · · · · · · · · · · · · · · · · · ·	
Note: For taxation years ending after February 27, 2000 and before October	18, 2000 use 8/9 to calculate <b>S</b>	



## **Ontario Continuity of Reserves Schedule 13**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2005-12-31

## For use by a corporation to provide a continuity of all reserves claimed which are allowed for tax purposes.

#### Part 1 – Capital gains reserves

Ontario balance at the beginning of the year \$	Transfer on amalgamation or wind-up of subsidiary \$	Add	Deduct	Ontario balance at the end of the year \$
		-		
A	В			C
	the beginning of the year \$	the beginning of the year \$     amalgamation or wind-up of subsidiary \$	the beginning of the year \$     amalgamation or wind-up of subsidiary \$     Add	the beginning of the year \$     amalgamation or wind-up of subsidiary \$     Add     Deduct       Image: A strain of the year \$       Image: A strain of the year \$     Image: A strain of the year \$     Image: A strain of the year \$     Image: A strain of the year \$     Image: A strain of the year \$       Image: A strain of the year \$     Image: A strain of the year \$     Image: A strain of the year \$     Image: A strain of the year \$     Image: A strain of the year \$       Image: A strain of the year \$     Image: A strain of the year \$     Image: A strain of the year \$     Image: A strain of the year \$     Image: A strain of the year \$       Image: A strain of the year \$     Image: A strain of the year \$     Image: A strain of the year \$     Image: A strain of the year \$     Image: A strain of the year \$

The total capital gains reserve at the beginning of the taxation year A plus the total capital gains reserve transfer on amalgamation or wind-up of subsidiary B, should be entered on Schedule 6; and the total capital gains reserve at the end of the taxation year C, should also be entered on Schedule 6.

Part 2 – Other reserves					
Description	Ontario balance at the beginning of the year \$	Transfer on amalgamation or wind-up of subsidiary \$	Add	Deduct	Ontario balance at the end of the year \$
Reserve for doubtful debts		4			
Reserve for undelivered goods and services not rendered		<u>1.</u>			
Reserve for prepaid rent					
Reserve for December 31, 1995 income					
Reserve for refundable containers					
Reserve for unpaid amounts	.7				
Oti (ax reserves					
Totals	C	E			F

The amount from D plus the amount from E should be entered in 607 of the CT23. The amount from F should be entered in 654 of the CT23.

Part 3 – Continuity of non-ded Reserve	Ontario opening balance	Transfers	Ontario additions	Ontario deductions	Other adjustments	Ontario closing balance
EMPLOYEE FUTURE BENEFITS	653,229			3,192		650,037
Reserves from Part 2						
Totals	653,229			3,192		650,037

Enter in box 653 of the CT23

Enter in box 606 of the CT23

# **Corporate Taxpayer Summary**

Taxation Year: 2005-01-0	)1 to 20	05-12-31			
Jurisdiction: Ontario					
Corporation is associated Corporation is related	<u>N</u> N				
Balance due/refund (–) Net income	-10,676 795,505	Taxable income	793,400	Active business income Dividends paid	563,532
Credits against part I tax		Federal taxes		Refunds/credits	
Small bus deduction .		Part I	166,614	ITC refund	
M&P deduction		Surtax	8,886	Dividends refund	
Foreign tax credit		Part I.3		Instalments	186,176
Political contributions		Part IV			
Investment tax credits		Part I & Surtax	175,500	Other	
Abatement/Other	79,340	Other			
Summary of federal carryfor	ward/carryb	oack information			
Canyyback amounts			Carryforward balan	ces	
Investment tax credits			RDTOH	· · · · · · · · · · · · · · · · · · ·	
Non-capital loss					
Capital loss					
Farm loss	ка ка Ка 🚊		•		
Restricted farm loss	<u>_</u>				
Surtax credit				and the tree and the set	
Part I tax credit (Schedule 42)	. 201 201 2010			es	
			•	credit	16 1/2
					16,143
				edule 42)	
			Part I tax creuit (Sch		
Summary of provincial infor	mation – pr	ovincial income tax p	ayable ———		
P nce	% Allocation	Taxable income	Tax payable before deduction	Deductions/credits	Net tax payable
Newfoundland and Labrador				<u></u>	
Prince Edward Island					
Nova Scotia					
New Brunswick		······			
Saskatchewan					
British Columbia				<del></del>	
Yukon Territory					
Northwest Territories					

111,076

## CORPORATE TAXPREP / TAXPREP DES SOCIÉTÉS - EP04

Ontario (CT23) ..... 100.00

Totals per Federal T2 and Schedule 5

793,400

Nunavut

Alberta (AT1)

Québec (CO-17)

111,076

## $_{igcases}$ Summary of taxes payable to provinces and provincial carryforward amounts –

Province	Taxable capital	Capital tax payable*	Income tax payable	Total tax payable	Balance due/ refund (-)
B.C. (General)			·		
B.C. (Special)					
Sask. (SCT-1)					
Manitoba (MCT-1)			-		
Alberta (AT1)	252		-		
Schedule 361					_
Schedule 342	17 507 010	30,464	- 111,076	141,540	-512,704
Ontario (CT23) Québec (CO-17)	17,597,828		111,070	111,510	
* For Québec, this include	es compensation tax a	nd special taxes			
Provincial carryforward	s:		Ontario	Québec	Alberta
Non-capital losses					
Net capital/L.P.P losses	**************************************	s was was not east that that that the			
		· ····································			
Restricted farm losses					
Donations		2 2012 2012 2014 2014 2014 2014 2014 201			

# **Five Year Comparative Summary**

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
Federal information					
Taxation year end	2005-12-31	2004-12-31	2003-12-31	2002-12-31	2001-12-31
Balance due/refund	-10,676	11,612	452,326		
Net income		2,222,983	2,016,518	152,796	-293,048
Taxable income		2,222,958	1,875,315		
Active business income		2,222,983	2,016,518	151,970	
Dividends paid				6,500,000	
Federal taxes				9	
Part I	166,614	466,821	431,322		
Surtax			21,004		
Part I.3				11,648	2,402
Part IV					
Other federal taxes					
(Parts II, IV.1, VI, VI.1,					
XIII.1, XIV)					
Credits against part I ta	x				
Small business deduction					
M&P deduction					
Foreign tax credit					
Political contribution					
Investment tax credit					
Abatement/other	79,340	222,296	187,532		
Refunds/credits					
ITC refund					
Dividend refund					
Instalments		480,106		11,648	2,40
Other					
· · · · tario					
Taxable income	793,400	2,222,958	1,875,315		
Income tax payable before deduction	111,076	311,214	234,414		
Income tax deductions /credits					
Net income tax payable	111,076	311,214	234,414		
Taxable capital	17,597,828	17,462,029	16,770,930	14,500,902	16,710,10
Capital tax payable	30,464	37,479	35,381	28,644	8,85
				44,890	8,85
Total tax payable	141,540	348,693	253,549	44,090	0,05

# **Schedule of Instalment Remittances**

Name of corporation	conta
Telephone number:	

1.00

·····

act: SANDRA SLATER (519) 776-5291

Effective interest date	Description (instalment remittance, split payment, assessed credit)	Amount of credit
	INSTALMENTS	186,176
	Total amount of instalments claimed (carry the result to line 840 of the T2 Return)	186,176
	Total instalments credited to the taxation year per T9	186,176

• **33** 

– Transfer Account number	Taxation year end	Amount	Effective interest date	Description
From:	-			
То:				
From:				
То:		·		
From:				
То:				
From:				
To:				
From:				
То:			3 <u></u>	

# **Federal Tax Instalments**

## - Federal tax instalments -

For the taxation year ended: 2006-12-31

The following is a list of federal instalments payable for the current taxation year. The last column indicates the instalments payable to Revenue Canada. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Receiver General. Payment may be made either to an authorized financial institution or filed with form T9 (instalment form) and addressed to the appropriate Revenue Canada Taxation Centre.

Date	Instalments required	Instalments paid	Cumulative difference	instalments payable
2006-01-31	. 14,625			14,625
2006-02-28	14,625			14,625
2006-03-31	14,625			14,625
2006-04-30	14,625			14,625
2006-05-31	14,625			14,625
2006-06-30	14,625			14,625
2006-07-31	14,625			14,625
2006-08-31	14,625			14,625
<u>^</u> 706-09-30	14,625			14,625
_J06-10-31	14,625			14,625
2006-11-30	14,625			14,625
2006-12-31	14,625			14,625
Tota	175,500	)		175,500

## Indicate instalment method chosen [1-3]: 1

1st Instalment base method

If instalments are starting late, indicate the MONTH in which you want them to start (1=January, 2=February, etc.) 1

## ┌ 1 – 1st Instalment base method –

1ኖ' 'າstalment base amount (amount I below)	<u>175,500</u> ÷ 12 =	14,625
Mnly instalments required		14,625

## □ 2 – Combined 1st and 2nd instalment base method –

	40,977
Total         491,718         +         12         =           1/12 of estimated current year credits (H below /12)         -         -         -	40,977
1/12 of estimated current year credits (H below /12)	40,977
Each of the first two instalment payments =	40,977
Total tax from I below 175,500	
Amount B above x 2 – 81,954	
= 93,546 ÷ 10 =	9,355
Each of the remaining ten instalment payments	9,355

Instalment base amount (amount I below)	
Monthly instalments required	

÷ 12 =

Instalment base calculation	1st instalment base method		Estimated tax method	
Taxable income	793,400	۵ <u>ـ</u>		=
Calculation of tax payable				
Federal part I tax	301,492	-		
Federal surtax +	8,886	+ _		
Refundable tax on a CCPC's investment income +		+ -		-
Subtotal	310,378	-		Α
Small business deduction		_		
Investment corporation deduction +		+		_
Federal tax abatement +	79,340	+		
Manufacturing and processing profits deduction +		+ _		
Non-business foreign tax credit +		+ _		_
Business foreign tax credit +		+ _		
Tax reduction, general and accelerated +	55,538	+		
Logging tax credit +		+		-
Federal political contribution tax credit +		+		_
Investment tax credit per Schedule 31 and resource deduction +		+		_
Qualifying environmental trust tax credit +		+		
Subtotal	134,878	-		_ B
Total part I tax payable (A - B)	175,500			С
Part I.3 tax +		+		D
Part VI tax +		+		D.1
Part VI.I tax +		+		_D.2
Provincial/territorial tax +		+		E
Total				_
Parts I, I.3, VI, VI.I and provincial/territorial tax	175,500			F
Adjustment for short taxation years:	265	0.05	261	-
x 365 + number of days in year if less than 365 365 +	<u>365</u> 175,500	365 ÷	365	G
	175,500			
Estimated current year credits:				
Investment tax credit refund		+	-	-
Dividend relatio		· -		-
Federal capital gains refund		+		-
F incial and territorial capital gains refund +		·		-
N. J allowable refund per Schedule 26	· · · · · · · · · · · · · · · · · · ·	+		-
Tax withheld at source +		+		-
Other estimated credits +				=
Total estimated current year credits		12		
Instalment base amount (G - H)	175,500	-		_ 1

# **Ontario Tax Instalments**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
F.I.K. Energy Inc.	1800085	2005-12-31

Ontario tax instalments

#### For the taxation year ended: 2006-12-31

The following is a list of Ontario instalments payable for the current taxation year. The last column indicates the instalments payable to the Ontario Ministry of Revenue. The instalments are due no later than on the dates indicated, otherwise non-deductible interest will be charged. A cheque or money order should be made payable to the Minister of Finance. Payment may be made either to a chartered bank in Ontario or filed with an instalment form and addressed to:

Ministry of Revenue (Ontario) Corporation Tax Branch P.O. Box 620 33 King Street West Oshawa, Ontario L1H 8E9

Quaterly instalment Date	Instalments required	Instalments paid	Cumulative difference	Instalments payable
Total				

Date	Instalments required	Instalments paid	Cumulative difference	Instalments payable
2006-01-31	11,795	-		11,795
2006-02-28	11,795			11,795
2006-03-31	11,795			11,795
2006-04-30	11,795			11,795
2006-05-31	11,795	-		11,795
2006-06-30	11,795			11,795
2006-07-31	11,795			11,79
2006-08-31	11,795			11,79
2006-09-30	11,795			11,795
2006-10-31	11,795			11,795
2006-11-30	11,795			11,79
2006-12-31	11,795			11,79
Total	141,540			141,54

Indicate instalment method chosen [1-3]:       1         1st Instalment base method	
Do not use the quaterly payment even if applicable "X" to con If instalments are starting late, indicate the MONTH in which	ntinue montly payments you want them to start (1=January, 2=February, etc.) 1
1 – 1st Instalment base method 1st instalment base amount (amount I below)	141,540 ÷ 12 =11,79
Monthly instalments required	11,79

Quarterly instalments required

2nd instalm	ent base amount:					
Indicate:	Income tax, C.M.T		311,214			
	Capital tax, prem. tax	+	37,479			
	Tot	al =	348,693 ÷	- 12	=	29,058 A
Each of the	first two instalment payments					29,058
Total tax fro	om I below		141,540			
Amount A a	above x 2	-	58,116			
		=	83,424 ÷	+ 10	=	8,343
Each of the	remaining ten instalment payments					8,343
Quarterly in	stalments required			_		
3 – Estim	nated tax method					
Instalment	base amount (amount I below)			+ 12	=	
Monthly ins	talments required					
Quarterly in	stalments required					

Instalment base calculation		1st instalment base method		Estimated tax method
Ontario taxable income		793,400	=	
Calculation of tax payable				
G Ontario tax		111,076	-	A
Incentive deduction for an S.B.C., net of surtax				
Manufacturing and processing profits credit	+ _		+	
Additional deduction for credit unions	+		+_	
Credit for foreign taxes paid	++		+ _	
Credit for investment in S.B.D.C.	++		+	
Specified credits applied against income tax	+_		+	
Total deduction and credits			=	E
Income tax (A - B)		111,076	_	(
Capital tax	+	30,464	+	E
Corporate minimum tax paid (credited)	+		+	E
Premium tax	++		+	F
Total income tax and other taxes (C + D + E + F)		141,540	-	(
Adjustment for short taxation years				
x 365 + number of days in year if less than 365	365 ÷	365	365 ÷	365
		141,540	-	H
Tu, estimated current year credits				
		141,540		

			ling Certificate x Return CT23
		ax Acco	on's Ontario unt Number )0085
First Year of Filing	D		ncorporation
First Year of Filing			000-01-06
Amended Return	L R		or Taxation Year
Taxation Year End has changed       before Amalgamation         Floating Fiscal Year End       Date Control was acquired:	Start		2005-01-01
(approval by Revenue Canada required) Exempt From Filing	End		2005-12-31
Change of Information? Yes No X			
Corporation's Legal Name E.L.K. Energy Inc.			Canada Taxation Number
Mailing Address		8665	6 7787 RC0001
172 Forest Avenue	J	lurisdict ONTA	ion Incorporated RIO
C CA N8M 3E4			
Transmitter Data         Transmitter Number       0009036         Transmitter Name:       0009036         KPMG LLP       I am an authorized signing certify that this Return, inclustatements filed with or as examined by me and is a transmitter Address:         Transmitter Address:       (519) 251-3500         Facsimile Number       (519) 251-3540         Transmitter Address:       (519) 251-3540         G18 Greenwood Centre       (519) 251-3540         3200 Deziel Drive       windsor         ON       N8W5K8	luding all part of th rue, corre- nation is in corporation curately r ults of the of the Cor income for previous y	schedu his Returect and n agree n. I furth corpor- rporatio or this ta year, ex	les and rn, has been complete ment with the ner certify that he financial ation as ns Tax Act. axation year is ccept as
Disk Reference Number			
A _gate of Total Revenue			
Aggregate of Total Assets			
Taxable Income (Non-capital Loss) 10 793,400			
Total Tax Payable			
Payments			
Enclosed			
Apply to: Year			
Apply Amount			
Refund			
If Yes, Due to: Loss Carryback	Dete		Phone Number
	Date	1 10	
Overpayment     Yes X     No       Defundable Tax Credit     Yes No X     Ministry	2006-0	04-10	(519) 776-5291

Star Terrar

Eq.

Payment Advice				
		Enter the amount of payn		
Corporation's Ontario Tax	prporation's Ontario Tax Date of Incorporation	Taxation Year End	Payme	ent Amount
Account Number 1800085	year month day 2000-01-06	2004-12-31	\$	
Corporation's Legal Name				
E.L.K. Energy Inc.		2005-12-31	\$	
		<b>Total Payment</b>	\$	
Submit your cheque (drawn on a Canac	lian financial institution) or money	order, in Canadian funds, p	ayable to the Mini	ster of Finance.
Send to: Ontario Ministry of Finance Corporations Tax Branch PO Box 642				
33 King Street West Oshawa ON L1H 8T1				
Incomplete information will result in a de	lay processing an assessment.			

# **Ontario Consent Form**

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E L.K. Energy Inc.	1800085	2005-12-31

This form authorizes the Ontario Ministry of Finance to release confidential client information to a designated third-party representative in matters pertaining to applicable legislation.

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

## Part 1 – Consent for the release of information to a representative

Year Month Day

Client's name: E.L.K. Energy	Inc.
Ontario Corporations Tax Account	Number: 1800085
Client's address 1:	172 Forest Avenue
Client's address 2:	
City:	Essex
Province, territory, or state:	ON
Country (other than Canada):	
Postal code:	N8M 3E4
Zip Code or Foreign postal code:	
I consent to the release of confi Firance to the representative na	dential information about my Corporation tax return by the Ontario Ministry of amed below.
Representative's name: KPMG	
(If a firm, enter the name of the fir	m. If an individual, enter the first and last name of the individual.)
	sentative, and you want to specify a particular individual of that firm, enter that individual's
first and last name:	
Address 1:	618 Greenwood Centre
Address 2:	3200 Deziel Drive
City:	Windsor
Province, territory, or state:	ON
Country (other than Canada):	
Postal code:	N8W 5K8
Zip Code or Foreign postal code:	
5	(510) 251 2540
(519) 251-3500	
Representative's telephone number	er Extension Representative's fax number
- P <sup>+</sup> t 2 – Details of consent -	
I is est that this consent apply to	all years. X OR
I request that this consent apply o	nly to the following years:
1. All year-ends up to:	
	Year Month Day
2. All year-ends beginning in:	and all years after that. Year Month Day
3. The following year-ends only	
	Year Month Day Year Month Day

Year Month Day

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End			
E.L.K. Energy Inc.	1800085	2005-12-31			
Part 3 – Cancellation of the consent for the release of informatic	on to a representative				
Client's name:					
I cancel all previous consent for all representatives.					
I cancel my consent to the release of confidential information about my Ministry of Finance to the representative named below.	Corporation tax return by the Ontario				
Representative's name:					
(If a firm, enter the name of the firm. If an individual, enter the first and last n	ame of the individual.)	du alla			
If you named a firm as your representative, and you want to specify a particular	llar individual of that firm, enter that indivi-	duars			
first and last name:					
Address 1:					
Address 2:					
City: Province, territory, or state:					
Country (other than Canada):					
Postal code:					
Zip Code or Foreign postal code:					
	staticals favorumbar				
Re sentative's telephone number Extension Represe	ntative's fax number				
─ Part 4 – Details of cancellation of consent					
I request that this cancellation of consent apply to all years.					
I request that this cancellation of consent apply only to the following years:					
1. All year-ends up to:					
Year Month Day					
2. All year-ends beginning in: and all years after th Year Month Day	at.				
3. The following year-ends only:					
Year Month Day Year Month Day					
Year Month Day Year Month Day					
🕝 Part 5 – Signature					
Your name SANDRA SLATER	Title DIRECTOR OF FINAN	CE			
Thi- form must be signed by an owner, partner, director, trustee, or officer.					
	Date 2006-04-10				
Sign here	Year Month Day				
WE WILL NOT PROCESS THIS FOR	-				

na Ma Yie HERET AND FREETE LINE REMINISTING I WAR WILL YOU PAYMENT

## Remittance Advice - rayment-in-Lieu (PIL)

		Electricity Act, 1998	~
🕅 Ontario	Ministry of Finance Corporations Tax Branch - Hydro PIL PO Box 620 33 King Street West	Corporations Tax Act, R	R.S.O. 1990 (My 4/27 SS-6 314/27 SS-6
	Oshawa ON L1H BE9		» 3/19/6 <del>1</del>
	Account No. 1800085		
	<b>0</b> E	Payment Amount: \$	
	35 PX5003		
E.L.K. ENERGY Sandra Slater 172 forest avi	, DIR OF FINANCE	Taxation Year End: (YYYYMMDD Payment Amount: \$	» 2 0 0 5 1 2 3 <del>4</del>
ESSEX	- ON		
N8M 3E4		Total Payment \$	
(			7(4.10.1
🕅 Ontario	Ministry of Financa Corporations Tax Branch - Hydro PIL PO Box 620 33 King Street West Oshawa ON L1H 8E9	Keep this partian for <b>Notice of</b> Electricity Act, 1998 • from 2005/01/01	Assessment Corporations Tax Act, R.S.O. 1950 2 0 2006
		Account No.	Assessment Date Page (year, manth, day)
E.L.K. ENERGY INC.		1800085	2006/10/12 1 of 1
ASSESSMENT NO. 88			
Tax: Federal and Provincial PIL Assessment Interest			317,040.00 <u>16,795.03</u> CRSS-5 300,244.97
			500,244.97
IVIART OF 2005/1	2/31 TAXATION YEAR TRANSACTIONS	1	•
Payments/Transfers		840,420.00C	R
	Sub-Total AILABLE IN THIS TAXATION YEAR	840,420.00 540,175.03 CR S S	
In accordance with s. by s.95 of the Electric tax, penalty and inter	s:80(8) of the Corporations Tax Act, as ity Act, 1998, notice is hereby given of est for which you are assessed	made applicable the amount of	
Total tax assessed as	s per company estimate		
			•
X			

 Tax (Re)Assessment Enquiries:
 Account Bitling Enquiries & Change of Address information:

 • Toronto (416) 730-5585
 • Oshawa and Locat (905) 433-6708
 • Toil-Free 1-800-262-0784 ext. 3036

 • FAX (416) 730-5593
 • Toronto (416) 920-9048 ext. 3036
 • FAX (905) 433-5197

002 PX5003