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**APPENDIX 9-P**

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**2003 Audited Financial Statements, Tax Returns and Assessment**

Non-Consolidated Financial Statements of

**E.L.K. ENERGY INC.**

Year ended December 31, 2003



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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.

Chartered Accountants

Windsor, Canada

March 5, 2004



# E.L.K. ENERGY INC.

## Non-Consolidated Balance Sheet

December 31, 2003, with comparative figures for 2002

	2003	2002 (Restated - note 12)
<b>Assets</b>		
Current assets:		
Cash:		
Unrestricted	\$ 6,552,279	\$ 4,442,269
Restricted	926,286	—
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)
<b>Liabilities and Shareholders' Equity</b>		
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
	<u>10,190,514</u>	<u>10,136,551</u>
Long-term liabilities:		
Customer deposits	210,371	252,328
Employee future benefits (note 6)	644,766	639,105
	<u>855,137</u>	<u>891,433</u>
Shareholders' equity:		
Share capital (note 7)	100	100
Retained earnings	5,698,273	3,623,826
Contributed surplus	4,402,373	4,402,373
	<u>10,100,746</u>	<u>8,026,299</u>
Contingency (note 8)		
	<u>\$ 21,146,397</u>	<u>\$ 19,054,283</u>

See accompanying notes to financial statements.

## E.L.K. ENERGY INC.

### 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

See accompanying notes to financial statements.

## **E.L.K. ENERGY INC.**

### 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

See accompanying notes to financial statements.

## E.L.K. ENERGY INC.

### 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:		
Net earnings	\$ 2,074,447	\$ 472,578
Items not involving cash:		
Amortization of capital assets	617,177	694,112
Future payments in lieu of income taxes	—	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:		
Increase (decrease) in shareholders' promissory notes	(650,000)	6,500,000
Decrease in long-term customer deposits	(41,957)	(5,486)
Dividends paid	—	(6,500,000)
	(691,957)	(5,486)
Investing:		
Capital assets additions, net	(220,810)	(164,967)
Proceeds on disposal of capital assets	—	26,001
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.	—	(100)
	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

See accompanying notes to financial statements.

# **E.L.K. ENERGY INC.**

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2003

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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%.

# E.L.K. ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

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## 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.

# **E.L.K. ENERGY INC.**

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

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## **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.

# E.L.K. ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

## 3. Capital assets:

			2003	2002
	Cost	Accumulated amortization	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 distribution system	14,709,438	7,796,526	6,912,912	7,286,236
	<u>\$ 17,686,266</u>	<u>\$ 9,780,954</u>	<u>\$ 7,905,312</u>	<u>\$ 8,301,679</u>

## 4. Regulatory assets:

Regulatory assets comprise:

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

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.



# **E.L.K. ENERGY INC.**

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

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## **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.

# E.L.K. ENERGY INC.

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)
Accrued benefit obligation, beginning of year	\$ 639,105	\$ 550,308
Service cost	4,753	35,144
Interest cost	37,394	88,500
Benefits paid	(36,486)	(34,846)
Projected accrued benefit obligation, end of year, as determined by actuarial valuation using a 6.0% discount rate	\$ 644,766	\$ 639,105

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

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

# E.L.K. ENERGY INC.

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	\$	100

The common shares were issued as follows:

	# of Common shares	Amount paid
Town of Essex	3,800	\$ 38
Town of Lakeshore	2,400	24
Town of Kingsville	3,800	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.

# E.L.K. ENERGY INC.

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	\$ 465,762	\$ 92,890
Payments in lieu of income taxes	52,588	102,224
Cash received during the year for:		
Interest	142,447	106,269
Payments in lieu of income taxes	45,777	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	\$ 257,596	\$ 2,838,889
Due from shareholders, included in accounts receivable	23,260	101,662
Due from subsidiary, included in accounts receivable	331,737	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.

# E.L.K. ENERGY INC.

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

# **E.L.K. ENERGY INC.**

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2003

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## **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.



## T2 CORPORATION INCOME TAX RETURN

200

Code 0301

055 Do not use this area

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

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

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

## Identification

Business Number (BN) 001 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 ☒If Yes, do you have a copy of the articles of amendment? 004 1 Yes ☐ 2 No ☐

## Address of head office

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

011 172 Forest Avenue

012 City Province, territory, or state  
15 Essex 016 ON017 Country (other than Canada) Postal code/ZIP code  
018 N8M-3E4

## Mailing address (if different from head office address)

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

020 1 Yes ☐ 2 No ☒

021 c/o

022 City Province, territory, or state  
023 025 026027 Country (other than Canada) Postal code/ZIP code  
028

## Location of books and records

031 172 Forest Avenue

J32 City Province, territory, or state  
035 Essex 036 ON  
037 Country (other than Canada) Postal code/ZIP code  
038 N8M-3E4

## 040 Type of corporation at the end of the taxation year

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

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

## To which taxation year does this return apply?

Taxation year start Taxation year-end  
060 2003-01-01 061 2003-12-31  
YYYY/MM/DD YYYY/MM/DDHas there been an acquisition of control to which subsection 249(4) applies since the previous taxation year? 063 1 Yes ☐ 2 No ☒

If Yes, give the date control was acquired 065 YYYY/MM/DD

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

067 1 Yes ☐ 2 No ☒

## Is this the first year of filing after:

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

If Yes, complete and attach Schedule 24.

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

If yes, complete and attach Schedule 24.

Is this the final taxation year before amalgamation? 076 1 Yes ☐ 2 No ☒Is this the final return up to dissolution? 078 1 Yes ☐ 2 No ☒

## Is the corporation a resident of Canada?

080 1 Yes ☒ 2 No ☐ If No, give the country of residence.081 Is the non-resident corporation claiming an exemption under an income tax treaty? 082 1 Yes ☐ 2 No ☒

If yes, complete and attach Schedule 91.

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

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

**Attachments****Financial statement information:** For taxation years ending in 2000 and later, use GIFI schedules 100, 125, and 141.

\* We do not print these schedules.

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

Guide item	Yes	Schedule
27 Is the corporation related to any other corporations?	150 <input checked="" type="checkbox"/>	9
28 Does the corporation have any non-resident shareholders?	151 <input type="checkbox"/>	19
29 Is the corporation an associated Canadian-controlled private corporation?	160 <input type="checkbox"/>	23
30 Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	161 <input type="checkbox"/>	49
32 Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	162 <input type="checkbox"/>	11
33 If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	163 <input type="checkbox"/>	44
34 Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	164 <input type="checkbox"/>	14
35 Is the corporation claiming a deduction for payments to a type of employee benefit plan?	165 <input type="checkbox"/>	15
37 Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	166 <input type="checkbox"/>	T5004
38 Is the corporation a member of a partnership for which a partnership identification number has been assigned?	167 <input type="checkbox"/>	T5013
40 Did the corporation, a foreign affiliate controlled by the corporation, or any other corporation or trust that did not deal at arm's length with the corporation have a beneficial interest in a non-resident discretionary trust?	168 <input type="checkbox"/>	22
41 Did the corporation have any foreign affiliates during the year?	169 <input type="checkbox"/>	25
42 Has the corporation made any payments to non-residents of Canada under subsections 202(1) and 105(1) of the federal <i>Income Tax Regulations</i> ?	170 <input type="checkbox"/>	29
43 Has the corporation had any non-arm's length transactions with a non-resident?	171 <input type="checkbox"/>	T106
47 Has the corporation made payments to, or received amounts from, a retirement compensation arrangement in the year?	172 <input type="checkbox"/>	
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 <input checked="" type="checkbox"/>	50
55 Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	201 <input checked="" type="checkbox"/>	1
7-1 Has the corporation made any charitable donations, gifts to Canada, a province, or a territory, or gifts of cultural or ecological property?	202 <input type="checkbox"/>	2
82, 104 Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	203 <input type="checkbox"/>	3
69-76 Is the corporation claiming any type of losses?	204 <input checked="" type="checkbox"/>	4
132 Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	205 <input type="checkbox"/>	5
56 Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	206 <input type="checkbox"/>	6
103 i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return, b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	207 <input type="checkbox"/>	7
57 Does the corporation have any property that is eligible for capital cost allowance?	208 <input checked="" type="checkbox"/>	8
58 Does the corporation have any property that is eligible capital property?	210 <input checked="" type="checkbox"/>	10
59 Does the corporation have any resource-related deductions?	212 <input type="checkbox"/>	12
60 Is the corporation claiming reserves of any kind?	213 <input type="checkbox"/>	13
61 Is the corporation claiming a patronage dividend deduction?	216 <input type="checkbox"/>	16
62 Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	217 <input type="checkbox"/>	17
150 Is the corporation an investment corporation or a mutual fund corporation?	218 <input type="checkbox"/>	18
131 Was the corporation carrying on business in Canada as a non-resident corporation?	220 <input type="checkbox"/>	20
3 Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	221 <input type="checkbox"/>	21
55 Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	226 <input type="checkbox"/>	26 *
111 Does the corporation have any Canadian manufacturing and processing profits?	227 <input type="checkbox"/>	27
121 Is the corporation claiming an investment tax credit?	231 <input type="checkbox"/>	31
63 Is the corporation claiming any scientific research and experimental development expenditures?	232 <input type="checkbox"/>	T661
124 Is the corporation subject to gross Part I.3 tax?	233 <input checked="" type="checkbox"/>	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 <input checked="" type="checkbox"/>	36
124 Is the corporation claiming a surtax credit?	237 <input checked="" type="checkbox"/>	37
128 Is the corporation subject to gross Part VI tax on capital of financial institutions?	238 <input type="checkbox"/>	38
128 Is the corporation claiming a Part I tax credit?	242 <input type="checkbox"/>	42
129 Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	243 <input type="checkbox"/>	43
129 Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	244 <input type="checkbox"/>	45
125 Is the corporation subject to Part II – Tobacco Manufacturers' surtax?	249 <input type="checkbox"/>	46
128 For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	250 <input type="checkbox"/>	39
128 For life insurance corporations: Is the corporation a member of a related group of insurance corporations with one or more members subject to the additional gross Part VI tax?	251 <input type="checkbox"/>	40
128 For deposit-taking institutions: Is the corporation a member of a related group of financial institutions (other than life insurance corporations) with one or more members subject to the additional Part VI tax?	252 <input type="checkbox"/>	41
152 Is the corporation claiming a Canadian film or video production tax credit refund?	253 <input type="checkbox"/>	T1131



**Attachments – continued from page 2****Guide item****Yes Schedule**

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

**Additional information**

Is the corporation inactive?	<b>280</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Has the major business activity changed since the last return was filed? (enter Yes for first-time filers)	<b>281</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
What is the corporation's major business activity? (Only complete if Yes was entered at line 281.)	<b>282</b>		
the major activity involves the resale of goods, indicate whether it is wholesale or retail	<b>283</b>	1 Wholesale <input type="checkbox"/>	2 Retail <input type="checkbox"/>
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.	<b>284</b> ELECTRICITY	<b>285</b> 100%	
	<b>286</b>	<b>287</b> 0%	
	<b>288</b>	<b>289</b> 0%	
Did the corporation immigrate to Canada during the taxation year?	<b>291</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>
Did the corporation emigrate from Canada during the taxation year?	<b>292</b>	1 Yes <input type="checkbox"/>	2 No <input checked="" type="checkbox"/>

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIF1	<b>300</b>	2,016,518 A
<b>Deduct:</b> Charitable donations from Schedule 2	<b>311</b>	0
Gifts to Canada, a province, or a territory from Schedule 2	<b>312</b>	0
Cultural gifts from Schedule 2	<b>313</b>	0
Ecological gifts from Schedule 2	<b>314</b>	0
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	<b>320</b>	0
Part VI.1 tax deduction from Schedule 43	<b>325</b>	0
Non-capital losses of preceding taxation years from Schedule 4	<b>331</b>	141,203
Net-capital losses of preceding taxation years from Schedule 4	<b>332</b>	0
Restricted farm losses of preceding taxation years from Schedule 4	<b>333</b>	0
Farm losses of preceding taxation years from Schedule 4	<b>334</b>	0
Limited partnership losses of preceding taxation years from Schedule 4	<b>335</b>	0
Taxable capital gains or taxable dividends allocated from a central credit union	<b>340</b>	0
Prospector's and grubstaker's shares	<b>350</b>	0
Subtotal		141,203 B
Subtotal (amount A minus amount B) (if negative, enter "0")		1,875,315 C
<b>Add:</b> Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	<b>355</b>	0 D
<b>Taxable income</b> (amount C plus amount D)	<b>360</b>	1,875,315
Income exempt under paragraph 149(1)(t)	<b>370</b>	0
<b>Taxable income</b> 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.

**Small business deduction****Canadian-controlled private corporations (CCPCs) throughout the taxation year**

Income from active business carried on in Canada from Schedule 7 ..... 400 ..... 0 A

Taxable income from line 360 on page 3, **minus** 10/3 of the amount at line 632\* on page 7, **minus** 3 times the amount at line 636\*\* on page 7, and **minus** any amount that, because of federal law, is exempt from Part I tax ..... 405 ..... 0 B

**Calculation of the business limit:**

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

200,000	x	Number of days in the taxation year before 2003	<u>0</u>	=	.....	<u>0</u>	1
		Number of days in the taxation year	<u>0</u>				
225,000	x	Number of days in the taxation year in 2003	<u>365</u>	=	.....	<u>0</u>	2
		Number of days in the taxation year	<u>0</u>				
250,000	x	Number of days in the taxation year in 2004	<u>0</u>	=	.....	<u>0</u>	3
		Number of days in the taxation year	<u>0</u>				
275,000	x	Number of days in the taxation year in 2005	<u>0</u>	=	.....	<u>0</u>	3.1
		Number of days in the taxation year	<u>0</u>				

Add amounts at lines 1, 2, 3, and 3.1 ..... 0 4

Business limit (see notes 1 and 2 below) ..... 410 ..... 0 C

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

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

**Business limit reduction:**

Amount C ..... 0 x 415 \*\*\* ..... 0 D = ..... 0 E

11,250

Reduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 ..... 0 F

**Small business deduction** - 0.00% of whichever amount is least: A, B, C, or F ..... 430 ..... 0 G  
(enter amount G on line 9 of page 7)

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

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

**\*\*\* Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus \$10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

**Accelerated tax reduction****Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**

Reduced business limit (amount from line 425) ..... 0 x 300,000 / line 4 above = ..... 0 A

Net active business income (amount from line 400) \* ..... 0 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636\*\* on page 7, and **minus** any amount that, because of federal law, is exempt for Part I Tax ..... 0 C

**Deduct:**

Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 0 ..... 0 E

Amount A, B, or E above, whichever is less ..... 0 F

Amount Z from Part 9 of Schedule 27 ..... 0 x 100/7 = ..... 0 G

Amount QQ from Part 13 of Schedule 27 ..... 0 H

Taxable resource income from line 435 of page 5 ..... 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) ..... 0 J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less ..... 0 K

Total of amounts G, H, I, J, and K ..... 0 ..... 0 L

Amount F minus amount L (if negative, enter "0") ..... 0 M

**Accelerated tax reduction** - 7% of amount M (enter amount N on line 637 of page 7) ..... 0 N

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

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

**Resource deduction**

Taxable resource income		.....		<b>435</b>	0	A
Amount A	0	x	Number of days in the taxation year in 2003	365	x 1% =	0 B
			Number of days in the taxation year	365		
Amount A	0	x	Number of days in the taxation year in 2004	0	x 2% =	0 C
			Number of days in the taxation year	365		
Amount A	0	x	Number of days in the taxation year in 2005	0	x 3% =	0 C.1
			Number of days in the taxation year	365		
<b>Resource deduction</b> – total of amounts B, C, and C.1		.....		<b>438</b>	0	D
(enter amount D on line 10 of page 7)						

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

Taxable income from line 360 on page 3		.....		0	E	
Amount Z from Part 9 of Schedule 27	0	x 100/7	0	F		
Amount QQ from Part 13 of Schedule 27			0	G		
Taxable resource income from line 435 above			0	H		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			0	I		
Amount on line 400, 405, 410, or 425 on page 4, whichever is less			0	J		
Aggregate investment income from line 440 of page 6			0	K		
Amount used to calculate the accelerated tax reduction (amount M of page 4)			0	L		
Total of amounts F, G, H, I, J, K, and L			0		0 M	
Amount E minus amount M (if negative, enter "0")					0 N	
Amount N	0	x	Number of days in the taxation year in 2001	0	x 1% =	0
			Number of days in the taxation year	365		
Amount N	0	x	Number of days in the taxation year in 2002	0	x 3% =	0 O
			Number of days in the taxation year	365		
Amount N	0	x	Number of days in the taxation year in 2003	365	x 5% =	0 P
			Number of days in the taxation year	365		
Amount N	0	x	Number of days in the taxation year after 2003	0	x 7% =	0 Q
			Number of days in the taxation year	365		
<b>General tax reduction for Canadian-controlled private corporations</b> - total of amounts year 2001, O, P, and Q		.....			0 R	
(enter amount R on line 638 of page 7)						

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

Taxable income from line 360 of page 3		.....		1,875,315	S	
Amount Z from Part 9 of Schedule 27	0	x 100/7	0	T		
Amount QQ from Part 13 of Schedule 27			0	U		
Taxable resource income from line 435 above			0	V		
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)			0	W		
Total of amounts T, U, V, and W			0		0 X	
Amount S minus amount X (if negative, enter "0")					1,875,315 Y	
Amount Y	1,875,315	x	Number of days in the taxation year in 2001	0	x 1% =	0
			Number of days in the taxation year	365		
Amount Y	1,875,315	x	Number of days in the taxation year in 2002	0	x 3% =	0 Z
			Number of days in the taxation year	365		
Amount Y	1,875,315	x	Number of days in the taxation year in 2003	365	x 5% =	93,766 AA
			Number of days in the taxation year	365		
Amount Y	1,875,315	x	Number of days in the taxation year after 2003	0	x 7% =	0 BB
			Number of days in the taxation year	365		
<b>General tax reduction</b> - total of amounts year 2001, Z, AA, and BB		.....			93,766 CC	
(enter amount CC on line 639 of page 7)						

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

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

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

**Deduct:**

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

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

Taxable income from line 360 on page 3 0

**Deduct:**

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

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

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

0 x 26 2/3% = 0 D

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

**Deduct:** Corporate surtax from line 600 of page 7 0

Net amount 0 E

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

**Refundable dividend tax on hand**

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

**Deduct:** Dividend refund for the previous taxation year 465 0

0 A

**Add the total of:**

Refundable portion of Part I tax from line 450 above 0

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

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

0 B

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

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

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

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

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

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

550

712,620 A**Corporate surtax calculation**

Base amount from line A above

712,620 1**Deduct:**

10% of taxable income (line 360 or amount Z, whichever applies) from page 3

187,532 2

Investment corporation deduction from line 620 below

0 3

Federal logging tax credit from line 640 below

0 4

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

0 a

28.00% of taxed capital gains

0 b

Part I tax otherwise payable

0 c

(line A plus lines C and D minus line F)

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 B

Recapture of investment tax credit from line PPP in Part 21 of Schedule 31

602

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

Aggregate investment income from line 440 on page 6

0 i

Taxable income from line 360 on page 3

0**Deduct:**

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

0

Net amount

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

604

0 D

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

733,624 E**Deduct:**

Small business deduction from line 430 of page 4

0 9

Federal tax abatement

608 187,532

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)

Additional deduction – credit unions from Schedule 17

628 0

Federal foreign non-business income tax credit from Schedule 21

632 0

Federal foreign business income tax credit from Schedule 21

636 0

Accelerated tax reduction from amount N of page 4

637 0

Resource deduction from line 438 of page 5

638 0 10

General tax reduction for CCPCs from amount R of page 5

639 0

General tax reduction from amount CC of page 5

639 93,766

Federal logging tax credit from Schedule 21

640 0

Federal political contribution tax credit

644 0Federal political contributions 646 0

Federal qualifying environmental trust tax credit

648 0

Investment tax credit from Schedule 31

652 0Subtotal 281,298281,298 F**Part I tax payable** – Line E minus line F (enter amount G on line 700 of page 8)452,326 G

**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
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
<b>Total federal tax</b>		<b>452,326</b>

**Add provincial and territorial tax:**

Provincial or territorial jurisdiction	750	ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)		
Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0
<b>Total tax payable</b>	770	<b>452,326 A</b>

**Deduct other credits:**

Investment tax credit refund from Schedule 31	780	0
Dividend refund from page 6	784	0
Federal capital gains refund from Schedule 18	788	0
Federal qualifying environmental trust tax credit refund	792	0
Canadian film or video production tax credit refund from Form T1131	796	0
Film or video production services tax credit refund from Form T1177	797	0
Tax withheld at source	800	0
<b>Total payments on which tax has been withheld</b>	801	0
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0
Provincial and territorial capital gains refund from Schedule 18	808	0
Provincial and territorial refundable tax credits from Schedule 5	812	0
Royalties deductible under Syncrude Remission Order	815	0
Tax remitted under Syncrude Remission Order	816	0
Tax instalments paid	840	0
<b>Total credits</b>	890	0 B
Refund code	894	0
Overpayment	0	
<b>Balance (line A minus line B)</b>		<b>452,326</b>

**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:

<input type="checkbox"/> Start	<input type="checkbox"/> Change information	910
		Branch number
914	918	
Institution number	Account number	

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

Balance unpaid 452,326

Enclosed payment 898 452,326

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

896 1 Yes ☐ 2 No ☒

**Certification**

I, 950 SLATER 951 SANDRA 954 DIRECTOR OF FINANCE  
 Last name in block letters First name in block letters Position, office or rank

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

955 2004-04-01  
 Date (yyyy/mm/dd) Signature of the authorized signing officer of the corporation

956 519-776-5291  
 Telephone number

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

957 1 Yes ☒ 2 No ☐

958  
 Name in block letters

959  
 Telephone number

**Language of correspondence - Langue de correspondance**

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

1 English/Anglais

☒ 2 Français/French

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

## NET INCOME (LOSS) FOR INCOME TAX PURPOSES

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

Net income (loss) after taxes and  
extraordinary items per financial statements ..... 2,074,447 A

### Additions:

Provision for income taxes - current .....	101	683,000	
Amortization of tangible assets .....	104	617,177	
Reserves from financial statements - balance at the end of the year .....	126	644,766	
		1,944,943	
Subtotal of additions .....		1,944,943	1,944,943

### Other Additions:

#### Miscellaneous Other Additions:

bww Meals and entertainment .....	290	2,547	
601 Addition of expenses capitalized for accounting P/Y .....	291	338,104	
602 Capital tax accrued in the accounts .....	282	37,000	
603a Enerconnect Limited Partnership income .....		2,686	
603b .....		0	
603c .....		0	
	293	2,686	
		380,337	
Subtotal of Other Additions .....	199	380,337	380,337
<b>Total Additions</b> .....	<b>500</b>	<b>2,325,280</b>	<b>2,325,280</b>

### 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	
		2,332,504	
Subtotal 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	
		50,705	
Subtotal of Other Deductions .....	499	50,705	50,705
<b>Total Deductions</b> .....	<b>510</b>	<b>2,383,209</b>	<b>2,383,209</b>

Net income (loss) for income tax purposes .....	2,016,518
(enter on line 300 on the T2 return)	=====

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

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

**Continuity of non-capital losses and request for a carryback**

Non-capital loss at the end of preceding taxation year . . . . .		141,203	
<b>Deduct:</b> Non-capital loss expired after seven taxation years . . . . .	100	0	
Non-capital losses at beginning of taxation year . . . . .	102	141,203	
<b>Add:</b> Non-capital losses transferred on amalgamation or wind-up of subsidiary corporation . . . . .	105	0	
Current-year non-capital loss (from calculation above) . . . . .	110	0	141,203



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

Amount applied against taxable income (enter on line 331 of the T2 return) . . . . .	<input type="text" value="130"/>	141,203	
Amount applied against taxable dividends subject to Part IV tax . . . . .	<input type="text" value="135"/>	0	
Section 80 - Adjustments for forgiven amounts . . . . .	<input type="text" value="140"/>	0	
Subsection 111(10) - Adjustments for fuel tax rebate . . . . .		0	
Other adjustments . . . . .	<input type="text" value="150"/>	0	141,203
			<hr/>
		Subtotal	0

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

First preceding taxation year to reduce taxable income . . . . .	<input type="text" value="901"/>	0	
Second preceding taxation year to reduce taxable income . . . . .	<input type="text" value="902"/>	0	
Third preceding taxation year to reduce taxable income . . . . .	<input type="text" value="903"/>	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax . . . . .	<input type="text" value="911"/>	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax . . . . .	<input type="text" value="912"/>	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax . . . . .	<input type="text" value="913"/>	0	0
			<hr/>
Non-capital losses - Closing balance . . . . .	<input type="text" value="180"/>		0
			<hr/>

**Election under paragraph 88(1.1)(f)**

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

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

**Part 2 - Capital losses****Continuity of capital losses and request for a carryback**

Capital losses at end of preceding taxation year . . . . .	<input type="text" value="200"/>	0	
Capital losses transferred on amalgamation or wind-up of subsidiary corporation . . . . .	<input type="text" value="205"/>	0	
Current-year capital loss (from Schedule 6 calculation) . . . . .	<input type="text" value="210"/>	0	0
<b>Add:</b>			
Allowable business investment loss expired as non-capital loss . . . . .	0x 4/3 . . . . . <input type="text" value="220"/>		0
			<hr/>
		Subtotal	0

**Deduct:**

Amount applied against current-year capital gain (see note 1) . . . . .	<input type="text" value="225"/>	0	
Section 80 - Adjustments for forgiven amounts . . . . .	<input type="text" value="240"/>	0	
Other adjustments . . . . .	<input type="text" value="250"/>	0	0
			<hr/>
		Subtotal	0

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

	Capital gain (100%)		Amount carried back (100%)
First preceding taxation year . . . . .	0 . . . . . <input type="text" value="951"/>	0	0
Second preceding taxation year . . . . .	0 . . . . . <input type="text" value="952"/>	0	0
Third preceding taxation year . . . . .	0 . . . . . <input type="text" value="953"/>	0	0
			<hr/>
Capital losses - Closing balance . . . . .		<input type="text" value="280"/>	0
			<hr/>

## Part 2 - Capital losses

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

Capital losses carried back to taxation years ending before February 28, 2000, the inclusion rate is 3/4.  
Capital losses carried back to taxation years starting after October 17, 2000, the inclusion rate is 2/3.  
For taxation years that straddle February 28, 2000 or October 18, 2000, the inclusion rate will be determined by dividing the total taxable capital gain by the total capital gain.

#### Note 1

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

#### Note 2

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

## Part 3 - Farm losses

### Continuity of farm losses and request for a carryback

Farm losses at end of preceding taxation year . . . . .	300	0	
<b>Deduct:</b> Farm loss expired after 10 taxation years . . . . .	302	0	
Farm losses at beginning of taxation year . . . . .		0	
<b>Add:</b> Farm losses transferred on amalgamation or wind-up of subsidiary corporation . . . . .	305	0	
Current-year farm loss . . . . .	310	0	0
<b>Net:</b>			
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
<b>Deduct - Request to carry back farm loss to:</b>			
First preceding taxation year to reduce taxable income . . . . .	921	0	
Second preceding taxation year to reduce taxable income . . . . .	922	0	
Third preceding taxation year to reduce taxable income . . . . .	923	0	
First preceding taxation year to reduce taxable dividends subject to Part IV tax . . . . .	931	0	
Second preceding taxation year to reduce taxable dividends subject to Part IV tax . . . . .	932	0	
Third preceding taxation year to reduce taxable dividends subject to Part IV tax . . . . .	933	0	0
Farm losses - Closing balance . . . . .	380		0

#### Restricted Farm Loss Determination:

Is the corporation exempt from the restricted farm loss rules?

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

Part 4 - Restricted farm losses

Current-year restricted farm loss

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

Continuity of restricted farm losses and request for a carryback

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

Note

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

Part 5 - Listed personal property losses

Continuity of listed personal property loss and request for a carryback

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

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

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

Farm losses							
Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back Parts I & 4	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	0	0	0	N/A	0	0
2002	0	N/A	0	N/A	0	0	0
2001	0	N/A	0	N/A	0	0	0
2001	0	N/A	0	N/A	0	0	0
2000	0	N/A	0	N/A	0	0	0
1999	0	N/A	0	N/A	0	0	0
1998	0	N/A	0	N/A	0	0	0
1997	0	N/A	0	N/A	0	0	0
1996	0	N/A	0	N/A	0	0	0
1995	0	N/A	0	N/A	0	0	0
1994	0	N/A	0	N/A	0	0	0 *
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Restricted farm losses							
Year of origin	Balance at Beginning of year	Loss Incurred in Current Year	Adjustments and Transfers <F1> for help	Loss Carried Back	Applied to Reduce		Balance at End of Year
					Taxable Income	Part IV Tax	
Current	N/A	0	0	0	N/A	N/A	0
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 *
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>N/A</b>	<b>0</b>

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

## Summary of Capital Cost Allowance

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

Class No. [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	9,495,732	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.**

**Sch. 009**

**Account/Business No.: 866567787RC0001 Year Ended:**

**2003-12-31**

**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)

Name	Ctry of resi- dence	Business Number (Note)	Rela- tion- ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of pre- ferred shares owned	Book value of capital stock
[100]	[200]	[300]	[400]	[500]	[550]	[600]	[650]	[700]
<hr/>								
E.L.K. SOLUTIONS INC.		864877519RC0001	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**

Corporate Taxprep / Taxprep des sociétés - TP-08

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

## CUMULATIVE ELIGIBLE CAPITAL DEDUCTION

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

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

#### Cumulative eligible capital - Balance at end of preceding taxation year

(if negative, enter "0") ..... **200**      748,822      A

#### Add:

Cost of eligible capital property acquired during the taxation year .....	<b>222</b>	0	B	
Amount transferred on amalgamation or wind-up of subsidiary .....	<b>224</b>	0	C	
Other adjustments .....	<b>226</b>	0	D	
		(add amounts B, C, and D)		
		0	x 0.75	=
				0      E

**Subtotal (amount A plus amount E)** ..... **230**      748,822      F

#### Deduct:

Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year .....	<b>242</b>	0	G	
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) .....	<b>244</b>	0	H	
Other adjustments .....	<b>246</b>	0	I	
		(add amounts G, H, and I)		
		0	x 0.75	=
				<b>248</b> 0      J

**Cumulative eligible capital balance (amount F minus amount J)** ..... 748,822      K  
 (if amount K is negative, enter "0" at line M and proceed to Part 2)

**Current year deduction** ..... amount K      748,822      x      7.00%      =      **250**      52,418      L  
 (for amount L at line 405 of Schedule 1)

**Cumulative eligible capital - Closing balance** ..... **300**      696,404      M  
 Amount K minus amount L (if negative, enter "0")

#### 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.

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

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

Amount from line K above (show as a positive amount) ..... 0 N

Total of cumulative eligible capital deductions from income for  
taxation years beginning after June 30, 1988 ..... **400** 0 1Total of all amounts which reduced cumulative eligible capital in  
the current or prior years under subsection 80(7) ..... **401** 0 2Total of cumulative eligible capital deductions claimed for  
taxation years beginning before July 1, 1988 ..... **402** 0 3Negative balances in the cumulative eligible capital account  
that were included in income for taxation years beginning  
before July 1, 1988 ..... **408** 0 4

Line 3 minus line 4 ..... 0 0 5

Total of lines 1, 2, and 5 ..... 0 6

Line 6 T from Schedule 10 of previous taxation years ending  
after February 27, 2000 ..... **409** 0 7

Line 6 minus line 7 ..... 0 0 O

Line N minus line O (cannot be negative) ..... 0 P

Amount on line 5 0 x 1/2 ..... 0 Q

Line P minus line Q ..... 0 R

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

Lesser of line N or line O ..... 0 T

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

For taxation years ending before February 28, 2000,

line N - line Q ..... **410** 0



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".

**Part 1 - Capital gains reserves**

Description of property	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
	\$	\$	\$	\$	\$
<b>001</b>	<b>002</b>	<b>003</b>			<b>004</b>
	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
<b>Totals</b>	<b>008</b> 0	<b>009</b> 0	0	0	<b>010</b> 0

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 Reserves (not deductible)**

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	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
<b>Totals</b>	<b>1,723,826</b>	<b>0</b>	<b>0</b>	<b>1,079,060</b>	<b>644,766</b>

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

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

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]	\$	\$	\$	\$	\$
Reserve for doubtful debts . . . . .	[ ]	110 0	115 0	0	0	120 0
Reserve for undelivered goods and services not rendered . . . . .	[ ]	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 . . . . .	[ ]	170 0	175 0	0	0	180 0
Reserve for refundable containers . . . . .	[ ]	190 0	195 0	0	0	200 0
Reserve for unpaid amounts . . . . .	[ ]	210 0	215 0	0	0	220 0
Other tax reserves . . . . .	[ ]	230 0	235 0	0	0	240 0
<b>Totals</b>		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 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.

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

## PART I.3 TAX ON LARGE CORPORATIONS

### (2000 and later taxation years)

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

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

#### Part 1 - Capital

Add the following amounts at the end of the year:

Reserves that have not been deducted in computing income for the year under Part I . . . . .	101	1,232,802
Capital stock (or members' contributions if incorporated without share capital) . . . . .	103	100
Retained 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

**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) . . . . .

112 0

Subtotal 17,183,548 17,183,548 A

**Deduct the following amounts:**

Deferred tax debit balance at the end of the year . . . . . 121 572,000  
Any deficit deducted in computing the shareholders' equity . . . . . 122 0  
Any amount deducted under subsection 135(1) in computing income under  
Part I for the year, to the extent that the amount may reasonably be  
regarded as being included in any of lines 101 to 112 above . . . . . 123 0  
The amount of deferred unrealized foreign exchange losses . . . . . 124 0

Subtotal 572,000 572,000 B

**Capital for the year** (amount A minus amount B) (if negative, enter "0") . . . . . 190 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.
- Amounts are determined as at the end of the last fiscal period of the partnership ending in the year of the corporation.
- Amounts at these lines apply to partnerships in the same way that they apply to corporations.
- The proportion of the total amounts is determined 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 . . . . . 401 100  
A loan or advance to another corporation (other than a financial institution) . . . . . 402 0  
A bond, debenture, note, mortgage, hypothecary claim, or similar obligation of  
another corporation (other than a financial institution) . . . . . 403 0  
Long-term debt of a financial institution . . . . . 404 0  
Dividend receivable on a share of the capital stock of another corporation . . . . . 405 0

Loan or advance to, or a bond, debenture, note, mortgage, hypothecary claim, or  
similar obligation of, a partnership all of the members of which, throughout the year,  
were other corporations (other than financial institutions) that were not exempt from

tax under Part I.3 (other than by reason of paragraph 181.1(3)(d)) . . . . . 406 0  
An interest in a partnership (see note 1 below) . . . . . 407 0

**Investment allowance for the year** . . . . . 490 100



**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 . . . . .

701

0

Deduct the following amounts:

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

711

0

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

712

0

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 corporation in carrying on any business during the year through a permanent establishment in Canada (see note below) . . . . .

713

0

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

0

0 E

**Taxable capital employed in Canada**

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

790

0

**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**

Taxable capital employed in Canada (line 690 or 790, whichever applies) . . . . . 16,611,448

**Deduct:** Capital deduction claimed for the year (for related corporations, enter the amount allocated on Schedule 36) . . . . .

801

10,000,000

Balance of taxable capital employed in Canada over capital deduction . . . . .

811

6,611,448

**Gross Part I.3 Tax**

Year	Line 811	Number of days	Number of days in the taxation year					
Before 2004	6,611,448	x	( 365 )	/	365	x	.2250%	= 14,876 1
2004	6,611,448	x	( 0 )	/	365	x	.2000%	= 0 2
2005	6,611,448	x	( 0 )	/	365	x	.1750%	= 0 3

**Total Gross Part I.3 tax** (add lines 1, 2, and 3) . . . . . 14,876 14,876 F

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

Amount F	14,876	x	Number of days in the year	365	=	0 G
				365		

**Gross Part I.3 tax** (amount F or G, whichever applies) . . . . . 14,876

**Part 6 - Calculation of current-year surtax credit available**

- Corporations can claim a credit against their Part I.3 tax for the amount of Canadian surtax payable for the year. This is called the surtax credit.
- Any unused surtax credit can be carried back three years or carried forward seven years. Unused surtax credits must be applied in order of the oldest first.
- Refer to subsection 181.1(7) 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.

For a corporation that was a non-resident of Canada throughout the year, the lesser of a and b, below:

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

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

		line 690 of this schedule		
c) line 600 from the T2 return	21,004	x	16,611,448	= 21,004
			16,611,448	
			line 500 of this schedule	
line 700 from the T2 return . . . . .			452,326	21,004 I
<b>Current-year surtax credit available</b> (amount H or I, whichever applies) . . . . .				<span style="border: 1px solid black;">830</span> 21,004

**Part 7 - Calculation of current-year unused surtax credit**

Current-year surtax credit available (line 830) . . . . .				21,004
Taxable capital employed in Canada (line 690 or 790, whichever applies) . . . . .			16,611,448	
<b>Deduct:</b> Capital deduction claimed for the year . . . . .			10,000,000	
				=====
Excess of taxable capital employed in Canada over capital deduction . . . . .			6,611,448	a
				=====
<b>Less: Gross Part I.3 tax</b>				
Line a	6,611,448	x	.2250%	= 14,876
				14,876 b

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

			Number of days in the year	
Amount b	14,876	x	365	= 0 c
			365	
<b>Current-year unused surtax credit</b> (if negative, enter "0") . . . . .				<span style="border: 1px solid black;">850</span> 6,128

Enter this amount at line 600 on Schedule 37

\* For the purposes of the calculation of current-year unused surtax credit, the calculation is performed on a capital deduction based on \$10 millions and a specified percentage of 0.225%.

**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

(the lesser of lines 820 and 830) .....	14,876	
---	--------	--

Unused surtax credit from previous years applied .....	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	
--	---	--

Enter this amount at line 704 of the T2 return



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

- Members of a related group of corporations should use this schedule to allocate the capital deduction of \$10,000,000 or \$50,000,000 among the members of the related group.  
**Do not file this agreement if no members of the related group are liable to pay Part I.3 tax.**

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

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

#### Agreement

	Year Month Day
Date filed (for departmental use only) .....	010
Is this an amended agreement? .....	020 [Y/N]    [ N ]
Enter the calendar year to which the agreement applies .....	030 Year 2003

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

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year \$	Taxation year end to which this agreement applies (Note 2)
200	300	400	500
E.L.K. Energy Inc.	866567787RC0001	10,000,000	
See attached		0	
		-----	
<b>Total</b>	(Before 2004 must not exceed \$10,000,000 After 2003 must not exceed \$50,000,000)	10,000,000 =====	

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

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

**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 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]
<hr/>			
E.L.K. SOLUTIONS INC.	864877519RC0001	0	
<b>TOTAL</b>		0	

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

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

**Schedule 36 - Supplementary**

Corporate Taxprep / Taxprep des sociétés - TP-08

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 preceding taxation year . . . . .		0	
<b>Deduct:</b> Unused surtax credit expired after seven taxation years . . . . .	115	0	
Unused surtax credit at beginning of the taxation year . . . . .	120	0	
<b>Add:</b> Unused surtax credit transferred on amalgamation or wind-up of subsidiary . . . . .	220	0	
	Subtotal	0	<b>A</b>
<b>Deduct:</b> Amount of unused surtax credit carried forward from previous years and applied to reduce Part I.3 tax payable in the current year (see line 862 of Schedule 33, line 862 of Schedule 34, or line 862 of Schedule 35, whichever applies) . . . . .	320	0	
Unused surtax credit balance . . . . .		0	
<b>Deduct:</b> Amount of unused surtax credit carried forward from previous years and applied to reduce Part VI tax payable in the current year (see line 887 of Schedule 38) . . . . .	420	0	
	Subtotal	0	
<b>Add:</b> Current year unused surtax credit (enter amount from line 850 of Schedule 33, line 850 of Schedule 34, or line 850 of Schedule 35) . . . . .	600	6,128	
	Subtotal	6,128	
<b>Deduct:</b> Unused surtax credit carried back to preceding taxation year(s) (complete Part 2 below) . . . . .		6,125	<b>B</b>
<b>Closing balance of unused surtax credit</b> . . . . .	820	3	

**Part 2 - Request for carryback of unused surtax credit**

	Year Month Day		Part I.3 Tax	Part VI Tax
1st preceding taxation year	2003-12-31	Credit to be applied	<input type="text" value="901"/> 6,125	<input type="text" value="911"/> 0
2nd preceding taxation year		Credit to be applied	<input type="text" value="902"/> 0	<input type="text" value="912"/> 0
3rd preceding taxation year		Credit to be applied	<input type="text" value="903"/> 0	<input type="text" value="913"/> 0
Subtotal			6,125 <b>C</b>	0 <b>D</b>
Total of C and D (enter this amount at line B in Part 1 above)			6,125	

**SCHEDULE 037 SUPPLEMENTARY - UNUSED SURTAX CREDITS****Continuity of Post-1991 Unused Surtax Credits**

		* Opening Balance	Applied to Part I.3	Applied to Part VI	Expired	Closing Balance
1st prior year	- 2002	0	0	0	N/A	0
2nd prior year	- 2001	0	0	0	N/A	0
3rd prior year	- 0	0	0	0	N/A	0
4th prior year	- 0	0	0	0	N/A	0
5th prior year	- 0	0	0	0	N/A	0
6th prior year	- 0	0	0	0	N/A	0
7th prior year	- 0	0	0	0	0	0
Total		0	0	0	0	0

\* **Note:** Include any surtax credits transferred on amalgamation or wind-up in the opening balance field(s) above. The total of such transferred credits 0

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

**SHAREHOLDER INFORMATION**  
**(1998 and later taxation years)**

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

Name of shareholder	Business Number	Social Insurance Number	Percentage common shares	Percentage preferred shares
	(note 1)	(note 2)		
100	200	300	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.

E.L.K. Energy Inc.

Sch. 101

Account/Business No.: 866567787RC0001

Year Ended:

2003-12-31

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

## Opening Balance Sheet

GIFI	Account	Description	Amount
------	---------	-------------	--------

**Assets**

1599		Total current assets . . . . .	+	0
2008		Total tangible capital assets . . . . .	+	0
2009		Total accumulated amortization of tangible capital assets . . . . .	-	0
2178		Total intangible capital assets . . . . .	+	0
2179		Total accumulated amortization of intangible capital assets . . . . .	-	0
2589		Total long term assets . . . . .	+	0
2590		Assets held in trust . . . . .	+	0
				-----
2599		<b>Total Assets</b> (mandatory field)	=	0
				=====

**Liabilities**

		Total current liabilities . . . . .		0
		Total long term liabilities . . . . .		0
3460		Subordinated debt . . . . .		0
3470		Amounts held in trust . . . . .		0
				-----
3499		<b>Total liabilities</b> (mandatory field)		0
				=====

**Shareholder equity**

3620		<b>Total shareholder equity</b> (mandatory field) . . . . .		0
				=====

3640		<b>Total Liabilities and Shareholder Equity</b>		0
				=====

		<b>Retained Earnings/Deficit - End</b> (mandatory field)		0
				=====

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Identification of the corporation (Imported Data)

Name of the corporation..... E.L.K. Energy Inc.  
 Business Number..... 866567787RC0001 Taxation year end..... 2003-12-31  
 Address..... 172 FOREST AVENUE City..... ESSEX  
 Province, Territory..... ON Postal code..... N8M-3E4

Balance Sheet

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

<b>Liabilities</b>				
3139		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		<b>Total liabilities</b> (mandatory field)	11,045,651	11,027,984
			=====	=====

<b>Shareholder equity</b>				
3820		<b>Total shareholder equity</b> (mandatory field) .....	10,100,746	8,026,299
			=====	=====

3540		<b>Total Liabilities and Shareholder Equity</b>	21,146,397	19,054,283
			=====	=====

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

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

## Current Assets

GIFI	Account	Description	Amount	Prior year
<b>Cash and deposits</b>				
1000	*	Cash and deposits . . . . .	7,478,565	4,442,269
1001		Cash . . . . .	0	0
		Deposits in Canadian banks and institutions		
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
1007		Other cash like instruments . . . . .	0	0
		<b>Cash and deposits</b>	<b>+ 7,478,565</b>	<b>4,442,269</b>

<b>Accounts receivable</b>				
1060	*	Accounts receivable . . . . .	1,802,614	1,521,709
1062		Trade accounts receivable . . . . .	2,530,295	2,946,625
1064		Trade accounts receivable from related parties . . . . .	0	0
1066		Taxes receivable . . . . .	0	0
1067		Interest receivable . . . . .	0	0
1068		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
		<b>Accounts receivable</b>	<b>+ 4,332,909</b>	<b>4,468,334</b>

<b>Allowance for doubtful accounts</b>				
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
1072		Allowance for doubtful accounts receivable from employees . . . . .	0	0
		<b>Allowance for doubtful accounts</b>	<b>- 0</b>	<b>0</b>



**Inventories**

1120	*	Inventories . . . . .	251,137	274,960
1121		Inventory of goods for sale . . . . .	0	0
1122		Inventory parts and supplies . . . . .	0	0
1123		Inventory properties . . . . .	0	0
1124		Inventory of aggregates . . . . .	0	0
1125		Work in progress . . . . .	0	0
1126		Raw materials . . . . .	0	0
1127		Inventory of securities . . . . .	0	0
			-----	-----
		<b>Inventories</b>	<b>+</b> 251,137	274,960
			=====	=====

**Short term investments**

1180	*	Short term investments . . . . .	0	0
1181		Canadian term deposits . . . . .	0	0
1182		Canadian shares . . . . .	0	0
1183		Canadian bonds . . . . .	0	0
1184		Canadian treasury bills . . . . .	0	0
1185		Securities purchased under resale agreements . . . . .	0	0
		Other short term Canadian investments . . . . .	0	0
		Short term foreign investments . . . . .	0	0
			-----	-----
		<b>Short term investments</b>	<b>+</b> 0	0
			=====	=====

**Loans and notes receivable**

1240	*	Loans and notes receivable . . . . .	0	0
1241		Demand loans receivable . . . . .	0	0
1242		Other loans receivable . . . . .	0	0
1243		Notes receivable . . . . .	0	0
1244		Mortgages receivable . . . . .	0	0
			-----	-----
		<b>Loans and notes receivable</b>	<b>+</b> 0	0
			=====	=====

**Due from shareholder(s)/director(s)**

1300	*	Due from shareholder(s)/director(s) . . . . .	0	0
1301		Due from individual shareholder(s) . . . . .	0	0
1302		Due from corporate shareholder(s) . . . . .	0	0
1303		Due from director(s) . . . . .	0	0
			-----	-----
		<b>Due from shareholder(s)/director(s)</b>	<b>+</b> 0	0
			=====	=====

1360		Investment in joint venture(s)/partnership(s) . . . . .	+	0	0
1380		Due from joint venture(s)/partnerships(s) . . . . .	+	0	0

## Due from/investment in related parties

1400	* Due from/investment in related parties . . . . .	0	0
1401	Demand notes from related parties . . . . .	0	0
1402	Interest receivable from related parties . . . . .	0	0
1403	Loans/advances due from related parties . . . . .	0	0
		-----	-----
	<b>Due from/investment in related parties</b>	<b>+</b> 0	0
		=====	=====

1460	Customers' liability under acceptances . . . . .	+	0	0
------	--	---	---	---

## Other current assets

1480	* Other current assets . . . . .	0	0
1481	Deferred income taxes . . . . .	0	0
1482	Accrued investment income . . . . .	0	0
1483	Taxes recoverable/refundable . . . . .	0	64,281
1484	Prepaid expenses . . . . .	37,200	63,954
1485	Drilling advances . . . . .	0	0
	Security/tender deposits . . . . .	0	0
		-----	-----
	<b>Other current assets</b>	<b>+</b> 37,200	128,235
		=====	=====

1599	<b>Total Current Assets</b>	<b>=</b> 12,099,811	9,313,798
		=====	=====

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Tangible Capital Assets

GIFI	Account	Description	Amount	Prior year	
1600		Land .....	+	156,387	156,387
1601		Land improvements .....	+	0	0

Depletable assets

1620	*	Depletable assets . . . . .	0	0
1622		Petroleum and natural gas properties . . . . .	0	0
1624		Mining properties . . . . .	0	0
1626		Deferred exploration and development charges . . . . .	0	0
1628		Quarries . . . . .	0	0
1630		Gravel pits . . . . .	0	0
1632		Timber limits . . . . .	0	0
			-----	-----
<b>Depletable assets</b>			+	0
			=====	=====

Buildings

1680	*	Buildings . . . . .	2,820,441	2,815,401
1682		Manufacturing and processing plant . . . . .	0	0
1684		Buildings under construction . . . . .	0	0
			-----	-----
		<b>Buildings</b>	+ 2,820,441	2,815,401
			=====	=====

Machinery, equipment, furniture and fixtures

1740	*	Machinery, equipment, furniture and fixtures .....	14,709,438	14,493,668
1742		Motor vehicles .....	0	0
1744		Tools and dies .....	0	0
1746		Construction and excavating equipment .....	0	0
1748		Forestry and logging equipment .....	0	0
1750		Fishing gear and nets .....	0	0
1752		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

## Machinery, equipment, furniture and fixtures (cont'd)

1770	Small tools . . . . .	0	0
1772	Radio and communication equipment . . . . .	0	0
1774	Computer equipment/software . . . . .	0	0
1776	Musical instruments . . . . .	0	0
1778	Satellites . . . . .	0	0
1780	Earth stations . . . . .	0	0
1782	Machinery and equipment under construction . . . . .	0	0
1783	Transportation equipment . . . . .	0	0
1785	Other machinery and equipment . . . . .	0	0
1787	Furniture and fixtures . . . . .	0	0
		-----	-----
	<b>Machinery, equipment, furniture and fixtures</b>	<b>+ 14,709,438</b>	<b>14,493,668</b>
		=====	=====

## Other tangible capital assets

1900	* Other tangible capital assets . . . . .	0	0
1902	Logging roads . . . . .	0	0
1904	Asphalt and parking areas . . . . .	0	0
1906	Wharves . . . . .	0	0
	Fences . . . . .	0	0
	Capital leases - buildings . . . . .	0	0
1912	Capital leases - equipment . . . . .	0	0
1914	Capital leases - vehicles . . . . .	0	0
1916	Capital leases - others . . . . .	0	0
1918	Leasehold improvements . . . . .	0	0
1920	Other capital assets under construction . . . . .	0	0
1921	Campsites . . . . .	0	0
		-----	-----
	<b>Other tangible capital assets</b>	<b>+ 0</b>	<b>0</b>
		=====	=====

2008	<b>Total Tangible Capital Assets</b>	<b>= 17,686,266</b>	<b>17,465,456</b>
		=====	=====

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Accumulated Amortization of Tangible Capital Assets

GIFI	Account	Description	Amount	Prior year	
1602		Land improvements . . . . .	+	0	0
Accumulated amortization of depletable assets					
1621	*	Depletable assets . . . . .		0	0
1623		Petroleum and natural gas properties . . . . .		0	0
1625		Mining properties . . . . .		0	0
1627		Deferred exploration and development charges . . . . .		0	0
1629		Quarries . . . . .		0	0
1631		Gravel pits . . . . .		0	0
1633		Timber limits . . . . .		0	0
Accumulated amortization of depletable assets			+	0	0
Accumulated amortization of buildings					
1681	*	Buildings : . . . . .		1,984,428	1,956,345
1683		Manufacturing and processing plant . . . . .		0	0
Accumulated amortization of buildings			+	1,984,428	1,956,345
Accumulated amortization of machinery, equipment, furniture and fixtures					
1741	*	Machinery, equipment, furniture and fixtures . . . . .		7,796,526	7,207,432
1743		Motor vehicles . . . . .		0	0
1745		Tools and dies . . . . .		0	0
1747		Construction and excavating equipment . . . . .		0	0
1749		Forestry and logging equipment . . . . .		0	0
1751		Fishing gear and nets . . . . .		0	0
1753		Mining equipment . . . . .		0	0
1755		Oil and gas systems . . . . .		0	0
1757		Production equipment for resource industries . . . . .		0	0
		Production equipment for other than resource industries . . . . .		0	0
1761		Exploration equipment . . . . .		0	0
1763		Shipping equipment . . . . .		0	0
1765		Ships and boats . . . . .		0	0
1767		Aircraft . . . . .		0	0
1769		Signs . . . . .		0	0
1771		Small tools . . . . .		0	0
1773		Radio and communication equipment . . . . .		0	0
1775		Computer equipment/software . . . . .		0	0
1777		Musical instruments . . . . .		0	0
1779		Satellites . . . . .		0	0
1781		Earth stations . . . . .		0	0
1784		Transportation equipment . . . . .		0	0
1786		Other machinery and equipment . . . . .		0	0
1788		Furniture and fixtures . . . . .		0	0
Accumulated amortization of machinery, equipment, furniture and fixtures			+	7,796,526	7,207,432

**Accumulated amortization of other tangible capital assets**

1901	*	Other tangible capital assets .....	0	0
1903		Logging roads .....	0	0
1905		Asphalt and parking areas .....	0	0
1907		Wharves .....	0	0
1909		Fences .....	0	0
1911		Capital leases - buildings .....	0	0
1913		Capital leases - equipment .....	0	0
1915		Capital leases - vehicles .....	0	0
1917		Capital leases - others .....	0	0
1919		Leasehold improvements .....	0	0
1922		Campsites .....	0	0
			-----	-----
<b>Accumulated amortization of other tangible capital assets</b>			+	0
			=====	=====

2009	<b>Total Accumulated Amortization of Tangible Capital Assets</b>	=	9,780,954	9,163,777
			=====	=====

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Long Term Assets

GIFI	Account	Description	Amount	Prior year
<b>Due from shareholder(s)/director(s)</b>				
2180	*	Due from shareholder(s)/director(s) . . . . .	0	0
2181		Due from individual shareholder(s) . . . . .	0	0
2182		Due from corporate shareholder(s) . . . . .	0	0
2183		Due from director(s) . . . . .	0	0
			-----	-----
		<b>Due from shareholder(s)/director(s)</b>	+ 0	0
			=====	=====
2190		Due from members . . . . .	+	0 0
2200		Investment in joint venture(s)/partnership(s) . . . . .	+	0 0
		Due from joint venture(s)/partnership(s) . . . . .	+	0 0
<b>Due from/investment in related parties</b>				
2240	*	Due from/investment in related parties . . . . .	0	0
2241		Due from/investment in Canadian related parties . . . . .	0	0
2242		Shares in Canadian related corporations . . . . .	100	100
2243		Loans/advances to Canadian related corporations . . . . .	0	0
2244		Investment in Canadian related corporations at cost . . . . .	0	0
2245		Investment in Canadian related corporations at equity . . . . .	0	0
2246		Due from/investment in foreign related parties . . . . .	0	0
2247		Shares in foreign related corporations . . . . .	0	0
2248		Loans/advances to foreign related corporations . . . . .	0	0
2249		Investment in foreign related corporations at cost . . . . .	0	0
2250		Investment in foreign related corporations at equity . . . . .	0	0
			-----	-----
		<b>Due from/investment in related parties</b>	+ 100	100
			=====	=====
2280		Investment in co-tenancy . . . . .	+	0 0

Long term investments

2300	* 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
2306	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
2310	Central credit union shares . . . . .	0	0
2311	Other Canadian long term investments . . . . .	0	0
		-----	-----
	Long term investments	+ 0	0
		=====	=====

Long term loans

2360	* Long term loans . . . . .	0	0
	Mortgages . . . . .	0	0
	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
		=====	=====

Other long term assets

2420	* Other long term assets . . . . .	569,174	866,706
2421	Deferred income taxes . . . . .	572,000	572,000
2422	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 . . . . .	0	0
		-----	-----
	Other long term assets	+ 1,141,174	1,438,706
		=====	=====

2425	Accumulated amortization of deferred charges . . . . .	0	0
------	--	---	---

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



GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Current Liabilities

GIFI	Account	Description	Amount	Prior year
2600		Bank overdraft . . . . .	+	0 0

Amounts payable and accrued liabilities

2620	*	Amounts payable and accrued liabilities . . . . .	3,313,941	3,305,484
2621		Trade payables . . . . .	0	0
2622		Trade payables to related parties . . . . .	0	0
2623		Holdbacks payable . . . . .	0	0
2624		Wages payable . . . . .	0	0
2625		Management fees payable . . . . .	0	0
2626		Bonuses payable . . . . .	0	0
2627		Employee deductions payable . . . . .	0	0
2628		Withholding taxes payable . . . . .	0	0
		Interest payable . . . . .	0	0
		Amounts payable to members of NPOs . . . . .	0	0
			-----	-----
		Amounts payable and accrued liabilities	+ 3,313,941	3,305,484
			=====	=====

2680		Taxes payable . . . . .	+	648,908 0
------	--	-------------------------	---	-----------

Short term debt

2700	*	Short term debt . . . . .	0	0
2701		Loans from Canadian banks . . . . .	0	0
2702		Liability for securities sold short . . . . .	0	0
2703		Liability for securities sold under repurchase agreements . . . . .	0	0
2704		Gold and silver certificates . . . . .	0	0
2705		Cheques and other items in transit . . . . .	0	0
2706		Lien notes . . . . .	0	0
			-----	-----
		Short term debt	+ 0	0
			=====	=====

2770		Deferred income . . . . .	+	0 0
------	--	---------------------------	---	-----

Due to shareholder(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
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
------	--	--	---	-----

## Due to related 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
2863	Advances due to related parties . . . . .	0	0
		-----	-----
	<b>Due to related parties</b>	<b>+ 5,850,000</b>	<b>6,500,000</b>
		=====	=====

2920	Current portion of long term liability . . . . .	+	0	0
2940	Bankers' acceptances . . . . .	+	0	0

## Other current liabilities

2960	* Other current liabilities . . . . .	0	0
2961	Deposits received . . . . .	377,665	331,067
2962	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
	Crew shares . . . . .	0	0
		-----	-----
	<b>Other current liabilities</b>	<b>+ 377,665</b>	<b>331,067</b>
		=====	=====

3139	<b>Total Current Liabilities</b>	<b>= 10,190,514</b>	<b>10,136,551</b>
		=====	=====

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Long Term Liabilities

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	------------

<b>Long term debt</b>				
3140	*	Long term debt . . . . .	0	0
3141		Mortgages . . . . .	0	0
3142		Farm credit corporation loan . . . . .	0	0
3143		Chartered bank loan . . . . .	0	0
3144		Credit Union/Caisse Populaire loan . . . . .	0	0
3145		Provincial government loan . . . . .	0	0
3146		Supply company loan . . . . .	0	0
3147		Private loan . . . . .	0	0
3148		Centrals, leagues, and federation loans . . . . .	0	0
3149		Line of credit . . . . .	0	0
3150		Liability for securities sold short . . . . .	0	0
3151		Liability for securities sold under repurchase agreements . . . . .	0	0
		Lien notes . . . . .	0	0
			-----	-----
		<b>Long term debt</b>	+ 0	0
			=====	=====

3200		Deposit liabilities of financial institutions . . . . .	+	0	0
3210		Bonds and debentures . . . . .	+	0	0
3220		Deferred income . . . . .	+	0	0
3240		Deferred income taxes . . . . .	+	0	0

<b>Due to shareholder(s)/director(s)</b>					
3260	*	Due to shareholder(s)/director(s) . . . . .	0	0	
3261		Due to individual shareholder(s) . . . . .	0	0	
3262		Due to corporate shareholder(s) . . . . .	0	0	
3263		Due to director(s) . . . . .	0	0	
			-----	-----	
		<b>Due to shareholder(s)/director(s)</b>	+ 0	0	
			=====	=====	

3270		Due to members . . . . .	+	0	0
3280		Due to joint venture(s)/partnership(s) . . . . .	+	0	0

<b>Due to related parties</b>					
3300	*	Due to related parties . . . . .	0	0	
3301		Amounts owing to related Canadian parties . . . . .	0	0	
3302		Amounts owing to related foreign parties . . . . .	0	0	
			-----	-----	
		<b>Due to related parties</b>	+ 0	0	
			=====	=====	

Other long term liabilities			
3320	*	Other long term liabilities . . . . .	210,371 252,328
3321		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
3325		General provisions/reserves . . . . .	0 0
3326		Preference shares restated . . . . .	0 0
3327		Member allocations . . . . .	0 0
3328		Deferred revenue from incomplete contracts . . . . .	0 0
			-----
		Other long term liabilities	+ 855,137 891,433
			=====

3450	Total Long Term Liabilities		= 855,137 891,433
			=====

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Shareholder Equity

GIFI	Account	Description	Amount	Prior year
Shareholder equity				
3500		Common shares	+ 100	100
3520		Preferred shares	+ 0	0
Contributed and other surplus				
3540	*	Contributed and other surplus	4,402,373	4,402,373
3541		Contributed surplus	0	0
3542		Appraisal surplus	0	0
3543		General reserve	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

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Retained Earning/Deficit

GIFI	Account	Description	Amount	Prior year
3660		Retained earnings/deficit - start . . . . .	+ 3,623,826	8,566,527
3680		Net income/loss . . . . .	+ 2,074,447	472,578

Dividends declared				
3700	*	Dividends declared . . . . .	0	0
3701		Cash dividends . . . . .	0	6,500,000
3702		Patronage dividends . . . . .	0	0
			-----	-----
		Dividends declared	- 0	6,500,000
			=====	=====

		Prior period adjustments . . . . .	+ 0	1,084,721
--	--	------------------------------------	-----	-----------

Other items affecting retained earnings				
3740	*	Other items affecting retained earnings . . . . .	0	0
3741		Share redemptions . . . . .	0	0
3742		Special reserves . . . . .	0	0
3743		Currency adjustments . . . . .	0	0
3744		Unusual revenue items . . . . .	0	0
3745		Interfund transfer . . . . .	0	0
			-----	-----
		Other items affecting retained earnings	+ 0	0
			=====	=====

3849		Retained Earnings/Deficit - End	= 5,698,273	3,623,826
			=====	=====

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Income Statement

GIFI	Description
0001	Operating name . . . . .
0002	Description of the operation . . . . . MUNICIPALLY OWNED ELECTRICAL DISTRIBUTION COMPANY
0003	Sequence Number . . . . .

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	------------

Income Statement Information				
8089		Total sales of goods and services . . . . .	+ 17,038,327	17,014,804
8518		Cost of sales . . . . .	- 11,940,399	14,177,688
8519		<b>Gross profit/loss</b>	= 5,097,928	2,837,116
		Cost of sales . . . . .	+ 11,940,399	14,177,688
9367		Total operating expenses . . . . .	+ 2,924,628	2,608,794
9368		<b>Total expenses (mandatory field)</b>	= 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		<b>Net non-farming income</b>	= 2,757,447	778,578

Farming Income Statement Information				
9659		Total farm revenue (mandatory field) . . . . .	+ 0	0
9898		Total farm expenses (mandatory field) . . . . .	- 0	0
9899		<b>Net farm income</b>	= 0	0

9970	<b>Net Income/Loss before Taxes and Extraordinary Items</b>	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
9990	Current income taxes . . . . .	683,000	13,000
9995	Deferred income tax provision . . . . .	0	293,000
		-----	-----
	<b>Net Income/Loss after Taxes and</b>		
9999	<b>Extraordinary Items</b> (mandatory field)	2,074,447	472,578
		=====	=====



## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Revenue

GIFI	Account	Description	Amount	Prior year
8000		Trade sales of goods and services . . . . .	+ 17,038,327	17,014,804
8020		Sales of goods and services to related parties . . . . .	+	0
8030		Interdivisional sales . . . . .	+	0
<b>Sales from resource properties</b>				
8040	*	Sales from resource properties . . . . .	0	0
8041		Petroleum and natural gas sales . . . . .	0	0
8042		Petroleum and natural gas sales to related parties . . . . .	0	0
8043		Gas marketing . . . . .	0	0
8044		Processing revenue . . . . .	0	0
8045		Pipeline revenue . . . . .	0	0
8046		Seismic sales . . . . .	0	0
		Mining revenue . . . . .	0	0
		Coal revenue . . . . .	0	0
8049		Oil sands revenue . . . . .	0	0
8050		Royalty income . . . . .	0	0
8051		Oil and gas partnership/joint venture income/loss . . . . .	0	0
8052		Mining partnership/joint venture income/loss . . . . .	0	0
8053		Other production revenue . . . . .	0	0
			-----	-----
<b>Sales from resource properties</b>			+ 0	0
			=====	=====
8089		<b>Total sales of goods and services . . . . .</b>	<b>= 17,038,327</b>	<b>17,014,804</b>

GIFI	Account	Description	Amount	Prior year
<b>Investment revenue</b>				
8090	*	Investment revenue . . . . .	0	0
8091		Interest from foreign sources . . . . .	0	0
		Interest from Canadian bonds and debentures . . . . .	0	0
8093		Interest from Canadian mortgage loans . . . . .	0	0
8094		Interest from other Canadian sources . . . . .	495,693	479,156
8095		Dividend income . . . . .	0	0
8096		Dividends from Canadian sources . . . . .	0	0
8097		Dividends from foreign sources . . . . .	0	0
			-----	-----
<b>Investment revenue</b>			+ 495,693	479,156
			=====	=====

## Interest income (financial institutions)

8100	*	Interest income (financial institutions) . . . . .	0	0
8101		Loan interest . . . . .	0	0
8102		Securities interest . . . . .	0	0
8103		Deposits with banks interest . . . . .	0	0
			-----	-----
Interest income (financial institutions)			+	0
			=====	=====

## Commission revenue

8120	*	Commission revenue . . . . .	0	0
8121		Commission income on real estate transactions . . . . .	0	0
			-----	-----
Commission revenue			+	0
			=====	=====

## Rental revenue

8140	*	Rental revenue . . . . .	0	0
8141		Real estate rental revenue . . . . .	0	0
		Film rental revenue . . . . .	0	0
			-----	-----
Rental revenue			+	0
			=====	=====

8150		Vehicle leasing . . . . .	+	0
				0

## Fishing revenue

8160	*	Fishing revenue . . . . .	0	0
8161		Fish products . . . . .	0	0
8162		Other marine products . . . . .	0	0
8163		Fishing grants, credits and rebates . . . . .	0	0
8164		Fishing subsidies . . . . .	0	0
8165		Compensation for loss of fishing income or property . . . . .	0	0
8166		Sharesman income . . . . .	0	0
			-----	-----
Fishing revenue			+	0
			=====	=====

## Realized gains/losses on disposal of assets

8210	*	Realized gains/losses on disposal of assets . . . . .	0	24,625
8211		Realized gains/losses on sale of investments . . . . .	0	0
8212		Realized gains/losses on sale of resource properties . . . . .	0	0
			-----	-----
Realized gains/losses on disposal of assets			+	0
				24,625
			=====	=====

**NPO amounts received**

8220	NPO amounts received . . . . .	0	0
8221	Membership fees . . . . .	0	0
8222	Assessments . . . . .	0	0
8223	Gifts . . . . .	0	0
8224	Gross sales and revenues from organizational activities . . . . .	0	0
		-----	-----
	<b>NPO amounts received</b>	<b>+</b> 0	0
		=====	=====

**Other revenue**

8230	* Other revenue . . . . .	0	0
8231	Foreign exchange gains/losses . . . . .	0	0
8232	Income/loss of subsidiaries/affiliates . . . . .	0	0
8233	Income/loss of other divisions . . . . .	0	0
8234	Income/loss of joint ventures . . . . .	0	0
8235	Income/loss of partnerships . . . . .	0	0
8236	Realization of deferred revenues . . . . .	0	0
8237	Royalty income other than resource . . . . .	0	0
8238	Alberta royalty tax credits . . . . .	0	0
	Management and administration fees . . . . .	0	0
	Telecommunications revenue . . . . .	0	0
8241	Consulting fees . . . . .	0	0
8242	Subsidies and grants . . . . .	0	0
8243	Sale of by-products . . . . .	0	0
8244	Deposit services . . . . .	0	0
8245	Credit services . . . . .	88,454	46,475
8246	Card services . . . . .	0	0
8247	Patronage dividends . . . . .	0	0
8248	Insurance recoveries . . . . .	0	0
8249	Expense recoveries . . . . .	0	0
8250	Bad debt recoveries . . . . .	0	0
		-----	-----
	<b>Other revenue</b>	<b>+</b> 88,454	46,475
		=====	=====

8299	<b>Total Revenue</b>	<b>=</b>	17,622,474	17,565,060
			=====	=====

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Cost of Sales

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	------------

Opening inventory

8300	*	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 . . . . .	+ 11,940,399	14,177,688
8340		Direct wages . . . . .	+ 0	0
8350		Benefits on direct wages . . . . .	+ 0	0
		Trades and sub-contracts . . . . .	+ 0	0
		Production costs other than resource . . . . .	+ 0	0

Resource production 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
			-----	-----
		Resource production costs	+ 0	0
			=====	=====

Crown 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
			=====	=====

**Other direct costs**

<b>8450</b>	*	Other direct costs . . . . .	0	0
<b>8451</b>		Equipment hire and operation . . . . .	0	0
<b>8452</b>		Log yard . . . . .	0	0
<b>8453</b>		Forestry costs . . . . .	0	0
<b>8454</b>		Logging road costs . . . . .	0	0
<b>8455</b>		Stumpage costs . . . . .	0	0
<b>8456</b>		Royalty costs . . . . .	0	0
<b>8457</b>		Freight in and duty . . . . .	0	0
<b>8458</b>		Inventory write down . . . . .	0	0
<b>8459</b>		Direct cost amortization of tangible assets . . . . .	0	0
<b>8460</b>		Direct cost amortization of natural resource assets . . . . .	0	0
<b>8461</b>		Overhead expenses allocated to cost of sales . . . . .	0	0
			-----	-----
<b>Other direct costs</b>			+	0
			=====	=====

**Closing inventory**

<b>8500</b>	*	Closing inventory . . . . .	0	0
<b>8501</b>		Closing inventory - finished goods . . . . .	0	0
<b>8502</b>		Closing inventory - raw materials . . . . .	0	0
		Closing inventory - goods in process . . . . .	0	0
			-----	-----
<b>Closing inventory</b>			-	0
			=====	=====

<b>8518</b>	<b>Cost of Sales</b>	=	11,940,399	14,177,688
			=====	=====

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Operating Expenses

GIFI	Account	Description	Amount	Prior year
<b>Advertising and promotion</b>				
8520	*	Advertising and promotion . . . . .	0	0
8521		Advertising . . . . .	0	0
8522		Donations . . . . .	0	0
8523		Meals and entertainment . . . . .	0	0
8524		Promotion . . . . .	0	0
			-----	-----
		<b>Advertising and promotion</b>	<b>+</b> 0	0
			=====	=====
<b>Amortization of intangible assets and bad debt expense</b>				
8570		Amortization of intangible assets . . . . .	+	0
8590		Bad debt expense . . . . .	+	0
<b>Loan losses</b>				
8610	*	Loan losses . . . . .	0	0
8611		Provision for loan losses . . . . .	0	0
			-----	-----
		<b>Loan losses</b>	<b>+</b> 0	0
			=====	=====
<b>Employee benefits</b>				
8620	*	Employee benefits . . . . .	0	0
8621		Group insurance benefits . . . . .	0	0
8622		Employer's portion of employee benefits . . . . .	0	0
8623		Contributions to deferred income plans . . . . .	0	0
			-----	-----
		<b>Employee benefits</b>	<b>+</b> 0	0
			=====	=====
<b>Amortization of natural resource and tangible assets</b>				
8650		Amortization of natural resource assets . . . . .	+	0
8670		Amortization of tangible assets . . . . .	+	617,177
				694,112
<b>Insurance</b>				
8690	*	Insurance . . . . .	0	0
8691		Life insurance on executives . . . . .	0	0
			-----	-----
		<b>Insurance</b>	<b>+</b> 0	0
			=====	=====

## Interest and bank charges

8710	*	Interest and bank charges . . . . .	465,762	92,890
8711		Interest on short term debt . . . . .	0	0
8712		Interest on bonds and debentures . . . . .	0	0
8713		Interest on mortgages . . . . .	0	0
8714		Interest on long term debt . . . . .	0	0
8715		Bank charges . . . . .	0	0
8716		Credit card charges . . . . .	0	0
8717		Collection and credit costs . . . . .	0	0
			-----	-----
<b>Interest and bank charges</b>			<b>+</b> 465,762	92,890
			=====	=====

## Interest paid (financial institutions)

8740	*	Interest paid (financial institutions) . . . . .	0	0
8741		Interest paid on deposits . . . . .	0	0
8742		Interest paid on bonds and debentures . . . . .	0	0
			-----	-----
<b>Interest paid (financial institutions)</b>			<b>+</b> 0	0
			=====	=====

## Business taxes, licences and memberships

8760	*	Business taxes, licences and memberships . . . . .	0	0
8761		Memberships . . . . .	0	0
8762		Business taxes . . . . .	0	0
8763		Franchise fees . . . . .	0	0
8764		Government fees . . . . .	0	0
			-----	-----
<b>Business taxes, licences and memberships</b>			<b>+</b> 0	0
			=====	=====

8780		New Brunswick tax on large corporations . . . . .	+	0	0
8790		Nova Scotia tax on large corporations . . . . .	+	0	0

## Office expenses

8810	*	Office expenses . . . . .	0	0
		Office stationery and supplies . . . . .	0	0
8812		Office utilities . . . . .	0	0
8813		Data processing . . . . .	523,212	437,968
			-----	-----
<b>Office expenses</b>			<b>+</b> 523,212	437,968
			=====	=====

## Professional fees

8860	*	Professional fees . . . . .	0	0
8861		Legal fees . . . . .	0	0
8862		Accounting fees . . . . .	0	0
8863		Consulting fees . . . . .	0	0
8864		Architect fees . . . . .	0	0
8865		Appraisal fees . . . . .	0	0
8866		Laboratory fees . . . . .	0	0
8867		Medical fees . . . . .	0	0
8868		Veterinary fees . . . . .	0	0
8869		Brokerage fees . . . . .	0	0
8870		Transfer fees . . . . .	0	0
8871		Management and administration fees . . . . .	0	0
8872		Refining and assay . . . . .	0	0
8873		Registrar and transfer agent fees . . . . .	0	0
8874		Restructuring costs . . . . .	0	0
8875		Security and exchange commission fees . . . . .	0	0
8876		Training expense . . . . .	0	0
8877		Studio and recording . . . . .	0	0
			-----	-----
<b>Professional fees</b>			+	0
			=====	=====

## Rental

8910	*	Rental . . . . .	0	0
8911		Real estate rental . . . . .	0	0
8912		Occupancy costs . . . . .	0	0
8913		Condominium fees . . . . .	0	0
8914		Equipment rental . . . . .	0	0
8915		Motor vehicle rentals . . . . .	0	0
8916		Moorage (boat) . . . . .	0	0
8917		Storage . . . . .	0	0
8918		Quota rental . . . . .	0	0
			-----	-----
<b>Rental</b>			+	0
			=====	=====

## Repairs and maintenance

	*	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
			-----	-----
<b>Repairs and maintenance</b>			+	0
			=====	=====

## Other repairs and maintenance

9010	*	Other repairs and maintenance . . . . .	0	0
9011		Machine shop expense . . . . .	0	0
9012		Road costs . . . . .	0	0
9013		Security . . . . .	0	0
9014		Garbage removal . . . . .	0	0
			-----	-----
<b>Other repairs and maintenance</b>			+	0
			=====	=====



Salaries and wages

9060	* Salaries and wages	0	0
9061	Commissions	0	0
9062	Crew share	0	0
9063	Bonuses	0	0
9064	Directors fees	0	0
9065	Management salaries	0	0
9066	Employee salaries	0	0
		-----	-----
	<b>Salaries and wages</b>	+	0
		=====	=====

9110	Sub-contracts	+	0	0
------	---------------	---	---	---

Supplies

9130	* Supplies	0	0
9131	Small tools	0	0
9132	Shop expense	0	0
9133	Uniforms	0	0
9134	Laundry	0	0
	Food and catering	0	0
	Fishing gear	0	0
9137	Nets and traps	0	0
9138	Salt, bait and ice	0	0
9139	Camp supplies	0	0
9150	Computer-related expenses	0	0
9151	Upgrade	0	0
9152	Internet	0	0
		-----	-----
	<b>Supplies</b>	+	0
		=====	=====

9180	Property taxes	0	0
		-----	-----

Travel expenses

9201	* Travel expenses	0	0
	Meetings and conventions	0	0
		-----	-----
	<b>Travel expenses</b>	+	0
		=====	=====

Utilities

9220	* Utilities	0	0
9221	Electricity	0	0
9222	Water	0	0
9223	Heat	0	0
9224	Fuel costs	0	0
9225	Telephone and telecommunications	0	0
		-----	-----
	<b>Utilities</b>	+	0
		=====	=====

## Other expenses

9270	*	Other expenses . . . . .	638,970	703,630
9271		Cash over/short . . . . .	0	0
9272		Reimbursement of parent company expense . . . . .	0	0
9273		Selling expenses . . . . .	0	0
9274		Shipping and warehouse expense . . . . .	0	0
9275		Delivery, freight and express . . . . .	0	0
9276		Warranty expenses . . . . .	0	0
9277		Royalty expenses - resident . . . . .	0	0
9278		Royalty expenses - non-resident . . . . .	0	0
9279		Dumping charges . . . . .	0	0
9280		Land fill fees . . . . .	0	0
9281		Vehicle expenses . . . . .	0	0
9282		Research and development . . . . .	0	0
9283		Withholding taxes . . . . .	0	0
9284		General and administrative expenses . . . . .	679,507	680,194
9285		Interdivisional . . . . .	0	0
9286		Interfund transfer . . . . .	0	0
			-----	-----
Other expenses			+ 1,318,477	1,383,824
			=====	=====

## Total Operating Expenses

= 2,924,628 2,608,794  
 =====

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Income Statement Summary

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

Total number of schedule 125 forms: 1

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
9976		Legal settlements . . . . .	-	0
9980		Unrealized gains/losses . . . . .	+	0
9985		Unusual items . . . . .	-	0
9990		Current income taxes . . . . .	-	683,000
9995		Deferred income tax provision . . . . .	-	0
			-----	-----
9999		<b>Net Income/Loss after Taxes and Extraordinary Items</b> (mandatory field)	= 2,074,447	472,578
			=====	=====

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? 100

Tick only one of the following:

- |  |                |
|--|----------------|
|  | [ <b>X</b> ]   |
| An independent auditor with a report that expressed no reservation . . . . .   | 1 [ <b>X</b> ] |
| An independent auditor with a report that expressed a reservation . . . . .  | 2 [   ]        |
| An independent accountant with a review engagement report that expressed no reservation . . . . .  | 3 [   ]        |
| An independent accountant with a review engagement report that expressed a reservation . . . . .   | 4 [   ]        |
| An independent accountant who conducted a compilation engagement with no review . . . . .  | 5 [   ]        |
| An independent accountant with a compilation and review engagement resulting in no reservation . . . . .   | 6 [   ]        |
| An independent accountant with a compilation and review engagement resulting in a reservation . . . . .  | 7 [   ]        |
| Prepared by an employee/associate/management of the company, or a person for the company,<br>without a review/audit by an independent accountant/auditor . . . . . | 8 [   ]        |

**Part 2 - Other information**

- |  |  |              |
|--|--|--------------|
| Were notes to the financial statements prepared? . . . . .   | <span style="border: 1px solid black; padding: 0 5px;">101</span> [ <b>Y</b> ] | Yes/No       |
| Are any values presented at other than cost? . . . . .   | <span style="border: 1px solid black; padding: 0 5px;">102</span> [ <b>N</b> ] | [ <b>N</b> ] |
| there been a change in accounting policies since the last return? . . . . .                        | <span style="border: 1px solid black; padding: 0 5px;">103</span> [ <b>N</b> ] | [ <b>N</b> ] |
| subsequent events mentioned in the notes? . . . . .  | <span style="border: 1px solid black; padding: 0 5px;">104</span> [ <b>N</b> ] | [ <b>N</b> ] |
| Is re-evaluation of asset information mentioned in the notes? . . . . .                            | <span style="border: 1px solid black; padding: 0 5px;">105</span> [ <b>N</b> ] | [ <b>N</b> ] |
| Is contingent liability information mentioned in the notes? . . . . .                              | <span style="border: 1px solid black; padding: 0 5px;">106</span> [ <b>Y</b> ] | [ <b>Y</b> ] |
| Is information regarding commitments mentioned in the notes? . . . . .                             | <span style="border: 1px solid black; padding: 0 5px;">107</span> [ <b>N</b> ] | [ <b>N</b> ] |
| Does the corporation have investments in joint venture(s) or partnership(s)? . . . . .             | <span style="border: 1px solid black; padding: 0 5px;">108</span> [ <b>N</b> ] | [ <b>N</b> ] |
| If "yes," are you filing financial statements of the joint venture(s) or partnership(s)? . . . . . | <span style="border: 1px solid black; padding: 0 5px;">109</span> [   ]        | [   ]        |

**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 occurrence of these diagnostics.**

Name: E.L.K. Energy Inc.

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 ]      \_\_\_\_\_

**XXXXXXXXXXXX**

[ 010 ]@      2

[ 011 ]      \_\_\_\_\_

[ 012 ]      \_\_\_\_\_

[ 015 ]      \_\_\_\_\_

[ 016 ]      \_\_\_\_\_

[ 017 ]      \_\_\_\_\_

[ 018 ]      \_\_\_\_\_

020 @      2

[ 021 ]      \_\_\_\_\_

[ 022 ]      \_\_\_\_\_

[ 023 ]      \_\_\_\_\_

[ 025 ]      \_\_\_\_\_

[ 026 ]      \_\_\_\_\_

[ 027 ]      \_\_\_\_\_

[ 028 ]      \_\_\_\_\_

For agency use  
[ 055 ]

X

For agency use  
[ 091 ]      \_\_\_\_\_  
[ 092 ]      \_\_\_\_\_  
[ 093 ]      \_\_\_\_\_

For agency use  
[ 094 ]      \_\_\_\_\_  
[ 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

**XXXXXXXXXXXXX**

[ 040 ] 5

[ 166 ] \_\_\_\_\_

[ 220 ] \_\_\_\_\_

[ 043 ] \_\_\_\_\_

[ 167 ] \_\_\_\_\_

[ 221 ] \_\_\_\_\_

[ 063 ] 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 ] \_\_\_\_\_

[ 082 ] 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 ] \_\_\_\_\_

Name: E.L.K. Energy Inc.

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

[ 438 ] \_\_\_\_\_  
[ 624 ] \_\_\_\_\_  
[ 646 ] \_\_\_\_\_  
[ 750 ]      ON  
[ 801 ] \_\_\_\_\_  
[ 815 ] \_\_\_\_\_  
[ 894 ] \_\_\_\_\_  
[ 896 ]      2  
[ 898 ]      452 326  
[ 910 ] \_\_\_\_\_  
[ 914 ] \_\_\_\_\_  
[ 918 ] \_\_\_\_\_  
[ 990 ]      1

**XXXXXXXXXXXXX**

[ 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

[ 957 ]      1  
[ 958 ] \_\_\_\_\_  
[ 959 ] \_\_\_\_\_  
**XXXXXXXXXXXXX**



Name: E.L.K. Energy Inc.

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

[ 300 ]	2 016 518	[ 440 ]	_____	[ 652 ]	_____
[ 311 ]	_____	[ 445 ]	_____	[ 700 ]	452 326
[ 312 ]	_____	[ 450 ]	_____		<b>XXXXXXXXXXXXX</b>
[ 313 ]	_____	[ 600 ]	21 004		
[ 314 ]	_____	[ 632 ]	_____	[ 704 ]	_____
[ 320 ]	_____	[ 636 ]	_____	[ 708 ]	_____
[ 325 ]	_____	[ 780 ]	_____	[ 716 ]	_____
[ 331 ]	141 203		<b>XXXXXXXXXXXXX</b>	[ 720 ]	_____
[ 332 ]	_____			[ 724 ]	_____
[ 333 ]	_____	[ 460 ]	_____	[ 727 ]	_____
334 ]	_____	[ 465 ]	_____	[ 728 ]	_____
[ 335 ]	_____	[ 480 ]	_____	[ 760 ]	_____
[ 340 ]	_____	[ 485 ]	_____	[ 765 ]	_____
[ 350 ]	_____	[ 712 ]	_____	[ 770 ]	452 326
[ 355 ]	_____		<b>XXXXXXXXXXXXX</b>		<b>XXXXXXXXXXXXX</b>
[ 360 ]	1 875 315				
	<b>XXXXXXXXXXXXX</b>	[ 550 ]	712 620	[ 784 ]	_____
		[ 602 ]	_____	[ 788 ]	_____
[ 400 ]	_____	[ 604 ]	_____	[ 792 ]	_____
[ 405 ]	_____	[ 608 ]	187 532	[ 796 ]	_____
'10 ]	_____	[ 616 ]	_____	[ 797 ]	_____
[ 425 ]	_____	[ 620 ]	_____	[ 800 ]	_____
[ 430 ]	_____	[ 628 ]	_____	[ 804 ]	_____
	<b>XXXXXXXXXXXXX</b>	[ 637 ]	_____	[ 808 ]	_____
		[ 638 ]	_____	[ 812 ]	_____
[ 415 ]	_____	[ 639 ]	93 766	[ 816 ]	_____
	<b>XXXXXXXXXXXXX</b>	[ 640 ]	_____	[ 840 ]	_____
		[ 644 ]	_____	[ 890 ]	_____
		[ 648 ]	_____		<b>XXXXXXXXXXXXX</b>

Name: E.L.K. Energy Inc.

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

[ 995 ]

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## 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]	2 016 518
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]	
Part 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]	
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
------	---	--------------------------

Name: E.L.K. Energy Inc.

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

[ 600 ]      Meals and entertainment

[ 601 ]      Addition of expenses capitalized for accounting P/Y

[ 602 ]      Capital tax accrued in the accounts

[ 603 ]      Enerconnect Limited Partnership income

[ 604 ]      \_\_\_\_\_

[ 700 ]      Deduction of expenses capitalized for accounting

[ 701 ]      \_\_\_\_\_

[ 702 ]      Actual capital tax

[ 703 ]      \_\_\_\_\_

[ 704 ]      \_\_\_\_\_

**XXXXXXXXXXXX**

[ 101 ]      683 000	[ 118 ]      _____	[ 204 ]      _____
[ 102 ]      _____	[ 119 ]      _____	[ 205 ]      _____
[ 103 ]      _____	[ 120 ]      _____	[ 206 ]      _____
[ 104 ]      617 177	[ 121 ]      _____	[ 207 ]      _____
[ 105 ]      _____	[ 122 ]      _____	[ 208 ]      _____
[ 106 ]      _____	[ 123 ]      _____	[ 209 ]      _____
[ 107 ]      _____	[ 124 ]      _____	[ 210 ]      _____
[ 108 ]      _____	[ 125 ]      _____	[ 211 ]      _____
[ 109 ]      _____	[ 126 ]      644 766	[ 212 ]      _____
[ 110 ]      _____	[ 127 ]      _____	[ 213 ]      _____
[ 111 ]      _____	[ 199 ]      380 337	[ 214 ]      _____
[ 112 ]      _____	[ 500 ]      2 325 280	[ 215 ]      _____
[ 113 ]      _____	<b>XXXXXXXXXXXX</b>	[ 216 ]      _____
[ 114 ]      _____		[ 217 ]      _____
[ 115 ]      _____	[ 201 ]      _____	[ 218 ]      _____
[ 116 ]      _____	[ 202 ]      _____	[ 219 ]      _____
[ 117 ]      _____	[ 203 ]      _____	[ 220 ]      _____

Name: E.L.K. Energy Inc.

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

[ 221 ]		[ 300 ]		[ 401 ]	
[ 222 ]		[ 301 ]		[ 402 ]	
[ 223 ]		[ 302 ]		[ 403 ]	556 260
[ 224 ]		[ 303 ]		[ 404 ]	
[ 225 ]		[ 304 ]		[ 405 ]	52 418
[ 226 ]		[ 305 ]		[ 406 ]	
[ 227 ]		[ 306 ]		[ 407 ]	
[ 228 ]		[ 307 ]		[ 408 ]	
[ 229 ]		[ 308 ]		[ 409 ]	
[ 230 ]		[ 309 ]		[ 410 ]	
231 ]		[ 310 ]		[ 411 ]	
[ 232 ]		[ 311 ]		[ 413 ]	
[ 233 ]		[ 312 ]		[ 414 ]	1 723 826
[ 234 ]		[ 313 ]		[ 416 ]	
[ 235 ]		[ 314 ]		[ 417 ]	
[ 236 ]		[ 315 ]		[ 499 ]	50 705
[ 237 ]		[ 316 ]		[ 510 ]	2 383 209
[ 238 ]		[ 340 ]			XXXXXXXXXXXX
[ 290 ]	2 547	[ 341 ]			
[ 291 ]	338 104	[ 342 ]			
292 ]	37 000	[ 343 ]			
[ 293 ]	2 686	[ 344 ]			
[ 294 ]		[ 345 ]			
	XXXXXXXXXXXX	[ 346 ]			
		[ 390 ]	15 324		
		[ 391 ]			
		[ 392 ]	35 381		
		[ 393 ]			
		[ 394 ]			
			XXXXXXXXXXXX		

Name: E.L.K. Energy Inc.

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

[ 100 ]	_____	[ 200 ]	_____	[ 402 ]	_____
[ 190 ]	_____	[ 205 ]	_____	[ 405 ]	_____
[ 300 ]	_____	[ 210 ]	_____	[ 410 ]	_____
[ 400 ]	_____	[ 220 ]	_____	[ 430 ]	_____
[ 485 ]	_____	[ 225 ]	_____	[ 440 ]	_____
[ 500 ]	_____	[ 240 ]	_____	[ 450 ]	_____
	XXXXXXXXXXXX	[ 250 ]	_____	[ 480 ]	_____
		[ 280 ]	_____	[ 941 ]	_____
[ 102 ]	141 203	[ 951 ]	_____	[ 942 ]	_____
[ 105 ]	_____	[ 952 ]	_____	[ 943 ]	_____
110 ]	_____	[ 953 ]	_____		XXXXXXXXXXXX
[ 130 ]	141 203		XXXXXXXXXXXX		
[ 135 ]	_____			[ 502 ]	_____
[ 140 ]	_____	[ 302 ]	_____	[ 510 ]	_____
[ 150 ]	_____	[ 305 ]	_____	[ 530 ]	_____
[ 180 ]	_____	[ 310 ]	_____	[ 550 ]	_____
[ 901 ]	_____	[ 330 ]	_____	[ 580 ]	_____
[ 902 ]	_____	[ 335 ]	_____	[ 961 ]	_____
[ 903 ]	_____	[ 340 ]	_____	[ 962 ]	_____
[ 911 ]	_____	[ 350 ]	_____	[ 963 ]	_____
912 ]	_____	[ 380 ]	_____		XXXXXXXXXXXX
[ 913 ]	_____	[ 921 ]	_____		
	XXXXXXXXXXXX	[ 922 ]	_____		
		[ 923 ]	_____		
		[ 931 ]	_____		
		[ 932 ]	_____		
		[ 933 ]	_____		
			XXXXXXXXXXXX		

Name: E.L.K. Energy Inc.

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

[ 602 ]   1. \_\_\_\_\_ \*

[ 632 ]   1. \_\_\_\_\_ \*

XXXXXXXXXXXXX

[ 600 ]   1. \_\_\_\_\_ \*

[ 630 ]   1. \_\_\_\_\_ \*

[ 660 ]   1. \_\_\_\_\_ \*

XXXXXXXXXXXXX

Name: E.L.K. Energy Inc.

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

[ 604 ] 1. \_\_\_\_\_ \*

[ 606 ] 1. \_\_\_\_\_ \*

[ 608 ] 1. \_\_\_\_\_ \*

[ 620 ] 1. \_\_\_\_\_ \*

XXXXXXXXXXXXX

[ 634 ] 1. \_\_\_\_\_ \*

[ 636 ] 1. \_\_\_\_\_ \*

[ 638 ] 1. \_\_\_\_\_ \*

[ 650 ] 1. \_\_\_\_\_ \*

XXXXXXXXXXXXX

[ 662 ] 1. \_\_\_\_\_ \*

[ 664 ] 1. \_\_\_\_\_ \*

[ 670 ] 1. \_\_\_\_\_ \*

[ 675 ] 1. \_\_\_\_\_ \*

[ 680 ] 1. \_\_\_\_\_ \*

XXXXXXXXXXXXX

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



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    \*

XXXXXXXXXXXXX

[ 100 ]    1. E.L.K. SOLUTIONS INC.    \*

[ 200 ]    1. \_\_\_\_\_    \*

[ 500 ]    1. 10 000    \*

[ 550 ]    1. 100    \*

[ 600 ]    1. \_\_\_\_\_    \*

[ 650 ]    1. \_\_\_\_\_    \*

[ 700 ]    1. 100    \*

XXXXXXXXXXXXX

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

XXXXXXXXXXXXX

[ 242 ]      \_\_\_\_\_

[ 244 ]      \_\_\_\_\_

[ 246 ]      \_\_\_\_\_

[ 48 ]      \_\_\_\_\_

XXXXXXXXXXXXX

[ 250 ]      52 418

[ 300 ]      696 404

XXXXXXXXXXXXX

[ 400 ]      \_\_\_\_\_

[ 401 ]      \_\_\_\_\_

[ 402 ]      \_\_\_\_\_

[ 408 ]      \_\_\_\_\_

[ 409 ]      \_\_\_\_\_

[ 410 ]      \_\_\_\_\_

XXXXXXXXXXXXX

Name: E.L.K. Energy Inc.

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

[ 110 ] \_\_\_\_\_

[ 130 ] \_\_\_\_\_

[ 150 ] \_\_\_\_\_

[ 170 ] \_\_\_\_\_

[ 190 ] \_\_\_\_\_

[ 210 ] \_\_\_\_\_

[ 230 ] \_\_\_\_\_

[ 270 ] \_\_\_\_\_

**XXXXXXXXXXXX**

[ 115 ] \_\_\_\_\_

[ 135 ] \_\_\_\_\_

[ 155 ] \_\_\_\_\_

[ 175 ] \_\_\_\_\_

[ 195 ] \_\_\_\_\_

[ 215 ] \_\_\_\_\_

[ 235 ] \_\_\_\_\_

[ 275 ] \_\_\_\_\_

**XXXXXXXXXXXX**

[ 120 ] \_\_\_\_\_

[ 140 ] \_\_\_\_\_

[ 160 ] \_\_\_\_\_

[ 180 ] \_\_\_\_\_

[ 200 ] \_\_\_\_\_

[ 220 ] \_\_\_\_\_

[ 240 ] \_\_\_\_\_

[ 280 ] \_\_\_\_\_

**XXXXXXXXXXXX**

Name: E.L.K. Energy Inc.

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

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

[ 008 ] \_\_\_\_\_

XXXXXXXXXXXXX

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

[ 009 ] \_\_\_\_\_

XXXXXXXXXXXXX

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

[ 010 ] \_\_\_\_\_

XXXXXXXXXXXXX

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

XXXXXXXXXXXXX

Name: E.L.K. Energy Inc.

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

[ 100 ]	_____	[ 401 ]	100	[ 820 ]	14 876
[ 610 ]	1 875 315	[ 402 ]	_____	[ 861 ]	14 876
[ 830 ]	21 004	[ 403 ]	_____	[ 862 ]	_____
[ 850 ]	6 128	[ 404 ]	_____	[ 870 ]	_____
	<b>XXXXXXXXXXXXX</b>	[ 405 ]	_____		<b>XXXXXXXXXXXXX</b>
		[ 406 ]	_____		
[ 101 ]	1 232 802	[ 407 ]	_____		
[ 103 ]	100	[ 490 ]	100		
[ 104 ]	5 698 273		<b>XXXXXXXXXXXXX</b>		
[ 105 ]	_____				
[ 106 ]	4 402 373	[ 500 ]	16 611 448		
[ 107 ]	_____		<b>XXXXXXXXXXXXX</b>		
[ 108 ]	5 850 000				
[ 109 ]	_____	[ 701 ]	_____		
[ 110 ]	_____	[ 711 ]	_____		
[ 111 ]	_____	[ 712 ]	_____		
[ 112 ]	_____	[ 713 ]	_____		
[ 121 ]	572 000	[ 790 ]	_____		
[ 122 ]	_____		<b>XXXXXXXXXXXXX</b>		
[ 123 ]	_____				
[ 124 ]	_____	[ 690 ]	16 611 448		
[ 190 ]	16 611 548	[ 801 ]	10 000 000		
	<b>XXXXXXXXXXXXX</b>	[ 811 ]	6 611 448		
			<b>XXXXXXXXXXXXX</b>		

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. \_\_\_\_\_    \*

XXXXXXXXXXXXX

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

XXXXXXXXXXXXX

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

XXXXXXXXXXXXX

Name: E.L.K. Energy Inc.

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

[ 115 ] \_\_\_\_\_

XXXXXXXXXXXXX

[ 120 ] \_\_\_\_\_

[ 220 ] \_\_\_\_\_

[ 320 ] \_\_\_\_\_

[ 420 ] \_\_\_\_\_

[ 600 ]      6 128

[ 820 ]      3

[ 901 ]      6 125

[ 902 ] \_\_\_\_\_

[ 903 ] \_\_\_\_\_

[ 911 ] \_\_\_\_\_

[ 912 ] \_\_\_\_\_

[ 913 ] \_\_\_\_\_

XXXXXXXXXXXXX

Name: E.L.K. Energy Inc.

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. \_\_\_\_\_  
          2. \_\_\_\_\_  
          3. \_\_\_\_\_    \*

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

- [ 500 ]    1. \_\_\_\_\_  
          2. \_\_\_\_\_  
          3. \_\_\_\_\_    \*

XXXXXXXXXXXXX



Name: E.L.K. Energy Inc.

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

[ 3640 ]	21 146 397	[ 3450 ]	855 137
	<b>XXXXXXXXXXXX</b>	[ 3499 ]	11 045 651
			<b>XXXXXXXXXXXX</b>
[ 1000 ]	7 478 565		
[ 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		<b>XXXXXXXXXXXX</b>
[ 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		<b>XXXXXXXXXXXX</b>
[ 2008 ]	17 686 266		
[ 2009 ]	# 9 780 954		
[ 2242 ]	100		
[ 2420 ]	569 174		
[ 2421 ]	572 000		
[ 2589 ]	1 141 274		
[ 2599 ]	21 146 397		
	<b>XXXXXXXXXXXX</b>		
[ 2600 ]	<hr/>		
[ 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		
	XXXXXXXXXXXXX		
[ 0003 ]	_____		
	XXXXXXXXXXXXX		
[ 8519 ]	5 097 928	[ 8710 ]	465 762
[ 9369 ]	2 757 447	[ 8813 ]	523 212
[ 9899 ]	_____	[ 9270 ]	638 970
[ 9970 ]	2 757 447	[ 9284 ]	679 507
[ 9975 ]	_____	[ 9367 ]	2 924 628
[ 9976 ]	_____	[ 9368 ]	14 865 027
[ 9980 ]	_____		XXXXXXXXXXXXX
[ 9985 ]	_____		
[ 9990 ]	683 000	[ 9370 ]	_____
[ 9995 ]	_____	[ 9659 ]	0
[ 9999 ]	2 074 447		XXXXXXXXXXXXX
	XXXXXXXXXXXXX		
		[ 9660 ]	_____
[ 3000 ]	17 038 327	[ 9898 ]	0
[ 8089 ]	17 038 327		XXXXXXXXXXXXX
[ 8094 ]	495 693		
[ 8245 ]	88 454		
[ 8299 ]	17 622 474		
	XXXXXXXXXXXXX		
[ 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

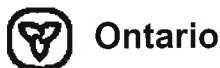
[ 106 ]      1

[ 107 ]      2

[ 108 ]      2

XXXXXXXXXXXX





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

2003

# CT23 Corporations Tax and Annual Return

For taxation years 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.

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-Form criteria, may request and file the CT23 Short-Form Return (see page 2).

MCBS Annual Return Required? (Not required if already filed or Annual Return exempt, Refer to Guide)

☒ Yes ☐ No

Page 1 of 24

Ministry Use

Corporation's Legal Name (including punctuation) <b>E.L.K. Energy Inc.</b>			Ontario Corporations Tax Account No. (MOF) <b>1800085</b>														
Mailing Address  <b>172 Forest Avenue</b>  <b>Essex</b> <b>ON CA N8M-3E4</b>			This CT23 Return covers the Taxation Year Start <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2003</td><td>01</td><td>01</td></tr></table> End <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2003</td><td>12</td><td>31</td></tr></table>			year	month	day	2003	01	01	year	month	day	2003	12	31
year	month	day															
2003	01	01															
year	month	day															
2003	12	31															
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes			Date of Incorporation or Amalgamation <table><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2000</td><td>01</td><td>06</td></tr></table>			year	month	day	2000	01	06						
year	month	day															
2000	01	06															
Registered/Head Office Address  <b>Forest Avenue</b>  <b>Essex</b> <b>ON CA N8M-3E4</b>			Ontario Corporation No. (MCBS) <b>1395434</b>														
Location of Books and Records  <b>172 Forest Avenue</b>  <b>Essex</b> <b>ON CA N8M-3E4</b>			Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.  If applicable, enter <b>866567787RC0001</b>														
Name of person to contact regarding this CT23 Return  <b>SANDRA SLATER</b>		Telephone No. <b>519-776-5291</b>	Fax No.														
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS)  <b>ON CA -</b>			Jurisdiction Incorporated <b>ONTARIO</b>														
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MCBS)			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced <table><tr><td>year</td><td>month</td><td>day</td></tr></table> Ceased <table><tr><td>year</td><td>month</td><td>day</td></tr></table> <input checked="" type="checkbox"/> Not Applicable			year	month	day	year	month	day						
year	month	day															
year	month	day															
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).  If there is <b>no change</b> to the Directors/Officers/Administrators' information previously submitted to MCBS, please <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS).  No. of Schedule(s) <table><tr><td>0</td></tr></table> <input checked="" type="checkbox"/> No change			0	Preferred Language/Langue de préférence <input checked="" type="checkbox"/> English anglais <input type="checkbox"/> French français Ministry use 													
0																	

## 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

Title: ☒ Director ☐ Officer ☐ Other individual having knowledge 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.

E.L.K. Energy Inc.

1800085

2003-12-31

# CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

## Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

**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

Share Capital with full voting rights  
owned by Canadian Residents

(nearest percent)

100%

Ontario Retail Sales Tax Vendor Permit No.  
(Use Head Office no.)

if applicable, enter

Ontario Employer Health Tax Account No.  
(Use Head Office no.)

if applicable, enter

Specify major business activity

- 2** 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.2(2)(a) or (b)
- 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)

- 14 ☐ Bare Trustee Corporation
- 15 ☐ Branch of Non-resident s.63(1)
- 16 ☐ Financial institution prescribed by  
Regulation only
- 17 ☐ Investment Dealer
- 18 ☐ Generator of electrical energy for sale or  
producer of steam for use in the generation  
of electrical energy for sale
- 19 ☒ Hydro successor, Municipal Electrical Utility  
or subsidiary of either
- 20 ☐ Producer and seller of steam for uses other  
than for the generation of electricity
- 21 ☐ Insurance Exchange s.74.4
- 22 ☐ Farm Feeder Finance Co-operative  
Corporation
- 23 ☐ Professional Corporation  
(incorporated professionals only)

## 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

☐ Transfer or Receipt of Asset(s) involving a  
corporation having a Canadian permanent  
establishment outside Ontario

☐ Acquisition of Control fed s.249(4)

Date Control was acquired

year month day

	Yes	No
Was the corporation inactive throughout the taxation year?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Are you requesting a refund due to: the Carry-back of a Loss?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
an Overpayment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a Specified Refundable Tax Credit?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are you a Member of a Partnership or Joint Venture?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## Income Tax

Allocation – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	2,016,518.
Subtract: Charitable donations	-	1	0.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	-	2	0.
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 9/4	-	5	0.
Subtract: Prior years' losses applied – Non-capital losses	-	From 704	141,203.
Net capital losses (page 16) 0. X inclusion rate 50.000000%	-	714	0.
Farm losses	-	From 724	0.
Restricted farm losses	-	From 734	0.
Limited partnership losses	-	From 754	0.
Taxable Income (Non-capital loss)	=	10	1,875,315.
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	0.
Adjusted Taxable Income 10 + 11 (if 10 is negative, enter 11)	=	20	1,875,315.

<b>Taxable Income</b>		<b>Number of Days in Taxation Year</b>	
From 10 (or 20 if applicable)	1,875,315. x 30 100.0000 % X 12.5000 %	Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days
	Ontario Allocation	33 365 + 73 365	= + 29 234,414.
From 10 (or 20 if applicable)	1,875,315. x 30 100.0000 % X 14.0000 %	Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days
	Ontario Allocation	34 0 + 73 365	= + 32 0.
<b>Income Tax Payable</b> (before deduction of tax credits)	29 + 32	=	40 234,414.

## 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(5.1) not been applicable in the taxation year?

(X) ☐ Yes ☒ No

Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	50	0.
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+ 51	0.
Less: Losses of other years deducted for federal purposes (fed.s.111)	+ 52	0.
Less: Losses of other years deducted for Ontario purposes (s.34)	- 53	0.
	=	54 0.
Federal Business limit for the year before the application of fed.s.125(5.1) (not exceeding \$ 200,000)	+ 55	0.

Add: Ontario enhancement of federal business limit

<b>Number of Days in Taxation Year</b>	
0 x 28 0 + 73 365	Total Days
X From 55 0 + 200,000	= + 43 0.
0 x 31 0 + 73 365	Total Days
X From 55 0 + 200,000	= + 46 0.
0 x 31 0 + 73 365	Total Days
X From 55 0 + 200,000	= + 47 0.
Ontario enhancement of federal business limit	43 + 46 + 47 = 44 0.
Business Limit for Ontario purposes	55 + 44 = 45 0.
Income eligible for the IDSBC	From 30 100.0000 % X 56 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)).

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**Income Tax** *continued from Page 4***Calculation of IDSBC Rate**

		Number of Days in Taxation Year			
		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
6.50 %	x	28	0 + 73	365	= + 79 .0000
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
7.00 %	x	31	365 + 73	365	= + 89 7.0000
		Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days		
8.50 %	x	34	0 + 73	365	= + 90 .0000

IDSBC Rate for Taxation Year  $\boxed{79} + \boxed{89} + \boxed{90} = \boxed{78} \underline{7.0000}$ Claim  $\dots\dots\dots$  From  $\boxed{60}$   $0$  x From  $\boxed{78}$   $7.0000\%$   $\dots\dots\dots = \boxed{70} \underline{0}$ Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in  $\boxed{114}$  below.**Surtax on Canadian-controlled private corporations (s.41.1)**

Applies if you have claimed the Incentive Deduction for Small Business Corporations.

**\*\* 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.**Associated Corporation** - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.Taxable Income of the corporation  $\dots\dots\dots$  From  $\boxed{10}$  (or  $\boxed{20}$  if applicable) +  $\boxed{80} \underline{0}$ If you are a member of an associated group (X)  $\boxed{81}$  ☐ (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  $\dots\dots\dots + \boxed{82} \underline{27,768}$

$\dots\dots\dots + \boxed{83} \underline{\phantom{000000}}$

$\dots\dots\dots + \boxed{84} \underline{\phantom{000000}}$

Aggregate Taxable Income  $\boxed{80} + \boxed{82} + \boxed{83} + \boxed{84}$ , etc.  $\dots\dots\dots = \boxed{85} \underline{0}$

**Number of Days in Taxation Year**

		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
Subtract: $0$	x	28	0 + 73	365	= + 113 $0$
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
$0$	x	31	0 + 73	365	= + 115 $0$
		Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days		
$0$	x	34	0 + 73	365	= + 116 $0$

 $\boxed{113} + \boxed{115} + \boxed{116} = \underline{0}$ 
 $\dots\dots\dots - \boxed{114} \underline{0}$ 
 $\dots\dots\dots = \boxed{86} \underline{0}$ 

(If negative, enter nil)

**Number of Days in Taxation Year**

		Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days		
Calculation of Specified Rate for Surtax $4.3330\%$	x	28	0 + 73	365	= + 95 .0000
		Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days		
$4.6670\%$	x	31	365 + 73	365	= + 96 4.6670
		Days after Dec. 31, 2003 and before Jan. 1, 2005	Total Days		
$4.6670\%$	x	34	0 + 73	365	= + 97 .0000
Specified rate of surtax for Taxation Year		$\boxed{95} + \boxed{96} + \boxed{97}$			= $\boxed{94} \underline{.0000}$

From  $\boxed{86}$   $0$  x From  $\boxed{94}$   $.0000\%$   $\dots\dots\dots = \boxed{87} \underline{0}$

From  $\boxed{87}$   $0$  x From  $\boxed{60}$   $0$  + From  $\boxed{114}$   $0$   $\dots\dots\dots = \boxed{88} \underline{0}$

Surtax Lesser of  $\boxed{70}$  or  $\boxed{88}$   $\dots\dots\dots = \boxed{100} \underline{0}$

**Continued on Page 6**



## Income Tax *continued from Page 5*

### Additional Deduction for Credit Unions (s.51(4)) *(Attach schedule 17)*

**110** 0.

### Manufacturing and Processing Profits Credit (M&P) (s.43)

**Applies** to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

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.

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.

Eligible Canadian Profits	.....	+	<b>120</b>	<u>0.</u>
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	.....	-	From <b>56</b>	<u>0.</u>
Add: Adjustment for Surtax on Canadian-controlled private corporations	.....			
From <b>100</b> <u>0.</u> + From <b>30</b> <u>100.0000</u> % + From <b>78</b> <u>7.0000</u> % = <b>121</b>				<u>0.</u>
* Ontario Allocation				
Lesser of <b>56</b> or <b>121</b>	.....	+	<b>122</b>	<u>0.</u>
<b>120</b> - <b>56</b> + <b>122</b>	.....	=	<b>130</b>	<u>0.</u>
Taxable Income	.....	+	From <b>10</b>	<u>1,875,315.</u>
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	.....	-	From <b>56</b>	<u>0.</u>
Add: Adjustments for Surtax on Canadian-controlled private corporations	.....	+	From <b>122</b>	<u>0.</u>
Subtract: Taxable Income <b>10</b> <u>1,875,315.</u> X Allocation % to jurisdictions outside Canada <u>0.0000</u> %	.....	-	<b>140</b>	<u>0.</u>
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	.....	-	<b>141</b>	<u>0.</u>
<b>10</b> - <b>56</b> + <b>122</b> - <b>140</b> - <b>141</b>	.....	=	<b>142</b>	<u>1,875,315.</u>

### Claim

#### Number of Days in Taxation Year

<b>143</b> <u>0.</u> X From <b>30</b> <u>100.0000</u> % X <u>1.5000</u> % X Lesser of <b>130</b> or <b>142</b>	Days after Sept 30, 2001 and before Jan 1, 2004 <b>33</b> 0 + <b>73</b> 365	Total Days <b>365</b>	= + <b>154</b> <u>0.</u>
	* Ontario Allocation		
<b>143</b> <u>0.</u> X From <b>30</b> <u>100.0000</u> % X <u>2.0000</u> % X Lesser of <b>130</b> or <b>142</b>	Days after Dec 31, 2003 and before Jan 1, 2005 <b>34</b> 0 + <b>73</b> 365	Total Days <b>365</b>	= + <b>156</b> <u>0.</u>
	* Ontario Allocation		

M&P claim for taxation year **154** + **156** ..... = **160** 0.

\* Note: 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** 0.

### Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity

= **162** 0.

### Credit for Foreign Taxes Paid (s.40)

**Applies** if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule)*.

**170** 0.

### 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** 0. Credit Claimed **180** 0.

**Subtotal of Income Tax** **40** - **70** + **100** - **110** - **160** - **161** - **162** - **170** - **180** ..... = **190** 234,414.

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**Income Tax** *continued from Page 6***Specified Tax Credits** *(Refer to Guide)***Ontario Innovation Tax Credit (OITC) (s.43.3)** *Applies* to research 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* to employment of eligible students.Eligible Credit From 5798 Summary Schedule F ..... + 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 Corporation (OMDC)  
or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.*(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* ..... + 193 ..... 0.**Graduate Transitions Tax Credit (GTTC) (s.43.6)***Applies* to employment of eligible unemployed post secondary graduate.Eligible Credit From 6598 Summary Schedule G ..... + 195 ..... 0.No. of Graduates From 6596194 ..... 0**Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)***Applies* to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.Eligible Credit From 6900 OBPTC Claim Form *(Attach both the original Claim Form and the Certification Form)* ..... + 196 ..... 0.**Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)***Applies* to labour relating to computer animation and special effects on an eligible production.Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation  
*(Attach 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.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 Corporation (OMDC)  
or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.*(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* ..... + 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 Corporation  
*(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 sound recordings.Eligible Credit From 7500 OSRTC Claim Form *(Attach both the original Claim Form and the Certification Form)* ..... + 201 ..... 0.

Other (specify) ..... + 201.1 ..... 0.

**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.**Income Tax** 190 - 225 OR Enter NIL if reporting Non-Capital Loss *(amount cannot be negative)* ..... = 230 ..... 234,414.To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8**. If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on **Page 17**.

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)

## Determination of Applicability

**Applies if either** Total Assets **[249]** exceeds \$5,000,000 **or** Total Revenue **[250]** exceeds \$10,000,000.

\* These amounts include the corporation's and associated corporations' share of any partnership(s)/joint venture(s) total assets and total revenue.

**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 or before the date of the claiming corporation's taxation year end.

\* Total Assets of the corporation ..... + **[240]** **21,146,397.**  
 \* Total Revenue of the corporation ..... + **[241]** **17,622,474.**

**If you are a member of an associated group** (x) **[242]** **X** (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	* Total Assets	* Total Revenue
See attached			+ <b>[243]</b> <b>384,464.</b>	+ <b>[244]</b> <b>147,740.</b>
			+ <b>[245]</b> .....	+ <b>[246]</b> .....
			+ <b>[247]</b> .....	+ <b>[248]</b> .....
Aggregate Total Assets	<b>[240]</b> + <b>[243]</b> + <b>[245]</b> + <b>[247]</b> , etc.		= <b>[249]</b> <b>21,530,861.</b>	
Aggregate Total Revenue	<b>[241]</b> + <b>[244]</b> + <b>[246]</b> + <b>[248]</b> , etc.			= <b>[250]</b> <b>17,770,214.</b>

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedules A through E** on **Pages 18, 19 and 20 of CT23.**

## Calculation: CMT (Attach Schedule A: Calculation of CMT Base on Page 18.)

Gross CMT Payable ..... CMT Base From **[2135]** **2,757,447.** X From **[30]** **100.0000** % X **4.0000** = **[276]** **110,298.**  
 If negative, enter zero Ontario Allocation  
 Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) ..... - **[277]** **0.**  
 Subtract: Income Tax ..... - From **[190]** **234,414.**  
**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 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, complete 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 Schedule D: Continuity of CMT Credit Carryovers, on Page 20.**

**CMT Credit Carryover available** ..... From **[2307]** **16,246.**

## Application of CMT Credit Carryovers

**A. Income Tax (before deduction of specified credits)** ..... + From **[190]** **234,414.**  
 Gross CMT Payable ..... + From **[276]** **110,298.**  
 Subtract: Foreign Tax Credit for CMT purposes ..... - From **[277]** **0.**  
 If **[276]** - **[277]** is negative, enter NIL in **[290]** ..... = **[290]** **110,298.**  
**Income Tax eligible for CMT Credit** ..... = **[300]** **124,116.**

**B. Income tax (after deduction of specified credits)** ..... + From **[230]** **234,414.**  
 Subtract: CMT credit used to reduce income taxes ..... - **[310]** **16,246.**  
**Income Tax** ..... = **[320]** **218,168.**

Transfer to page 17

**If A & B apply, [310] cannot exceed the lesser of [230], [300] and your CMT credit carryover available [2307].**

**If only B applies, [310] cannot exceed the lesser of [230] and your CMT credit carryover available [2307].**

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**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 (Int.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)	±	351	5,698,273.
Capital and other surpluses, excluding appraisal surplus (Int.B.3012)	+	352	4,402,373.
Loans and advances (Attach schedule) (Int.B. 3013)	+	353	6,438,036.
Bank loans (Int.B. 3013)	+	354	0.
Bankers acceptances (Int.B. 3013)	+	355	0.
Bonds and debentures payable (Int.B. 3013)	+	356	0.
Mortgages 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)	+	359	-572,000.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	+	360	644,766.
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012)	+	361	0.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	+	362	0.
<b>Subtotal</b>	=	370	16,611,548.
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012)	-	371	-159,461.
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015)	-	372	0.
<b>Total Paid-up Capital</b>	=	380	16,771,009.
Electrical generating 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.
<b>Net Paid-up Capital</b>	=	390	16,771,009.

**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.
<b>Total Eligible Investments</b>	=	410	100.

continued on Page 10

**Capital Tax** *continued from Page 9*
**Total Assets** (Int.B. 3015)

Total Assets per balance sheet	+	420	21,146,397.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	-	423	0.
<b>Total Assets as adjusted</b>	=	430	21,146,397.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	-159,461.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	±	443	0.
<b>Total Assets</b>	=	450	21,305,858.

<b>Investment Allowance</b>	( 410 + 450 ) X 390	Not to exceed 410	= 460	79.
<b>Taxable Capital</b>	390 - 460		= 470	16,770,930.

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	17,622,474.
<b>Total Assets</b> (as adjusted)	From 430	21,146,397.

**Calculation of Capital Tax for all corporations except Financial Institutions**

*Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.*

(Financial Institutions use calculations on page 13.)

- Important:** 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, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.
- 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.

**SECTION B**

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	0.						
-	0.						
= 471	0.	X From 30	100.0000%	X .3000%	X 555	365	= + 523
			Ontario Allocation			** 365	
						(366 if leap year)	
							Transfer to 543 on page 12 and complete the return from that point

**\*\* If floating taxation year, refer to Guide.**

*continued on Page 11*

**Capital Tax Calculation** *continued from page 10***SECTION C**

This section applies **ONLY** to a corporation that is a member of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either **509** or **524** and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

**C1.** ☐ **509** (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

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.

If taxable capital **470** on page 10 exceeds \$5,000,000 proceed to **Section D**, enter \$5,000,000 in **542** Section D, and complete Section D and the return from that point.

**C2.** ☒ **524** (X if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada.**

If the taxation year ends before **January 1, 2003**, you must complete the *Calculation* below.

If the taxation year ends after **December 31, 2002**, you and your associated group may continue to allocate the \$5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group may file an election under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the \$15,000 capital tax effect, relating to the \$5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

**Calculation Do NOT complete this calculation if ss.69(2.1) election is filed**

Taxable Capital From **470** on page 10 ..... + From **470** 16,770,930.

**Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada**

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada  
(if insufficient space, attach schedule)

Ontario Corporations Tax Account No. (MOF) (if applicable)

Taxation Year End

Taxable Capital

See attached

+ **531** 76,914.

+ **532** .....

+ **533** .....

Aggregate Taxable Capital **470** + **531** + **532** + **533**, etc. .... = **540** 16,847,844.

If **540** above is \$5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.  
Enter NIL in **523** in section D on page 12, as applicable.

If **540** above is greater than \$5,000,000, the corporation must compute its share of the \$5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From **470** 16,770,930. + From **540** 16,847,844. x 5,000,000 ..... = **541** 4,977,174.  
Transfer to **542** in Section D on page 12

**S.s.69(2.1) Election Filed**

☐ **591** (X if applicable) **Election filed. Attach a copy of the election with this CT23 Return.**  
Proceed to **Section E** on page 12.

**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 AGGREGATE taxable capital, 540 on page 11, exceeds \$5,000,000.

Complete the following calculation and transfer the amount From  to , and complete the return from that point.

$$\begin{array}{rcl}
 + & \text{From } \boxed{470} & \underline{16,770,930.} \\
 - & \boxed{542} & \underline{4,977,174.} \\
 = & \boxed{471} & \underline{11,793,756.}
 \end{array}
 \times \text{From } \boxed{30} \left| \underline{100.0000} \right\% \times \underline{.3000\%} \times \frac{\text{Days in taxation year}}{\boxed{555}} \frac{\boxed{365}}{\boxed{365}} = + \boxed{523} \underline{35,381.}$$

Ontario Allocation (366 if leap year) 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**

$$\text{From } 470.0 \times \text{From } 30 \frac{100.0000}{\text{Ontario Allocation}} \% \times 3000 \% = + 561.0$$

Capital tax deduction From 995 relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form . . . . - From 995 0.  
= 562 0.

**Capital Tax** ..... 562 0. x 555 365 ..... = 563 0.  
\*\* 365  
(366 if leap year)  
*Transfer to 543 and complete the return from that point.*

**\*\* If floating taxation year, refer to Guide.**

<b>Capital Tax before application of specified credits</b>	=	543	35,381.
Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide)	-	546	0.
<b>Capital Tax</b> 543 - 546 (amount cannot be negative)	=	550	35,381.

*Transfer to Page 17*

**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 submit with this tax return.)*

<b>565</b>	0.	x	0.6%	x From	<b>30</b>	%	x	<b>555</b>	0	+ **	0	(366 if leap year)	=	+	<b>569</b>	0.
Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1																
Ontario Allocation																

<b>570</b>	0.	x	<b>571</b>	0.00%	x From	<b>30</b>	%	x	<b>555</b>	0	+ **	0	(366 if leap year)	=	+	<b>574</b>	0.
Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount																	
Capital Tax Rate (Refer to Guide)																	
Ontario Allocation																	

<b>Capital Tax for Financial Institutions – other than Credit Unions (before Section II)</b>	<b>569</b>	+	<b>574</b>	=	<b>575</b>	0.
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\*\* 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	=	<b>585</b>	0.
---	---	------------	----

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (x) ☐ Yes

<b>Capital Tax – Financial Institutions</b>	<b>575</b>	-	<b>585</b>	=	<b>586</b>	0.
	Transfer to <b>543</b> on Page 12					

**Premium Tax (s.74.2 & 74.3)** *(Refer to Guide)*

(1) Uninsured Benefits Arrangements	<b>587</b>	0.	x 2%	=	<b>588</b>	0.
<b>Applies</b> to Ontario-related uninsured benefits arrangements.						

(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**.)

**Applies** to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

<b>Deduct:</b> Specified Tax Credits applied to reduce premium tax <i>(Refer to Guide)</i>	=	<b>589</b>	0.
--	---	------------	----

<b>Premium Tax</b>	<b>588</b>	-	<b>589</b>	=	<b>590</b>	0.
	Transfer to page 17					



# Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1

+ 600 2,016,518.  
Transfer to Page 15

## Add:

Federal capital cost allowance	+ 601	556,260.
Federal cumulative eligible capital deduction	+ 602	52,418.
Ontario taxable capital gain	+ 603	0.
Federal non-allowable reserves. Balance beginning of year	+ 604	1,723,826.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	644,766.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
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 before Jan. 1, 2004		Total Days		
612	0.	5 + 12.5000 X	33	365 + 73 365 = + 633 0.
Days after Dec. 31, 2003 and before Jan. 1, 2005		Total Days		
612	0.	5 + 14.0000 X	34	0 + 73 365 = + 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 + 615 0.

Add any negative amount in 473 from Ont. CT23 Schedule 161 + 616 0.

Federal allowable business investment loss + 620 0.

Total of other items not allowed by Ontario but allowed federally (Attach schedule) + 614 0.

Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 = 2,977,270. 640 2,977,270.  
Transfer to Page 15

## Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675)	+ 650	556,260.
Ontario cumulative eligible capital deduction	+ 651	52,418.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	1,723,826.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	644,766.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario current cost adjustment (Attach schedule)	+ 661	0.
Incentive for new electricity supply (section 13.6 deduction from income) (Applies only to electrical generating corporations.)	+ 674	0.
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.
Subtotal of deductions for this page 650 to 659 + 661 + 674 + 675	681	2,977,270.

Transfer to Page 15

# Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1 ..... From + 600 2,016,518.

Total of Additions ..... From = 640 2,977,270.

Subtotal of deductions on page 14 ..... From = 681 2,977,270.

## Deduct:

### Ontario New Technology Tax Incentive (ONTTI) Gross-up

(Applies only to those corporations whose Ontario allocation is less 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:

Gross-up of CCA  
From 662 0. x 100  
From 30 100.0000  
Ontario Allocation  
- From 662 0. = 663 0.

### Workplace Child Care Tax Incentive

Qualifying expenditures: 665 0. x 30.00% x 100  
From 30 100.0000  
Ontario Allocation  
= 666 0.

### Workplace Accessibility Tax Incentive

Qualifying expenditures: 667 0. x 100.00% x 100  
From 30 100.0000  
Ontario Allocation  
= 668 0.

Number of Employees accommodated 669 0

Ontario School Bus Safety Tax Incentive (OSBSTI): (Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)

Qualifying expenditures: 670 0. x 30.00% x 100  
From 30 100.0000  
Ontario Allocation  
= 671 0.

### Educational Technology Tax Incentive: (Applies to qualifying amounts incurred after May 2, 2000.)

Qualifying expenditures: 672 0. x 15.00% x 100  
From 30 100.0000  
Ontario Allocation  
= 673 0.

Ontario allowable business investment loss ..... + 678 0.

Ontario Scientific Research Expenses claimed in year in 477  
from Ont. CT23 Schedule 161 ..... + 679 0.

Amount added to income federally for an amount that was negative  
in line 454 of federal form T661 ..... + 677 0.

Total of other deductions allowed by Ontario (Attach schedule) ..... + 664 0.

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 2,977,270. 680 2,977,270.

Net income (loss) for Ontario Purposes 600 + 640 - 680 = 690 2,016,518.

Transfer to Page 4

## 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)
<b>Balance at Beginning of Year</b>	700 (2) 141,203	710 (2) 0	720 (2) 0	730 0	740 0	750 0
<b>Add:</b>	701	711	721	731	741	751
Current year's losses (7)	0	0	0	0	0	0
Losses from predecessor corporations (3)	702 0	712 0	722 0	732 0		752 0
<b>Subtotal</b>	703 0	713 0	723 0	733 0	743 0	753 0
<b>Subtract:</b>	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	141,203	0	0	0	0	0
Expired during the year	705 0		725 0	735 0	745 0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17 0	716 (2) to Page 17 0	726 (2) to Page 17 0	736 (2) to Page 17 0	746 0	
<b>Subtotal</b>	707 141,203	717 0	727 0	737 0	747 0	757 0
<b>Balance at End of Year</b>	709 (8) 0	719 0	729 0	739 0	749 0	759 0

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.

- (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) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

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

Year of Origin (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 1995-09-30				850 0	870 0
8th preceding taxation year 1996-09-30				851 0	871 0
802 7th preceding taxation year 1997-09-30				852 0	872 0
803 6th preceding taxation year 1998-09-30	820 0	830 0	840 0	853 0	873 0
804 5th preceding taxation year 1999-09-30	821 0	831 0	841 0	854 0	874 0
805 4th preceding taxation year 2000-09-30	822 0	832 0	842 0	855 0	875 0
806 3rd preceding taxation year 2001-09-30	823 0	833 0	843 0	856 0	876 0
807 2nd preceding taxation year 2001-12-31	824 0	834 0	844 0	857 0	877 0
808 1st preceding taxation year 2002-12-31	825 0	835 0	845 0	858 0	878 0
809 Current taxation year 2003-12-31	826 0	836 0	846 0	859 0	879 0
<b>Total</b>	829 0	839 0	849 0	869 0	889 0

## 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 0	920 0	930 0	940 0
Deduct: Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF)				
Taxation Year Ending year month day				
i) 3rd preceding	901 0	921 0	931 0	941 0
nd preceding	902 0	922 0	932 0	942 0
iii) 1st preceding	903 0	923 0	933 0	943 0
Total loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 0	929 0	939 0	949 0

## Summary

Income tax	+ From 230 or 320	218,168.
Corporate Minimum Tax	+ From 280	0.
Capital Tax	+ From 550	35,381.
Premium Tax	+ From 590	0.
Tax Payable	= 950	253,549.
Subtract: Payments	- 960	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 due	Enclosed * 990	200,961.
If overpayment: Refund (Refer to Guide)	.. = 975	0.
Apply to year month day	980	0.

(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.**

## Corporate Minimum Tax - Schedule A: Calculation of CMT Base

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

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ..... ± 2100 2,074,447.

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

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

**Subtotal** ..... = 2109 0.

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

Provision for current taxes / cost of current income taxes	..... +	2110	683,000.
Provision for deferred income taxes (debits) / cost of future income taxes	..... +	2111	0.
Equity losses from corporations	..... +	2112	0.
Share of partnership(s)/joint venture(s) losses	..... +	2113	0.

Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))	..... +	2114	0.
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**Subtotal** ..... = 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	..... +	2116	0.	or -	2117	0.
** Fed.s.85.1	..... +	2118	0.	or -	2119	0.
** Fed.s.97	..... +	2120	0.	or -	2121	0.

** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	..... +	2122	0.	or -	2123	0.
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** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	..... +	2124	0.	or -	2125	0.
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** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	..... +	2126	0.	or -	2127	0.
--	---------	------	----	------	------	----

Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income	..... -	2150	0.
--	---------	------	----

**Subtotal (Additions)** ..... = 2128 0.

**Subtotal (Subtractions)** ..... = 2129 0.

\*\* Other adjustments ..... ± 2130 0.

**Subtotal** ± 2100 - 2109 + 2115 + 2128 - 2129 ± 2130 ..... = 2131 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	..... +	2211	0.
	..... =		0.

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

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

**CMT Base** ..... = 2135 2,757,447.

Transfer to CMT Base on Page 8

## Corporate Minimum Tax (CMT)



DOLLARS ONLY

## Schedule B: Continuity of CMT Losses Carried Forward

<b>Balance at Beginning of year (1), (2)</b>		+ 2201	0.
<b>Add:</b>			
Current year's losses		+ 2202	0.
Losses from predecessor corporations on amalgamation (3)		+ 2203	0.
Losses from predecessor corporations on wind-up (3)		+ 2204	0.
Amalgamation (x) 2205 <input type="checkbox"/> Yes	Wind-up (x) 2206 <input type="checkbox"/> Yes		
<b>Subtotal</b>		=	0. + 2207 0.
Adjustments (attach schedule)		+ 2208	0.
<b>CMT losses available</b>	2201 + 2207 + 2208	=	2209 0.
<b>Subtract:</b>			
Pre-1994 loss utilized during the year to reduce adjusted net income		+ 2210	0.
Other eligible losses utilized during the year to reduce adjusted net income (4)		+ 2211	0.
Losses expired during the year		+ 2212	0.
<b>Subtotal</b>		=	0. - 2213 0.
<b>Amounts at End of Year (5)</b>	2209 - 2213	=	2214 0.

## Notes:

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

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

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

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

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

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

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

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 2001-12-31	2260 0	2280 0
	8th preceding taxation year 2002-12-31	2261 0	2281 0
2242	7th preceding taxation year 2003-12-31	2262 0	2282 0
2243	6th preceding taxation year	2263 0	2283 0
2244	5th preceding taxation year	2264 0	2284 0
2245	4th preceding taxation year	2265 0	2285 0
2246	3rd preceding taxation year	2266 0	2286 0
2247	2nd preceding taxation year	2267 0	2287 0
2248	1st preceding taxation year	2268 0	2288 0
2249	Current taxation year	2269 0	2289 0
<b>Totals</b>		2270 0	2290 0

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

## Corporate Minimum Tax (CMT)

## Schedule D: Continuity of CMT Credit Carryovers

<b>Balance at Beginning of year (1)</b>		+ [2301]	16,246.
<b>Add:</b> Current year's CMT Credit ( [280] on page 8. If negative, enter NIL)		+ From [280]	0.
CMT Credit Carryovers from predecessor corporations (2)		+ [2302]	0.
Amalgamation (x) [2303] <input type="checkbox"/> Yes Wind-up (x) [2304] <input type="checkbox"/> Yes			
<b>Subtotal</b>		+ [2305]	0.
Adjustments (Attach schedule)		+ [2306]	0.
<b>CMT credit carryover available</b>	[2301] + [2305] ± [2306]	= [2307]	16,246.
			Transfer to Page 8
<b>Subtract:</b> CMT Credit utilized during the year to reduce income tax (Page 8)		+ From [310]	16,246.
CMT Credit expired during the year		+ [2308]	0.
<b>Subtotal</b>		=	16,246. - [2309] 16,246.
<b>Balance at End of Year (3)</b>	[2307] - [2309]	= [2310]	0.

## Notes:

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

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

	Year of Origin (oldest year first) <small>year month day</small>	CMT Credit Carryovers of Corporation	CMT Credit Carryovers of Predecessor Corporation(s)
[2340]	9th preceding taxation year 2001-12-31	[2360] 0	[2360] 0
	8th preceding taxation year 2002-12-31	[2361] 0	[2361] 0
[2342]	7th preceding taxation year 2003-12-31	[2362] 0	[2362] 0
[2343]	6th preceding taxation year	[2363] 0	[2363] 0
[2344]	5th preceding taxation year	[2364] 0	[2364] 0
[2345]	4th preceding taxation year	[2365] 0	[2365] 0
[2346]	3rd preceding taxation year	[2366] 0	[2366] 0
[2347]	2nd preceding taxation year	[2367] 0	[2367] 0
[2348]	1st preceding taxation year	[2368] 0	[2368] 0
[2349]	Current taxation year	[2369] 0	[2369] 0
<b>Totals</b>		[2370] 0	[2390] 0

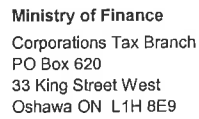
The sum of amounts [2370] + [2390]  
must equal amount in [2310].



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

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





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

Transfer to **249** of the CT23



Summary of Capital Cost Allowance

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

1	2	3	4	5	6	7	8	9	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)	Net (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)	Reduced undepreciated capital cost (column 6 minus column 7)	CCA 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)
		See note 1 below				See note 2 below						

1	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	0	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
								Enter in boxes [650]	[650]	[650]	[650] on the CT23	

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.



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

# Ontario Cumulative Eligible Capital Deduction Schedule 10

(For taxation years 2000 and later)

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

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

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

Ontario Cumulative eligible capital – balance at end of preceding taxation year (if negative, enter zero) ..... **748,822<sup>A</sup>**

**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>C</sup>**  
Other adjustments ..... + **0<sup>D</sup>**  
**Total of B + C + D** ..... = **0** X 0.75 = **0<sup>E</sup>**  
**Subtotal A + E** ..... = **748,822<sup>F</sup>**

**Deduct:** Ontario proceeds of sales (less outlays and expenses not otherwise deductible)  
from the disposition of all eligible capital property during the taxation year ..... + **0<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 *Income Tax Act* (Canada) ..... + **0<sup>H</sup>**  
Other adjustments ..... + **0<sup>I</sup>**  
**Total of G + H + I** ..... = **0** X 0.75 = **0<sup>J</sup>**  
**Ontario cumulative eligible capital balance F – J** ..... = **748,822<sup>K</sup>**

If K is negative, enter zero at line M and proceed to Part 2

**Current year deduction** **748,822<sup>K</sup>** X 7.00% \* ..... = **52,418<sup>L</sup>**

\* 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>M</sup>**

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

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

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

Amount from line K above (show as a positive amount) ..... **0<sup>N</sup>**

Total cumulative eligible capital deductions from income for  
taxation years beginning after June 30, 1988 ..... **0<sup>1</sup>**

Total 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 ..... **0<sup>3</sup>**

Negative balances in the cumulative eligible capital account  
that were included in income for taxation years beginning  
before July 1, 1988 ..... **0<sup>4</sup>**

Line 3 deduct line 4 ..... **0**

Total lines 1 + 2 + 5 ..... **0<sup>5</sup>**

Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000 ..... **0<sup>6</sup>**

Deduct line 7 from line 6 ..... **0<sup>7</sup>**

**N – O (cannot be negative)** ..... **0<sup>8</sup>**

Amount on line 5 ..... **0** X 1/2 ..... **0<sup>9</sup>**

**P – Q** ..... **0<sup>10</sup>**

Amount on line R ..... **0** X 2/3 \* ..... **0<sup>11</sup>**

Lesser of line N or line O ..... **0<sup>12</sup>**

**Amount to be included in income S + T** ..... **0<sup>13</sup>**

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





**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
2004-06-30	37,694	0	0	37,694
2004-07-31	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
	-----	-----		-----
<b>Total</b>	452,328	0		452,328
	=====	=====		=====

**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	452,326	/	12	=	37,694
(Amount (I) Below) . . . . .					37,694
	Monthly Instalments Required				37,694

### 2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD

2nd Instalment Base Amount:					
<b>Indicate:</b>	Part I Tax . . . . .	0			
	Part I.3, VI & VI.I Tax . . . . .	11,648			
	Provincial Tax . . . . .	0			
	Total	11,648	/	12	= (A) 971
<b>Less:</b> 1/12 of Estimated Current Yr Credits [(H) below / 12] . . . . . 0					
					971
	Each of the first 2 Instalment Payments . . . . .			= (B)	971
Total tax from (I) below . . . . . 452,326					
<b>Less:</b> Amount (B) above x 2 . . . . .		1,942			
		450,384	/	10	= 45,039
					45,039
	Each of the remaining 10 Instalment Payments . . . . .				45,039

### 3. ESTIMATED TAX METHOD

Instalment Base Amount	0	/	12	=	0
(Amount (I) Below) . . . . .					0
	Monthly Instalments Required				0



INSTALMENT BASE CALCULATION

	1st Instalment Base Method	Estimated Tax Method
Taxable Income . . . . .	1,875,315	0
	=====	=====
<b>CALCULATION OF TAX PAYABLE</b>		
Total of:		
Federal Part I Tax . . . . .	712,620	0
Federal Surtax . . . . .	21,004	0
Refundable Tax on a CCPC's Investment Income . . . . .	0	0
	-----	-----
Subtotal (A)	733,624	0
<b>Less</b> Total of:		
Small Business Deduction . . . . .	0	0
Investment Corporation Deduction . . . . .	0	0
Federal Tax Abatement . . . . .	187,532	0
Manufacturing and Processing Profits Deduction . . . . .	0	0
Non-Business Foreign Tax Credit . . . . .	0	0
Business Foreign Tax Credit . . . . .	0	0
Reduction, General and Accelerated . . . . .	93,766	0
aging Tax Credit . . . . .	0	0
Federal Political Contribution Tax Credit . . . . .	0	0
Investment tax credit per Schedule 31 and resource deduction . . . . .	0	0
Qualifying Environmental Trust Tax Credit . . . . .	0	0
	-----	-----
Subtotal (B)	281,298	0
Total Part I Tax Payable . . . . . (A) - (B) = (C)	452,326	0
<b>Add:</b> Part I.3 Tax . . . . . (D)	0	0
Part VI Tax . . . . . (D.1)	0	0
Part VI.I Tax . . . . . (D.2)	0	0
Provincial/Territorial Tax . . . . . (E)	0	0
	-----	-----
<b>Total</b>		
Parts I, I.3, VI, VI.I and Provincial/Territorial Tax . . . . . = (F)	452,326	0
ment for Short Taxation Years:		
x 365/# of days in year if < 365 . . . . . (G)	365 / 365 452,326	365 / 0
<b>Less - Estimated Current Year Credits:</b>		
Investment Tax Credit Refund . . . . .	0	0
Dividend Refund . . . . .	0	0
Federal Capital Gains Refund . . . . .	0	0
Provincial and Territorial Capital Gains Refund . . . . .	0	0
NRO Allowable Refund per Sch. 26 . . . . .	0	0
Tax Withheld at Source . . . . .	0	0
Other Estimated Credits . . . . .	0	0
	-----	-----
<b>Total Estimated Current Year Credits . . . . . (H)</b>	0	0
<b>INSTALMENT BASE AMOUNT . . . . . (G) - (H) = (I)</b>	452,326	0
	=====	=====

# 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	0	0	0	0
	-----	-----		-----
	0	0		0
	=====	=====		=====

Date	Instalments Required	Instalments Paid	Cumulative Difference	Instalments Payable
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
2004-04-30	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
	=====	=====		=====

Indicate Instalment Method Chosen [1-3]: 1

1. 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 monthly payments . . . . . [     ]

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				
(Amt (I) Below) . . . . .	253,549	/	12 =	21,130
				-----
			Monthly Instalments Required	21,130
			Quarterly Instalments Required	0

2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD

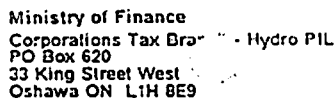
2nd Instalment Base Amount:				
Indicate: Income Tax, C.M.T. . . . .	16,246			
Capital Tax, Prem. Tax . . . . .	28,644			
	-----			
Total	44,890	/	12 = (A)	3,741
				-----
Each of the first 2 Instalment Payments . . . . .			= (B)	3,741
Total tax from (I) below . . . . .	253,549			
Less: Amount (A) above x 2 . . . . .	7,482			
	-----			
	246,067	/	10 =	24,607
				-----
Each of the remaining 10 Instalment Payments . . . . .			=	24,607
			Quarterly Instalments Required	0

3. ESTIMATED TAX METHOD

Instalment Base Amount				
(Amt (I) Below) . . . . .	0	/	12 =	0
				-----
			Monthly Instalments Required	0
			Quarterly Instalments Required	0

INSTALMENT BASE CALCULATION

		1st Instalment Base Method	Estimated Tax Method
Ontario Taxable Income . . . . .		1,875,315	0
		=====	=====
<b>CALCULATION OF TAX PAYABLE</b>			
Gross Ontario Tax . . . . . (A)		234,414	0
<b>Less</b> Total of:			
Incentive Deduction for an S.B.C., net of surtax . . . . .		0	0
Manufacturing and Processing Profits Credit . . . . .		0	0
Additional deduction for credit unions . . . . .		0	0
Credit for foreign taxes paid . . . . .		0	0
Credit for Investment in S.B.D.C. . . . .		0	0
Specified credits applied against income tax . . . . .		0	0
		-----	-----
<b>Total</b> Deduction and Credits . . . . . (B)		0	0
Income Tax . . . . . (A) - (B) = (C)		234,414	0
<b>J:</b> Capital Tax . . . . . (D)		35,381	0
Corporate minimum tax paid (credited) . . . . . (E)		-16,246	0
Premium Tax . . . . . (F)		0	0
		-----	-----
<b>Total</b> Income Tax and Other Taxes (C+D+E+F) = (G)		253,549	0
Adjustment for Short Taxation Years			
x 365 / number of days in year if < 365 . . . . . (H)	365 / 365	253,549	0
<b>Less:</b> Total estimated current year credits . . . . .		0	0
		-----	-----
	(I)	253,549	0
		=====	=====



Electricity . 998 • Corporations Tax Act, R.S.O. 1990  
for transactions up to and including 2004/07/09

Page

2004/07/09

1 of 1

✓ 4/1/25

C**BALANCE**

**\*\*Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFC). The current interest rate is 0.0191780%.**

The 2001 Ontario Budget simplified instalment requirements for corporations with total tax payable in the current or preceding year of \$2,000 or more and less than \$10,000. For tax years commencing after 2001, these corporations may now pay quarterly instalments.

<b>Tax (Re)Assessment Enquiries:</b> <ul style="list-style-type: none"> <li>• Toronto (416) 730-5585</li> <li>• FAX (416) 730-5593</li> </ul>	<b>Account Billing Enquiries &amp; Change of Address Information:</b> <ul style="list-style-type: none"> <li>• Oshawa and Local (905) 433-6708</li> <li>• Toronto (416) 920-9048 ext. 3036</li> <li>• Toll-Free 1-800-262-0764 ext. 3036</li> <li>• FAX (905) 433-5197</li> </ul>
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✓ agreed to tax returns filed for 2004.

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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.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font. Below the signature is a single horizontal line that starts under the "K" and ends under the "P", with a small upward tick at the right end.

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
<b>Assets</b>		
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
<b>Liabilities and Shareholders' Equity</b>		
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
	<u>8,462,392</u>	<u>10,190,514</u>
Long-term liabilities:		
Customer deposits	248,996	210,371
Employee future benefits (note 6)	653,229	644,766
	<u>902,225</u>	<u>855,137</u>
Shareholders' equity:		
Share capital (note 7)	100	100
Retained earnings	6,986,379	5,698,273
Contributed surplus	4,402,373	4,402,373
	<u>11,388,852</u>	<u>10,100,746</u>
Contingency (note 8)		
	<u>\$ 20,753,469</u>	<u>\$ 21,146,397</u>

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.

# E.L.K. ENERGY INC.

## 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.

# E.L.K. ENERGY INC.

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%.

# E.L.K. ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2004

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## 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.

# E.L.K. ENERGY INC.

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.



# E.L.K. ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2004

## 3. Capital assets:

			2004	2003
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 156,387	\$ —	\$ 156,387	\$ 156,387
Building, plant and equipment	2,960,271	2,162,535	797,736	836,013
Transmission and distribution system	14,985,397	8,226,328	6,759,069	6,912,912
	\$ 18,102,055	\$ 10,388,863	\$ 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.

# E.L.K. ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2004

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## 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.

# E.L.K. ENERGY INC.

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	\$ 644,766	\$ 639,105
Service cost	5,038	4,753
Interest cost	37,806	37,394
Benefits paid	(34,381)	(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	5.75%	6%
Rate of compensation increase	3%	3%
Medical trend rate:		
Initial	9.4%	10%
Ultimate	4%	4%

# E.L.K. ENERGY INC.

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	Amount paid
Town of Essex	3,800	\$ 38
Town of Lakeshore	2,400	24
Town of Kingsville	3,800	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.

# E.L.K. ENERGY INC.

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	\$ 428,047	\$ 465,762
Payments in lieu of income taxes	1,133,393	52,588
Cash received during the year for:		
Interest	181,467	142,447
Payments in lieu of income taxes	–	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	\$ 386,694	\$ 257,596
Due from shareholders, included in accounts receivable	1,750	23,260
Due from subsidiary, included in accounts receivable	588,447	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.

# E.L.K. ENERGY INC.

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.

# Electronic Filing Certificate for Corporations Tax Return CT23

Page 1 of 2

Corporation's Ontario Tax Account Number  
**1800085**

Date of Incorporation

year month day

**2000-01-06**

Return for Taxation Year

year month day

**2004-01-01**

Start

End

year month day

**2004-12-31**

Revenue Canada Taxation Account No.

If incorrect or missing, enter

**866567787RC0001**

Jurisdiction Incorporated

**ONTARIO**
☐ 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

Change of Information? Yes ☐ No ☒

Corporation's Legal Name

**E.L.K. Energy Inc.**

Mailing Address

**172 Forest Avenue**
**Essex**
**N8M-3E4**

## 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:

Disk Reference Number: **120**
☐ 250 Aggregate of Total Revenue: **17,242,569**
☐ 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: **0**
☐ 975 Refund: **0** Yes ☐ No ☒

If Yes, Due to:

Loss Carryback: Yes ☐ No ☐

Overpayment: Yes ☐ No ☐

Refundable Tax Credit: Yes ☐ No ☐

## Certification

I am an authorized signing officer of the Corporation. I certify that this Return, including all schedules and statements filed with or as part of this 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

**SANDRA SLATER**

Title

**DIRECTOR OF FINANCE**

Full Residence Address

Signature



Date

**2005-04-08**

Phone Number

**519-776-5291**

Ministry  
Use Only

Return I.D. # **86656778720050408143751000000**



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

## Payment Advice

Enter the amount of payment and indicate taxation year.

Corporation's Ontario Tax Account Number	Date of Incorporation year month day	Taxation Year End year month day	Payment Amount
1800085	2000-01-06	2003-12-31	\$ 0
Corporation's Legal Name E.L.K. Energy Inc.		2004-12-31	\$ 348,693
Total Payment			\$ 348,693

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

Send to: Ontario Ministry of Finance  
Corporations Tax Branch  
PO Box 642  
33 King Street West  
Oshawa ON L1H 8T1

Inc Note: This information will result in a delay processing an assessment



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

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

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

055 Do not use this area

Identification

Business Number (BN) 001 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? 004 1 Yes 2 No

Address of head office

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

011 172 Forest Avenue

012 City Province, territory, or state

015 Essex 016 ON

Country (other than Canada) Postal code/ZIP code

017 018 N8M-3E4

Mailing address (if different from head office address)

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

021 c/o

022

023 City Province, territory, or state

025 026

Country (other than Canada) Postal code/ZIP code

027 028

Location of books and records

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

031 172 Forest Avenue

032 City Province, territory, or state

035 Essex 036 ON

Country (other than Canada) Postal code/ZIP code

037 038 N8M-3E4

040 Type of corporation at the end of the taxation year

1 Canadian-controlled private corporation (CCPC) 4 Corporation controlled by a public corporation

2 Other private corporation 5 X Other corporation (specify, below)

3 Public corporation Utility-MEU

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

To which taxation year does this return apply?

Taxation year start Taxation year-end  
060 2004-01-01 061 2004-12-31  
YYYY/MM/DD YYYY/MM/DD

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

If Yes, give the date control was acquired 065 YYYY/MM/DD

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

067 1 Yes 2 No X

Is this the first year of filing after:

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

If Yes, complete and attach Schedule 24.

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

072 1 Yes 2 No X

If Yes, complete and attach Schedule 24.

Is this the final taxation year before amalgamation?

076 1 Yes 2 No X

Is this the final return up to dissolution?

078 1 Yes 2 No X

Is the corporation a resident of Canada?

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

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

082 1 Yes 2 No X

If Yes, complete and attach Schedule 91.

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

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

**Attachments****Financial statement information:** Use GIFL schedules 100, 125, and 141.

\* We do not print these schedules.

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

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

**Attachments – continued from page 2**

Guide item		Yes	Schedule
44 Did the corporation have any foreign affiliates that are not controlled foreign affiliates?	256	<input type="checkbox"/>	T1134-A
44 Did the corporation have any controlled foreign affiliates?	258	<input type="checkbox"/>	T1134-B
44 Did the corporation own specified foreign property in the year with a cost amount over \$100,000?	259	<input type="checkbox"/>	T1135
44 Did the corporation transfer or loan property to a non-resident trust?	260	<input type="checkbox"/>	T1141
44 Did the corporation receive a distribution from or was it indebted to a non-resident trust in the year?	261	<input type="checkbox"/>	T1142
— Has the corporation entered into an agreement to allocate assistance for SR&ED carried out in Canada?	262	<input type="checkbox"/>	T1145
— Has the corporation entered into an agreement to transfer qualified expenditures incurred in respect of SR&ED contracts?	263	<input type="checkbox"/>	T1146
— Has the corporation entered into an agreement with other associated corporations for salary or wages of specified employees for SR&ED?	264	<input type="checkbox"/>	T1174

**Additional information**

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

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

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

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

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

284	ELECTRICITY	285	100%
286		287	0%
288		289	0%

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

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

**Taxable income**

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL 300 2,222,983 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	
Subtotal		25	25 B

Subtotal (amount A minus amount B) (if negative, enter "0") 2,222,958 C

**Add:** Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions 355 0 D

**Taxable income** (amount C plus amount D) 360 2,222,958

Income exempt under paragraph 149(1)(t) 370 0

**Taxable income** for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370) 2,222,958 z

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

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

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

200,000	x	Number of days in the taxation year before 2003	<u>0</u>	=	<u>0</u>	1
		Number of days in the taxation year	<u>0</u>			
225,000	x	Number of days in the taxation year in 2003	<u>0</u>	=	<u>0</u>	2
		Number of days in the taxation year	<u>0</u>			
250,000	x	Number of days in the taxation year in 2004	<u>366</u>	=	<u>0</u>	3
		Number of days in the taxation year	<u>0</u>			
300,000	x	Number of days in the taxation year after 2004	<u>0</u>	=	<u>0</u>	3.1
		Number of days in the taxation year	<u>0</u>			

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

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

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

**Business limit reduction:**Amount C 0 x 415\*\*\* ..... 11,250 ..... 0 D = ..... 0 EReduced business limit (amount C minus amount E) (if negative, enter "0") ..... 425 ..... 0 F**Small business deduction** - 0.00% of whichever amount is least: A, B, C, or F ..... 430 ..... 0 G  
(enter amount G on line 9 of page 7)

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

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

**\*\*\* Large corporation tax**

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus \$10,000,000).
- If the corporation is not associated with any corporation in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporation in the current taxation year, but was associated in the preceding taxation year, and its current taxation year:
  - starts before December 21, 2002, enter the corporation's gross Part I.3 tax for its **preceding** taxation year; or
  - starts after December 20, 2002, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

**Accelerated tax reduction****Canadian-controlled private corporations throughout the taxation year that claimed the small business deduction**Reduced business limit (amount from line 425) ..... 0 x 300,000 / line 4 above = ..... 0 A

Net active business income (amount from line 400) \* ..... 0 B

Taxable income from line 360 on page 3 **minus** 3 times the amount at line 636\*\* on page 7, and **minus** any amount that, because of federal law, is exempt for Part I tax ..... 0 C**Deduct:**

Aggregate investment income (amount from line 440 of page 6) ..... 0 D

Amount C minus amount D (if negative, enter "0") ..... 0 ..... 0 E

Amount A, B, or E above, whichever is less ..... 0 F

Amount Z from Part 9 of Schedule 27 ..... 0 x 100/7 = ..... 0 G

Amount QQ from Part 13 of Schedule 27 ..... 0 H

Taxable resource income from line 435 of page 5 ..... 0 I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) ..... 0 J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less ..... 0 K

Total of amounts G, H, I, J, and K ..... 0 ..... 0 L

Amount F minus amount L (if negative, enter "0") ..... 0 ..... 0 M

**Accelerated tax reduction** - 7% of amount M (enter amount N on line 637 of page 7) ..... 0 N

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

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

**Resource deduction**

Taxable resource income [as defined in subsection 125.11(1)]

435 0 A

Amount A	0	x	Number of days in the taxation year in 2003	0	x 1% =	0	B
			Number of days in the taxation year	366			
Amount A	0	x	Number of days in the taxation year in 2004	366	x 2% =	0	C
			Number of days in the taxation year	366			
Amount A	0	x	Number of days in the taxation year in 2005	0	x 3% =	0	C.1
			Number of days in the taxation year	366			
Amount A	0	x	Number of days in the taxation year in 2006	0	x 5% =	0	C.2
			Number of days in the taxation year	366			

**Resource deduction** – total of amounts B, C, C.1, and C.2  
(enter amount D on line 10 of page 7)

438 0 D

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

Taxable income from line 360 on page 3

0 E

Amount Z from Part 9 of Schedule 27

0 x 100/7 = 0 F

Amount QQ from Part 13 of Schedule 27

0 G

Taxable resource income from line 435 above

0 H

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)

0 I

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

0 J

Aggregate investment income from line 440 of page 6

0 K

Amount used to calculate the accelerated tax reduction (amount M of page 4)

0 L

Total of amounts F, G, H, I, J, K, and L

0 M

Amount E minus amount M (if negative, enter "0")

0 N

Amount N	0	x	Number of days in the taxation year in 2002	0	x 3% =	0	O
			Number of days in the taxation year	366			
Amount N	0	x	Number of days in the taxation year in 2003	0	x 5% =	0	P
			Number of days in the taxation year	366			
Amount N	0	x	Number of days in the taxation year after 2003	366	x 7% =	0	Q
			Number of days in the taxation year	366			

**General tax reduction for Canadian-controlled private corporations** - total of amounts O, P, and Q  
(enter amount R on line 638 of page 7)

0 R

**General tax reduction**

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

Taxable income from line 360 of page 3

2,222,958 S

Amount Z from Part 9 of Schedule 27

0 x 100/7 = 0 T

Amount QQ from Part 13 of Schedule 27

0 U

Taxable resource income from line 435 above

0 V

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)

0 W

Total of amounts T, U, V, and W

0 X

Amount S minus amount X (if negative, enter "0")

2,222,958 Y

Amount Y	2,222,958	x	Number of days in the taxation year in 2002	0	x 3% =	0	Z
			Number of days in the taxation year	366			
Amount Y	2,222,958	x	Number of days in the taxation year in 2003	0	x 5% =	0	AA
			Number of days in the taxation year	366			
Amount Y	2,222,958	x	Number of days in the taxation year after 2003	366	x 7% =	155,607	BB
			Number of days in the taxation year	366			

**General tax reduction** - total of amounts Z, AA, and BB  
(enter amount CC on line 639 of page 7)

155,607 CC

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

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

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

**Deduct:**

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

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

Taxable income from line 360 on page 3 0

**Deduct:**

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

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

Foreign business income  
tax credit from line 636  
of page 7 . . . . . 0 x 3 = 0  
0 x 26 2/3% = 0 **D**

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

**Deduct:** Corporate surtax from line 600 of page 7 0

Net amount 0 **E**

**Refundable portion of Part I tax** – Amount C, D, or E, whichever is less **450** 0 **F**

**Refundable dividend tax on hand**

Refundable dividend tax on hand at the end of the preceding taxation year **460** 0  
**465** 0

**Deduct:** Dividend refund for the previous taxation year 0 **A**

**Add the total of:**

Refundable portion of Part I tax from line 450 above 0

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

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

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

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

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

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

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

**Part I tax**

**Base amount of Part I tax** – 38.00% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... **550** 844,724 A

**Corporate surtax calculation**

Base amount from line A above ..... 844,724 1

**Deduct:**

10% of taxable income (line 360 or amount Z, whichever applies) from page 3 ..... 222,296 2

Investment corporation deduction from line 620 below ..... 0 3

Federal logging tax credit from line 640 below ..... 0 4

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 ..... 0 a

28.00% of taxed capital gains ..... 0 b

Part I tax otherwise payable ..... 0 c

(line A plus lines C and D minus 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 ..... **600** 24,897 B

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

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

Aggregate investment income from line 440 on page 6 ..... 0 i

Taxable income from line 360 on page 3 ..... 0

**Deduct:**

Amount on lines 400, 405, 410, or 425 of page 4, whichever is less ..... 0

Net amount ..... 0 ii

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

Subtotal (add lines A, B, C, and D) ..... 869,621 E

**Deduct:**

Small business deduction from line 430 of page 4 ..... 0 9

Federal tax abatement ..... **608** 222,296

Manufacturing and processing profits deduction from amount BB or amount RR of Schedule 27 ..... **616** 0

Investment corporation deduction ..... **620** 0

(taxed capital gains **624** 0)

Additional deduction – credit unions from Schedule 17 ..... **628** 0

Federal foreign non-business income tax credit from Schedule 21 ..... **632** 0

Federal foreign business income tax credit from Schedule 21 ..... **636** 0

Accelerated tax reduction from amount N of page 4 ..... **637** 0

Resource deduction from line 438 of page 5 ..... 0 10

General tax reduction for CCPCs from amount R of page 5 ..... **638** 0

General tax reduction from amount CC of page 5 ..... **639** 155,607

Federal logging tax credit from Schedule 21 ..... **640** 0

Federal political contribution tax credit ..... **644** 0

Federal political contributions **646** 0

Federal qualifying environmental trust tax credit ..... **648** 0

Investment tax credit from Schedule 31 ..... **652** 0

Subtotal ..... 377,903 F

**Part I tax payable** – Line E minus line F (enter amount G on line 700 of page 8) ..... 491,718 G

**Summary of tax and credits****Federal tax**

Part I tax payable from page 7	700	491,718
Part I.3 tax payable from Schedule 33, 34, or 35	704	0
Part II surtax payable from Schedule 46	708	0
Part IV tax payable from Schedule 3	712	0
Part IV.1 tax payable from Schedule 43	716	0
Part VI tax payable from Schedule 38	720	0
Part VI.1 tax payable from Schedule 43	724	0
Part XIII.1 tax payable from Schedule 92	727	0
Part XIV tax payable from Schedule 20	728	0
<b>Total federal tax</b>		<b>491,718</b>

**Add provincial and territorial tax:**

Provincial or territorial jurisdiction	750	ON
(if more than one jurisdiction, enter "multiple" and complete Schedule 5)		
Net provincial and territorial tax payable (except Quebec, Ontario, and Alberta)	760	0
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	0
<b>Total tax payable</b>	770	<b>491,718 A</b>

**Deduct other credits:**

Investment tax credit refund from Schedule 31	780	0
Dividend refund from page 6	784	0
Federal capital gains refund from Schedule 18	788	0
Federal qualifying environmental trust tax credit refund	792	0
Canadian film or video production tax credit refund from Form T1131	796	0
Film or video production services tax credit refund from Form T1177	797	0
Tax withheld at source	800	0
<b>Total payments on which tax has been withheld</b>	801	0
Allowable refund for non-resident-owned investment corporations from Schedule 26	804	0
Provincial and territorial capital gains refund from Schedule 18	808	0
Provincial and territorial refundable tax credits from Schedule 5	812	0
Royalties deductible under Syncrude Remission Order	815	0
Tax remitted under Syncrude Remission Order	816	0
Tax instalments paid	840	480,106
<b>Total credits</b>	890	<b>480,106</b>
<b>Balance (line A minus line B)</b>		<b>11,612 B</b>

Refund code 894 0

Overpayment 0

**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:

<input type="checkbox"/> Start	<input type="checkbox"/> Change information	910
		Branch number
914	918	
Institution number	Account number	

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

Balance unpaid 11,612

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 ☒**Certification**

I, 950 SLATER Last name in block letters 951 SANDRA First name in block letters 954 DIRECTOR OF FINANCE Position, office, or rank

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

955 2005-04-08

Date (yyyy/mm/dd)

Signature of the authorized signing officer of the corporation

956 519-776-5291

Telephone number

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

957 1 Yes ☒ 2 No ☐

958 Name in block letters

959 Telephone number

**Language of correspondence - Langue de correspondance**990 Indicate the language of your choice.  
Indiquer la langue de correspondance de votre choix.1 English/Anglais ☒ 2 Français/French ☐



## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Opening Balance Sheet

GIFI	Account	Description	Amount
<b>Assets</b>			
1599		Total current assets . . . . .	+ 0
2008		Total tangible capital assets . . . . .	+ 0
2009		Total accumulated amortization of tangible capital assets . . . . .	- 0
2178		Total intangible capital assets . . . . .	+ 0
2179		Total accumulated amortization of intangible capital assets . . . . .	- 0
2589		Total long-term assets . . . . .	+ 0
2590		Assets held in trust . . . . .	+ 0
			-----
2599		<b>Total Assets</b> (mandatory field)	= 0
			=====
<b>Liabilities</b>			
3139		Total current liabilities . . . . .	0
3450		Total long-term liabilities . . . . .	0
3460		Subordinated debt . . . . .	0
3470		Amounts held in trust . . . . .	0
			-----
		<b>Total liabilities</b> (mandatory field)	0
			=====
<b>Shareholder equity</b>			
3620		<b>Total shareholder equity</b> (mandatory field) . . . . .	0
			=====
3640		<b>Total Liabilities and Shareholder Equity</b>	0
			=====
3849		<b>Retained Earnings/Deficit - End</b> (mandatory field)	0
			=====

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Identification of the corporation (Imported Data)

Name of the corporation.....	E.L.K. Energy Inc.	Taxation year end.....	2004-12-31
Business Number.....	866567787RC0001	City.....	ESSEX
Address.....	172 FOREST AVENUE	Postal code.....	N8M-3E4
Province, Territory.....	ON		

## Balance Sheet

GIFI	Account	Description	Amount	Prior Year
<b>Assets</b>				
1599		Total current assets .....	+ 12,003,675	12,099,811
2008		Total tangible capital assets .....	+ 18,102,055	17,686,266
2009		Total accumulated amortization of tangible capital assets .....	- 10,388,863	9,780,954
2178		Total intangible capital assets .....	+ 0	0
2179		Total accumulated amortization of intangible capital assets .....	- 0	0
2589		Total long-term assets .....	+ 1,036,602	1,141,274
2590		Assets held in trust .....	+ 0	0
			-----	-----
2599		<b>Total Assets</b> (mandatory field)	= 20,753,469	21,146,397
			=====	=====
<b>Liabilities</b>				
3139		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		<b>Total liabilities</b> (mandatory field)	9,364,617	11,045,651
			=====	=====
<b>Shareholder equity</b>				
3620		<b>Total shareholder equity</b> (mandatory field) .....	11,388,852	10,100,746
			=====	=====
3640		<b>Total Liabilities and Shareholder Equity</b>	20,753,469	21,146,397
			=====	=====
3849		<b>Retained Earnings/Deficit - End</b> (mandatory field)	6,986,379	5,698,273
			=====	=====

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Current Assets

GIFI	Account	Description	Amount	Prior year
<b>Cash and deposits</b>				
1000	*	Cash and deposits . . . . .	7,129,283	7,478,565
1001		Cash . . . . .	0	0
		Deposits in Canadian banks and institutions		
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
1007		Other cash like instruments . . . . .	0	0
			-----	-----
		<b>Cash and deposits</b>	+ 7,129,283	7,478,565
			=====	=====

<b>Accounts receivable</b>				
1060	*	Accounts receivable . . . . .	1,708,625	1,802,614
		Trade accounts receivable . . . . .	2,753,894	2,530,295
1064		Trade accounts receivable from related parties . . . . .	0	0
1066		Taxes receivable . . . . .	0	0
1067		Interest receivable . . . . .	0	0
1068		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
			-----	-----
		<b>Accounts receivable</b>	+ 4,462,519	4,332,909
			=====	=====

<b>Allowance for doubtful accounts</b>				
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
1067		Allowance for doubtful amounts contained in leases receivable . . . . .	0	0
		Allowance for doubtful accounts receivable from employees . . . . .	0	0
			-----	-----
		<b>Allowance for doubtful accounts</b>	+ 0	0
			=====	=====

**Inventories**

1120	*	Inventories . . . . .	338,326	251,137
1121		Inventory of goods for sale . . . . .	0	0
1122		Inventory parts and supplies . . . . .	0	0
1123		Inventory properties . . . . .	0	0
1124		Inventory of aggregates . . . . .	0	0
1125		Work in progress . . . . .	0	0
1126		Raw materials . . . . .	0	0
1127		Inventory of securities . . . . .	0	0
			-----	-----
<b>Inventories</b>			<b>+</b> 338,326	251,137
			=====	=====

**Short-term investments**

1180	*	Short-term investments . . . . .	0	0
1181		Canadian term deposits . . . . .	0	0
1182		Canadian shares . . . . .	0	0
1183		Canadian bonds . . . . .	0	0
1184		Canadian treasury bills . . . . .	0	0
1185		Securities purchased under resale agreements . . . . .	0	0
1186		Other short-term Canadian investments . . . . .	0	0
1187		Short-term foreign investments . . . . .	0	0
			-----	-----
<b>Short-term investments</b>			<b>+</b> 0	0
			=====	=====

**Loans and notes receivable**

1240	*	Loans and notes receivable . . . . .	0	0
1241		Demand loans receivable . . . . .	0	0
1242		Other loans receivable . . . . .	0	0
1243		Notes receivable . . . . .	0	0
1244		Mortgages receivable . . . . .	0	0
			-----	-----
<b>Loans and notes receivable</b>			<b>+</b> 0	0
			=====	=====

**Due from shareholder(s)/director(s)**

1300	*	Due from shareholder(s)/director(s) . . . . .	0	0
1301		Due from individual shareholder(s) . . . . .	0	0
1302		Due from corporate shareholder(s) . . . . .	0	0
1303		Due from director(s) . . . . .	0	0
			-----	-----
<b>Due from shareholder(s)/director(s)</b>			<b>+</b> 0	0
			=====	=====

1360		Investment in joint venture(s)/partnership(s) . . . . .	+	0	0
1380		Due from joint venture(s)/partnerships(s) . . . . .	+	0	0

## Due from/investment in related parties

1400	* Due from/investment in related parties . . . . .	0	0
1401	Demand notes from related parties . . . . .	0	0
1402	Interest receivable from related parties . . . . .	0	0
1403	Loans/advances due from related parties . . . . .	0	0
		-----	-----
	<b>Due from/investment in related parties</b>	<b>+</b> 0	0
		=====	=====

1460	Customers' liability under acceptances . . . . .	+	0	0
------	--	---	---	---

## Other current assets

1480	* Other current assets . . . . .	0	0
1481	Deferred income taxes . . . . .	0	0
1482	Accrued investment income . . . . .	0	0
1483	Taxes recoverable/refundable . . . . .	0	0
1484	Prepaid expenses . . . . .	73,547	37,200
1485	Drilling advances . . . . .	0	0
1486	Security/tender deposits . . . . .	0	0
		-----	-----
	<b>Other current assets</b>	<b>+</b> 73,547	37,200
		=====	=====

1599	<b>Total Current Assets</b>	<b>=</b> 12,003,675	12,099,811
		=====	=====

\* Generic Item

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## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Tangible Capital Assets

GIFI	Account	Description	Amount	Prior year
1600		Land .....	+ 156,387	156,387
1601		Land improvements .....	+ 0	0

Depletable assets				
1620	*	Depletable assets .....	0	0
1622		Petroleum and natural gas properties .....	0	0
1624		Mining properties .....	0	0
1626		Deferred exploration and development charges .....	0	0
1628		Quarries .....	0	0
1630		Gravel pits .....	0	0
1632		Timber limits .....	0	0
<b>Depletable assets</b>			+ 0	0

Buildings				
	*	Buildings .....	2,960,271	2,820,441
1602		Manufacturing and processing plant .....	0	0
1684		Buildings under construction .....	0	0
<b>Buildings</b>			+ 2,960,271	2,820,441

Machinery, equipment, furniture, and fixtures				
1740	*	Machinery, equipment, furniture, and fixtures .....	14,985,397	14,709,438
1742		Motor vehicles .....	0	0
1744		Tools and dies .....	0	0
1746		Construction and excavating equipment .....	0	0
1748		Forestry and logging equipment .....	0	0
1750		Fishing gear and nets .....	0	0
1752		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

## Machinery, equipment, furniture, and fixtures (cont'd)

1770	Small tools . . . . .	0	0
1772	Radio and communication equipment . . . . .	0	0
1774	Computer equipment/software . . . . .	0	0
1776	Musical instruments . . . . .	0	0
1778	Satellites . . . . .	0	0
1780	Earth stations . . . . .	0	0
1782	Machinery and equipment under construction . . . . .	0	0
1783	Transportation equipment . . . . .	0	0
1785	Other machinery and equipment . . . . .	0	0
1787	Furniture and fixtures . . . . .	0	0
		-----	-----
	<b>Machinery, equipment, furniture, and fixtures</b>	<b>+ 14,985,397</b>	<b>14,709,438</b>
		=====	=====

## Other tangible capital assets

1900	* Other tangible capital assets . . . . .	0	0
1902	Logging roads . . . . .	0	0
1904	Asphalt and parking areas . . . . .	0	0
1906	Wharves . . . . .	0	0
1908	Fences . . . . .	0	0
1910	Capital leases - buildings . . . . .	0	0
1912	Capital leases - equipment . . . . .	0	0
1914	Capital leases - vehicles . . . . .	0	0
1916	Capital leases - others . . . . .	0	0
	Leasehold improvements . . . . .	0	0
1920	Other capital assets under construction . . . . .	0	0
1921	Campsites . . . . .	0	0
		-----	-----
	<b>Other tangible capital assets</b>	<b>+ 0</b>	<b>0</b>
		=====	=====

## Total Tangible Capital Assets

= 18,102,055 17,686,266  
=====

\* Generic Item

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## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Accumulated Amortization of Tangible Capital Assets

GIFI	Account	Description	Amount	Prior year
1602		Land improvements . . . . .	0	0
<b>Accumulated amortization of depletable assets</b>				
1621	*	Depletable assets . . . . .	0	0
1623		Petroleum and natural gas properties . . . . .	0	0
1625		Mining properties . . . . .	0	0
1627		Deferred exploration and development charges . . . . .	0	0
1629		Quarries . . . . .	0	0
1631		Gravel pits . . . . .	0	0
1633		Timber limits . . . . .	0	0
		<b>Accumulated amortization of depletable assets</b>	+ 0	0
			=====	=====
<b>Accumulated amortization of buildings</b>				
1681	*	Buildings . . . . .	2,162,535	1,984,428
1683		Manufacturing and processing plant . . . . .	0	0
		<b>Accumulated amortization of buildings</b>	+ 2,162,535	1,984,428
			=====	=====
<b>Accumulated amortization of machinery, equipment, furniture, and fixtures</b>				
1741	*	Machinery, equipment, furniture, and fixtures . . . . .	8,226,328	7,796,526
1743		Motor vehicles . . . . .	0	0
1745		Tools and dies . . . . .	0	0
1747		Construction and excavating equipment . . . . .	0	0
1749		Forestry and logging equipment . . . . .	0	0
1751		Fishing gear and nets . . . . .	0	0
1753		Mining equipment . . . . .	0	0
1755		Oil and gas systems . . . . .	0	0
1757		Production equipment for resource industries . . . . .	0	0
1759		Production equipment for other than resource industries . . . . .	0	0
1761		Exploration equipment . . . . .	0	0
1763		Shipping equipment . . . . .	0	0
1765		Ships and boats . . . . .	0	0
1767		Aircraft . . . . .	0	0
1771		Signs . . . . .	0	0
1773		Small tools . . . . .	0	0
1775		Radio and communication equipment . . . . .	0	0
1777		Computer equipment/software . . . . .	0	0
1779		Musical instruments . . . . .	0	0
1781		Satellites . . . . .	0	0
1784		Earth stations . . . . .	0	0
1786		Transportation equipment . . . . .	0	0
1788		Other machinery and equipment . . . . .	0	0
1788		Furniture and fixtures . . . . .	0	0
		<b>Accumulated amortization of machinery, equipment, furniture, and fixtures</b>	+ 8,226,328	7,796,526
			=====	=====



## Accumulated amortization of other tangible capital assets

1901	* Other tangible capital assets . . . . .	0	0
1903	Logging roads . . . . .	0	0
1905	Asphalt and parking areas . . . . .	0	0
1907	Wharves . . . . .	0	0
1909	Fences . . . . .	0	0
1911	Capital leases - buildings . . . . .	0	0
1913	Capital leases - equipment . . . . .	0	0
1915	Capital leases - vehicles . . . . .	0	0
1917	Capital leases - others . . . . .	0	0
1919	Leasehold improvements . . . . .	0	0
1922	Campsites . . . . .	0	0
		-----	-----
	Accumulated amortization of other tangible capital assets	+	0
		=====	=====

2009

## Total Accumulated Amortization of Tangible Capital Assets

= 10,388,863 9,780,954  
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\* Generic Item

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## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Long-Term Assets

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	------------

#### Due from shareholder(s)/director(s)

2180	*	Due from shareholder(s)/director(s) . . . . .	0	0
2181		Due from individual shareholder(s) . . . . .	0	0
2182		Due from corporate shareholder(s) . . . . .	0	0
2183		Due from director(s) . . . . .	0	0
			-----	-----
<b>Due from shareholder(s)/director(s)</b>			<b>+</b> 0	0
			=====	=====

2190		Due from members . . . . .	+	0
2200		Investment in joint venture(s)/partnership(s) . . . . .	+	0
2220		Due from joint venture(s)/partnership(s) . . . . .	+	0

#### Due from/investment in related parties

*		Due from/investment in related parties . . . . .	0	0
2241		Due from/investment in Canadian related parties . . . . .	0	0
2242		Shares in Canadian related corporations . . . . .	100	100
2243		Loans/advances to Canadian related corporations . . . . .	0	0
2244		Investment in Canadian related corporations at cost . . . . .	0	0
2245		Investment in Canadian related corporations at equity . . . . .	0	0
2246		Due from/investment in foreign related parties . . . . .	0	0
2247		Shares in foreign related corporations . . . . .	0	0
2248		Loans/advances to foreign related corporations . . . . .	0	0
2249		Investment in foreign related corporations at cost . . . . .	0	0
2250		Investment in foreign related corporations at equity . . . . .	0	0
			-----	-----
<b>Due from/investment in related parties</b>			<b>+</b> 100	100
			=====	=====

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

Long term investments

2300	*	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
2306		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
2310		Central credit union shares . . . . .	0	0
2311		Other Canadian long-term investments . . . . .	0	0
			-----	-----
Long term investments			+	0
			=====	=====

Long-term loans

2360	*	Long-term loans . . . . .	0	0
2361		Mortgages . . . . .	0	0
2362		Personal and credit card loans . . . . .	0	0
2363		Business and government loans . . . . .	0	0
2364		Line of credit . . . . .	0	0
			-----	-----
Long-term loans			+	0
			=====	=====

Other long-term assets

2420	*	Other long-term assets . . . . .	46,502	569,174
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
2426		Reserve fund . . . . .	0	0
2427		Cash surrender value of life insurance . . . . .	0	0
			-----	-----
Other long-term assets			+	1,036,502
			=====	=====

2425		Accumulated amortization of deferred charges . . . . .	0	0
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2589		Total Long-Term Assets	=	1,036,602	1,141,274
				=====	=====

\* Generic Item

# GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

## Current Liabilities

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	------------

2600		Bank overdraft . . . . .	+	0	0
------	--	--------------------------	---	---	---

### Amounts payable and accrued liabilities

2620	*	Amounts payable and accrued liabilities . . . . .	2,561,458	3,313,941
2621		Trade payables . . . . .	0	0
2622		Trade payables to related parties . . . . .	0	0
2623		Holdbacks payable . . . . .	0	0
2624		Wages payable . . . . .	0	0
2625		Management fees payable . . . . .	0	0
2626		Bonuses payable . . . . .	0	0
2627		Employee deductions payable . . . . .	0	0
2628		Withholding taxes payable . . . . .	0	0
2629		Interest payable . . . . .	0	0
2630		Amounts payable to members of NPOs . . . . .	0	0
			-----	-----
		Amounts payable and accrued liabilities	+ 2,561,458	3,313,941
			=====	=====

2680		Taxes payable . . . . .	+	360,515	648,908
------	--	-------------------------	---	---------	---------

### Short term debt

2700	*	Short term debt . . . . .	0	0
2701		Loans from Canadian banks . . . . .	0	0
2702		Liability for securities sold short . . . . .	0	0
2703		Liability for securities sold under repurchase agreements . . . . .	0	0
2704		Gold and silver certificates . . . . .	0	0
2705		Cheques and other items in transit . . . . .	0	0
2706		Lien notes . . . . .	0	0
			-----	-----
		Short term debt	+ 0	0
			=====	=====

2770		Deferred income . . . . .	+	0	0
------	--	---------------------------	---	---	---

### Due to shareholder(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
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
------	--	--	---	---	---

Due to related parties

2860	* Due to related parties . . . . .	0	0
2861	Demand notes due to related parties . . . . .	5,200,000	5,850,000
2862	Interest payable to related parties . . . . .	0	0
2863	Advances due to related parties . . . . .	0	0
		-----	-----
	<b>Due to related parties</b>	<b>+ 5,200,000</b>	<b>5,850,000</b>
		=====	=====

2920	Current portion of long-term liability . . . . .	+	0	0
2940	Bankers' acceptances . . . . .	+	0	0

Other current liabilities

2960	* Other current liabilities . . . . .	0	0
2961	Deposits received . . . . .	340,419	377,665
2962	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
2966	Crew shares . . . . .	0	0
		-----	-----
	<b>Other current liabilities</b>	<b>+ 340,419</b>	<b>377,665</b>
		=====	=====

3139	<b>Total Current Liabilities</b>	<b>= 8,462,392</b>	<b>10,190,514</b>
		=====	=====

\* Generic Item

GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Long-Term Liabilities

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	------------

Long-term debt

3140	*	Long-term debt . . . . .	0	0
3141		Mortgages . . . . .	0	0
3142		Farm credit corporation loan . . . . .	0	0
3143		Chartered bank loan . . . . .	0	0
3144		Credit Union/Caisse Populaire loan . . . . .	0	0
3145		Provincial government loan . . . . .	0	0
3146		Supply company loan . . . . .	0	0
3147		Private loan . . . . .	0	0
3148		Central, league, and federation loans . . . . .	0	0
3149		Line of credit . . . . .	0	0
3150		Liability for securities sold short . . . . .	0	0
3151		Liability for securities sold under repurchase agreements . . . . .	0	0
3152		Lien notes . . . . .	0	0
			-----	-----
		Long-term debt	+ 0	0
			=====	=====

3200		Deposit liabilities of financial institutions . . . . .	+	0	0
3210		Bonds and debentures . . . . .	+	0	0
3220		Deferred income . . . . .	+	0	0
3240		Deferred income taxes . . . . .	+	0	0

Due to shareholder(s)/director(s)

3260	*	Due to shareholder(s)/director(s) . . . . .	0	0
3261		Due to individual shareholder(s) . . . . .	0	0
3262		Due to corporate shareholder(s) . . . . .	0	0
3263		Due to director(s) . . . . .	0	0
			-----	-----
		Due to shareholder(s)/director(s)	+ 0	0
			=====	=====

3280		Due to members . . . . .	+	0	0
3280		Due to joint venture(s)/partnership(s) . . . . .	+	0	0

Due to related parties

3300	*	Due to related parties . . . . .	0	0
3301		Amounts owing to related Canadian parties . . . . .	0	0
3302		Amounts owing to related foreign parties . . . . .	0	0
			-----	-----
		Due to related parties	+ 0	0
			=====	=====

Other long-term liabilities

3320	* Other long-term liabilities . . . . .	248,996	210,371
3321	Long-term obligations/commitments/capital leases . . . . .	0	0
3322	Reserves for guarantees, warranties, or indemnities . . . . .	653,229	644,766
3323	Provision for site restoration . . . . .	0	0
3324	Contributions to qualifying environmental trust . . . . .	0	0
3325	General provisions/reserves . . . . .	0	0
3326	Preference shares restated . . . . .	0	0
3327	Member allocations . . . . .	0	0
3328	Deferred revenue from incomplete contracts . . . . .	0	0
		-----	-----
	Other long-term liabilities	+ 902,225	855,137
		=====	=====

3450	Total Long-Term Liabilities	= 902,225	855,137
		=====	=====

\* Generic Item

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Shareholder equity

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	------------

#### Shareholder equity

3500		Common shares . . . . .	+	100	100
3520		Preferred shares . . . . .	+	0	0

#### Contributed and other surplus

3540		* Contributed and other surplus . . . . .		4,402,373	4,402,373
3541		Contributed surplus . . . . .		0	0
3542		Appraisal surplus . . . . .		0	0
3543		General reserve . . . . .		0	0
				4,402,373	4,402,373
		<b>Contributed and other surplus</b>	<b>+</b>	<b>4,402,373</b>	<b>4,402,373</b>
				=====	=====

3570		Head office account . . . . .	+	0	0
3600		Retained earnings/deficit . . . . .	+	6,986,379	5,698,273

3620		<b>Total Shareholder equity</b>	<b>=</b>	<b>11,388,852</b>	<b>10,100,746</b>
				=====	=====

\* Generic Item



GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Retained Earnings/Deficit

GIFI	Account	Description	Amount	Prior year	
3660		Retained earnings/deficit - start	+	5,698,273	3,623,826
3680		Net income/loss	+	1,288,106	2,074,447
Dividends declared					
3700	*	Dividends declared		0	0
3701		Cash dividends		0	0
3702		Patronage dividends		0	0
		Dividends declared	-	0	0
Prior period adjustments					
3720		Prior period adjustments	+	0	0
Other items affecting retained earnings					
	*	Other items affecting retained earnings		0	0
3741		Share redemptions		0	0
3742		Special reserves		0	0
3743		Currency adjustments		0	0
3744		Unusual revenue items		0	0
3745		Interfund transfer		0	0
		Other items affecting retained earnings	+	0	0
Retained Earnings/Deficit - End					
3849		Retained Earnings/Deficit - End	=	6,986,379	5,698,273

\* Generic Item

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Income Statement

#### GIFI Description

0001	Operating name . . . . .	
0002	Description of the operation . . . . .	MUNICIPALLY OWNED ELECTRICAL DISTRIBUTION COMPANY
0003	Sequence Number . . . . .	

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	------------

#### Income Statement Information

8089	Total sales of goods and services . . . . .	+	16,450,659	17,038,327
8518	Cost of sales . . . . .	-	12,574,922	11,940,399
8519	<b>Gross profit/loss</b>	=	3,875,737	5,097,928
8518	Cost of sales . . . . .	+	12,574,922	11,940,399
9367	Total operating expenses . . . . .	+	2,710,569	2,924,628
<b>Total expenses (mandatory field)</b>			=	15,285,491
8299	Total revenue (mandatory field) . . . . .	+	16,963,597	17,622,474
9368	Total expenses (mandatory field) . . . . .	-	15,285,491	14,865,027
9369	<b>Net non-farming income</b>	=	1,678,106	2,757,447

#### Farming Income Statement Information

9659	Total farm revenue (mandatory field) . . . . .	+	0	0
9698	Total farm expenses (mandatory field) . . . . .	-	0	0
9899	<b>Net farm income</b>	=	0	0

<b>Net Income/Loss before Taxes and Extraordinary Items</b>	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
		-----	-----
	<b>Net Income/Loss after Taxes and</b>		
9999	<b>Extraordinary Items</b> (mandatory field)	1,288,106	2,074,447
		=====	=====

# GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

## Revenue

GIFI	Account	Description	Amount	Prior year
8000		Trade sales of goods and services . . . . .	+ 16,450,659	17,038,327
8020		Sales of goods and services to related parties . . . . .	+ 0	0
8030		Interdivisional sales . . . . .	+ 0	0

## Sales from resource properties

8040	*	Sales from resource properties . . . . .	0	0
8041		Petroleum and natural gas sales . . . . .	0	0
8042		Petroleum and natural gas sales to related parties . . . . .	0	0
8043		Gas marketing . . . . .	0	0
8044		Processing revenue . . . . .	0	0
8045		Pipeline revenue . . . . .	0	0
8046		Seismic sales . . . . .	0	0
8047		Mining revenue . . . . .	0	0
8048		Coal revenue . . . . .	0	0
8049		Oil sands revenue . . . . .	0	0
8050		Royalty income . . . . .	0	0
8051		Oil and gas partnership/joint venture income/loss . . . . .	0	0
8052		Mining partnership/joint venture income/loss . . . . .	0	0
8053		Other production revenue . . . . .	0	0
			-----	-----
Sales from resource properties			+ 0	0
			=====	=====

8089		Total sales of goods and services . . . . .	= 16,450,659	17,038,327
			=====	=====

## Investment revenue

8090	*	Investment revenue . . . . .	0	0
8091		Interest from foreign sources . . . . .	0	0
8092		Interest from Canadian bonds and debentures . . . . .	0	0
8093		Interest from Canadian mortgage loans . . . . .	0	0
8094		Interest from other Canadian sources . . . . .	445,719	495,693
8095		Dividend income . . . . .	0	0
8096		Dividends from Canadian sources . . . . .	0	0
8097		Dividends from foreign sources . . . . .	0	0
			-----	-----
Investment revenue			+ 445,719	495,693
			=====	=====

**Interest income (financial institutions)**

8100	*	Interest income (financial institutions) . . . . .	0	0
8101		Loan interest . . . . .	0	0
8102		Securities interest . . . . .	0	0
8103		Deposits with banks interest . . . . .	0	0
			-----	-----
<b>Interest income (financial institutions)</b>			<b>+</b> 0	0
			=====	=====

**Commission revenue**

8120	*	Commission revenue . . . . .	0	0
8121		Commission income on real estate transactions . . . . .	0	0
			-----	-----
<b>Commission revenue</b>			<b>+</b> 0	0
			=====	=====

**Rental revenue**

8140	*	Rental revenue . . . . .	0	0
8141		Real estate rental revenue . . . . .	0	0
8142		Film rental revenue . . . . .	0	0
			-----	-----
<b>Rental revenue</b>			<b>+</b> 0	0
			=====	=====

8150		Vehicle leasing . . . . .	+	0	0
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**Fishing revenue**

8160	*	Fishing revenue . . . . .	0	0
8161		Fish products . . . . .	0	0
8162		Other marine products . . . . .	0	0
8163		Fishing grants, credits, and rebates . . . . .	0	0
8164		Fishing subsidies . . . . .	0	0
8165		Compensation for loss of fishing income or property . . . . .	0	0
8166		Sharesman income . . . . .	0	0
			-----	-----
<b>Fishing revenue</b>			<b>+</b> 0	0
			=====	=====

**Realized gains/losses on disposal of assets**

8210	*	Realized gains/losses on disposal of assets . . . . .	0	0
8211		Realized gains/losses on sale of investments . . . . .	0	0
8212		Realized gains/losses on sale of resource properties . . . . .	0	0
			-----	-----
<b>Realized gains/losses on disposal of assets</b>			<b>+</b> 0	0
			=====	=====

## NPO amounts received

8220	NPO amounts received . . . . .	0	0
8221	Membership fees . . . . .	0	0
8222	Assessments . . . . .	0	0
8223	Gifts . . . . .	0	0
8224	Gross sales and revenues from organizational activities . . . . .	0	0
		-----	-----
	<b>NPO amounts received</b>	<b>+</b> 0	0
		=====	=====

## Other revenue

8230	* Other revenue . . . . .	0	0
8231	Foreign exchange gains/losses . . . . .	0	0
8232	Income/loss of subsidiaries/affiliates . . . . .	0	0
8233	Income/loss of other divisions . . . . .	0	0
8234	Income/loss of joint ventures . . . . .	0	0
8235	Income/loss of partnerships . . . . .	0	0
8236	Realization of deferred revenues . . . . .	0	0
8237	Royalty income other than resource . . . . .	0	0
8238	Alberta royalty tax credits . . . . .	0	0
8239	Management and administration fees . . . . .	0	0
8240	Telecommunications revenue . . . . .	0	0
8241	Consulting fees . . . . .	0	0
8242	Subsidies and grants . . . . .	0	0
	Sale of by-products . . . . .	0	0
8244	Deposit services . . . . .	0	0
8245	Credit services . . . . .	67,219	88,454
8246	Card services . . . . .	0	0
8247	Patronage dividends . . . . .	0	0
8248	Insurance recoveries . . . . .	0	0
8249	Expense recoveries . . . . .	0	0
8250	Bad debt recoveries . . . . .	0	0
		-----	-----
	<b>Other revenue</b>	<b>+</b> 67,219	88,454
		=====	=====

8299

## Total Revenue

= 16,963,597 17,622,474  
=====

\* Generic Item

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Cost of Sales

GIFI	Account	Description	Amount	Prior year
<b>Opening inventory</b>				
8300	*	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
			-----	-----
		<b>Opening inventory</b>	+ 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>Resource production costs</b>				
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
			-----	-----
		<b>Resource production costs</b>	+ 0	0
			=====	=====
<b>Crown charges</b>				
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
			-----	-----
		<b>Crown charges</b>	+ 0	0
			=====	=====

**Other direct costs**

8450	*	Other direct costs . . . . .	0	0
8451		Equipment hire and operation . . . . .	0	0
8452		Log yard . . . . .	0	0
8453		Forestry costs . . . . .	0	0
8454		Logging road costs . . . . .	0	0
8455		Stumpage costs . . . . .	0	0
8456		Royalty costs . . . . .	0	0
8457		Freight in and duty . . . . .	0	0
8458		Inventory write down . . . . .	0	0
8459		Direct cost amortization of tangible assets . . . . .	0	0
8460		Direct cost amortization of natural resource assets . . . . .	0	0
8461		Overhead expenses allocated to cost of sales . . . . .	0	0
			-----	-----
<b>Other direct costs</b>			<b>+</b> 0	0
			=====	=====

**Closing inventory**

8500	*	Closing inventory . . . . .	0	0
8501		Closing inventory - finished goods . . . . .	0	0
8502		Closing inventory - raw materials . . . . .	0	0
8503		Closing inventory - goods in process . . . . .	0	0
			-----	-----
<b>Closing inventory</b>			<b>-</b> 0	0
			=====	=====

<b>8518</b>	<b>Cost of Sales</b>	=	12,574,922	11,940,399
			=====	=====

\* Generic Item



GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

Operating Expenses

GIFI	Account	Description	Amount	Prior year
------	---------	-------------	--------	------------

Advertising and promotion

8520	*	Advertising and promotion	0	0
8521		Advertising	0	0
8522		Donations	0	0
8523		Meals and entertainment	0	0
8524		Promotion	0	0
		Advertising and promotion	+	0
			=====	=====

8570		Amortization of intangible assets	+	0	0
8590		Bad debt expense	+	0	0

Loan losses

8610	*	Loan losses . . . . .	0	0	
		Provision for loan losses . . . . .	0	0	
			-----	-----	
		<b>Loan losses</b>	+	0	0
			=====	=====	

Employee benefits

8620	*	Employee benefits . . . . .	0	0
8621		Group insurance benefits . . . . .	0	0
8622		Employer's portion of employee benefits . . . . .	0	0
8623		Contributions to deferred income plans . . . . .	0	0
			-----	-----
		<b>Employee benefits</b>	+	0
			=====	=====

8650		Amortization of natural resource assets	+	0	0
8651		Amortization of tangible assets	+	607,909	617,177

Insurance

8690	*	Insurance.....	0	0
8691		Life insurance on executives.....	0	0
			-----	-----
		<b>Insurance</b>	+	0
			=====	=====

**Interest and bank charges**

8710	*	Interest and bank charges . . . . .	428,047	465,762
8711		Interest on short-term debt . . . . .	0	0
8712		Interest on bonds and debentures . . . . .	0	0
8713		Interest on mortgages . . . . .	0	0
8714		Interest on long-term debt . . . . .	0	0
8715		Bank charges . . . . .	0	0
8716		Credit card charges . . . . .	0	0
8717		Collection and credit costs . . . . .	0	0
			-----	-----
<b>Interest and bank charges</b>			<b>+</b> 428,047	465,762
			=====	=====

**Interest paid (financial institutions)**

8740	*	Interest paid (financial institutions) . . . . .	0	0
8741		Interest paid on deposits . . . . .	0	0
8742		Interest paid on bonds and debentures . . . . .	0	0
			-----	-----
<b>Interest paid (financial institutions)</b>			<b>+</b> 0	0
			=====	=====

**Business taxes, licences, and memberships**

8760	*	Business taxes, licences, and memberships . . . . .	0	0
		Memberships . . . . .	0	0
8762		Business taxes . . . . .	0	0
8763		Franchise fees . . . . .	0	0
8764		Government fees . . . . .	0	0
			-----	-----
<b>Business taxes, licences, and memberships</b>			<b>+</b> 0	0
			=====	=====

8780		New Brunswick tax on large corporations . . . . .	+	0	0
8790		Nova Scotia tax on large corporations . . . . .	+	0	0

**Office expenses**

8810	*	Office expenses . . . . .	0	0
8811		Office stationery and supplies . . . . .	0	0
8812		Office utilities . . . . .	0	0
		Data processing . . . . .	521,215	523,212
			-----	-----
<b>Office expenses</b>			<b>+</b> 521,215	523,212
			=====	=====

**Professional fees**

8860	* Professional fees . . . . .	0	0
8861	Legal fees . . . . .	0	0
8862	Accounting fees . . . . .	0	0
8863	Consulting fees . . . . .	0	0
8864	Architect fees . . . . .	0	0
8865	Appraisal fees . . . . .	0	0
8866	Laboratory fees . . . . .	0	0
8867	Medical fees . . . . .	0	0
8868	Veterinary fees . . . . .	0	0
8869	Brokerage fees . . . . .	0	0
8870	Transfer fees . . . . .	0	0
8871	Management and administration fees . . . . .	0	0
8872	Refining and assay . . . . .	0	0
8873	Registrar and transfer agent fees . . . . .	0	0
8874	Restructuring costs . . . . .	0	0
8875	Security commission fees . . . . .	0	0
8876	Training expense . . . . .	0	0
8877	Studio and recording . . . . .	0	0
		-----	-----
	<b>Professional fees</b>	<b>+</b> 0	0
		=====	=====

**Rental**

	* Rental . . . . .	0	0
8911	Real estate rental . . . . .	0	0
8912	Occupancy costs . . . . .	0	0
8913	Condominium fees . . . . .	0	0
8914	Equipment rental . . . . .	0	0
8915	Motor vehicle rentals . . . . .	0	0
8916	Moorage (boat) . . . . .	0	0
8917	Storage . . . . .	0	0
8918	Quota rental . . . . .	0	0
		-----	-----
	<b>Rental</b>	<b>+</b> 0	0
		=====	=====

**Repairs and maintenance**

8960	* Repairs and maintenance . . . . .	0	0
8961	Repairs and maintenance - buildings . . . . .	0	0
	Repairs and maintenance - vehicles . . . . .	0	0
	Repairs and maintenance - boats . . . . .	0	0
8964	Repairs and maintenance - machinery and equipment . . . . .	0	0
		-----	-----
	<b>Repairs and maintenance</b>	<b>+</b> 0	0
		=====	=====

**Other repairs and maintenance**

9010	* Other repairs and maintenance . . . . .	0	0
9011	Machine shop expense . . . . .	0	0
9012	Road costs . . . . .	0	0
9013	Security . . . . .	0	0
9014	Garbage removal . . . . .	0	0
		-----	-----
	<b>Other repairs and maintenance</b>	<b>+</b> 0	0
		=====	=====

**Salaries and wages**

9060	* Salaries and wages . . . . .	0	0
9061	Commissions . . . . .	0	0
9062	Crew share . . . . .	0	0
9063	Bonuses . . . . .	0	0
9064	Directors fees . . . . .	0	0
9065	Management salaries . . . . .	0	0
9066	Employee salaries . . . . .	0	0
		-----	-----
	<b>Salaries and wages</b>	<b>+</b>	<b>0 0</b>
		=====	=====

9110	<b>Sub-contracts . . . . .</b>	<b>+</b>	<b>0 0</b>

**Supplies**

9130	* Supplies . . . . .	0	0
9131	Small tools . . . . .	0	0
9132	Shop expense . . . . .	0	0
9133	Uniforms . . . . .	0	0
9134	Laundry . . . . .	0	0
9135	Food and catering . . . . .	0	0
9136	Fishing gear . . . . .	0	0
9137	Nets and traps . . . . .	0	0
	Salt, bait, and ice . . . . .	0	0
9139	Camp supplies . . . . .	0	0

**Computer-related expenses**

9150	Computer-related expenses . . . . .	0	0
9151	Upgrade . . . . .	0	0
9152	Internet . . . . .	0	0

	<b>Supplies and computer-related expenses</b>	<b>+</b>	<b>0 0</b>

9180	<b>Property taxes . . . . .</b>	<b>+</b>	<b>0 0</b>

**Travel expenses**

9200	* Travel expenses . . . . .	0	0
9201	Meetings and conventions . . . . .	0	0
		-----	-----
	<b>Travel expenses</b>	<b>+</b>	<b>0 0</b>
		=====	=====

Utilities

9220	* Utilities.....	0	0
9221	Electricity.....	0	0
9222	Water.....	0	0
9223	Heat.....	0	0
9224	Fuel costs.....	0	0
9225	Telephone and telecommunications.....	0	0
		-----	-----
	Utilities	+ 0	0
		=====	=====

Other expenses

9270	* Other expenses.....	447,559	638,970
9271	Cash over/short.....	0	0
9272	Reimbursement of parent company expense.....	0	0
9273	Selling expenses.....	0	0
9274	Shipping and warehouse expense.....	0	0
9275	Delivery, freight and express.....	0	0
9276	Warranty expenses.....	0	0
9277	Royalty expenses - resident.....	0	0
9278	Royalty expenses - non-resident.....	0	0
9279	Dumping charges.....	0	0
9280	Land fill fees.....	0	0
9281	Vehicle expenses.....	0	0
	Research and development.....	0	0
9283	Withholding taxes.....	0	0
9284	General and administrative expenses.....	705,839	679,507
9285	Interdivisional expenses.....	0	0
9286	Interfund transfer.....	0	0
		-----	-----
	Other expenses	+ 1,153,398	1,318,477
		=====	=====

Total Operating Expenses

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

\* Generic Item

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Corporate Taxprep / Taxprep des sociétés - TP-10

## GENERAL INDEX OF FINANCIAL INFORMATION (GIFI)

### Income Statement Summary

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

Total number of schedule 125 forms: 1

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
9976		Legal settlements . . . . .	-	0
9980		Unrealized gains/losses . . . . .	+	0
9985		Unusual items . . . . .	-	0
9990		Current income taxes . . . . .	-	808,000
9995		Deferred income tax provision . . . . .	-	-418,000
			-----	-----
9999		<b>Net Income/Loss after Taxes and Extraordinary Items</b> (mandatory field)	= 1,288,106 =====	2,074,447 =====

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 GIFL-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."

### Part 1 - Accounting practitioner information

Choose only one of the following three options, whichever applies to the accounting practitioner:

	096		
Chartered accountant . . . . .	1	[ X ]	
Other professional designation . . . . .	2	[   ]	
No professional designation . . . . .	3	[   ]	

Is the accounting practitioner connected\* with the corporation? . . . . . 097 [Y/N] [ N ]

\* 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	[   ]	
Compiled the financial statements along with reviewing the books . . . . .	3	[   ]	
Conducted a compilation engagement . . . . .	4	[   ]	

### 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? . . . . . 099 [Y/N] [ N ]

## Part 4 - Other information

Were notes to the financial statements prepared? ..... ☐ 101 Yes/No  
[ 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 [ ]



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

## NET INCOME (LOSS) FOR INCOME TAX PURPOSES

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

Net income (loss) after taxes and extraordinary items per financial statements .....	1,288,106	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	1,652,404

### Other Additions:

#### Miscellaneous Other Additions:

Addition of revenue capitalized for accounting .....	290	169,692	
Addition of expenses capitalized for accounting P/Y .....	291	352,980	
Capital tax accrued in the accounts .....	292	37,000	
Enerconnect Limited Partnership income .....	0		
	0		
	0		
	0		
	293	0	
		-----	
Subtotal of Other Additions .....	199	559,672	559,672
		-----	
<b>Total Additions</b>	<b>500</b>	<b>2,212,076</b>	

**Deductions:**

Capital cost allowance from Schedule 8.....	403	546,206	
Cumulative eligible capital deduction from Schedule 10.....	405	48,748	
Reserves from financial statements-balance at the beginning of the year.....	414	644,766	
Subtotal of Deductions.....		1,239,720	1,239,720

**Other Deductions:**

**Miscellaneous Other Deductions:**

702 Actual capital tax.....	392	37,479	
Subtotal of Other Deductions.....	499	37,479	37,479
<b>Total Deductions</b>	510		1,277,199

**Net income (loss) for income tax purposes**..... 2,222,983  
 (enter on line 300 on the T2 return) =====

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 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

Charity/Recipient	Amount (\$100 or more only)
	0
	-----
Subtotal	0
<b>Add:</b> Total donations of less than \$100 each	25
	-----
Total donations in current taxation year	25
	=====

	Federal	Quebec	Alberta
Charitable donations at end of preceding taxation year . . . . .	0 A	0	0
<b>Deduct:</b>			
Donations expired after 5 taxation years . . . . . <span style="border: 1px solid black; padding: 0 5px;">239</span>	0	0	0
	-----	-----	-----
Charitable donations at beginning of taxation year . . . . . <span style="border: 1px solid black; padding: 0 5px;">240</span>	0	0	0
<b>Add:</b>			
Donations transferred on amalgamation or wind-up of subsidiary . . . . . <span style="border: 1px solid black; padding: 0 5px;">250</span> 0 B			
Total current year charitable donations made . . . . . <span style="border: 1px solid black; padding: 0 5px;">210</span> 25 C			
			-----
<b>Subtotal:</b>			
Amount B plus amount C . . . . . 25	25 D	25	25
	-----	-----	-----
			=====

	Federal	Quebec	Alberta
Total donations available . . . . .	25 E	25	25
<b>Deduct:</b> Amount applied against taxable income: (enter amount from line S) . . . . .	25 F	25	25
	-----	-----	-----
Charitable donations closing balance . . . . .	0 G	0	0
	=====	=====	=====

**Amounts carried 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
		-----	-----	-----
<b>Total (to line A)</b> . . . . .		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 H
		=====
Taxable capital gains arising in respect of gifts of capital property:		
- per line 895 of schedule 6 . . . . .	0	
- other . . . . .	0	
Total . . . . .	225 I	0
Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01) . . . . .	227 J	0
<b>Add the lesser of:</b>		
1) The amount of the recapture of capital cost allowance in respect of charitable gifts . . . . .	230 K	0
		=====
2) <b>The lesser of:</b>		
i) Proceeds of dispositions less outlays and expenses . . . . .	0 L	
		=====
ii) The capital cost . . . . .	0 M	
		=====
The lesser of amounts L and M . . . . .	235 N	0
		=====
The lesser of amounts K and N . . . . .		0 O
		-----
<b>Subtotal:</b> Amount I plus amount J plus amount O . . . . .		0 P
		=====
Amount P multiplied by 25% . . . . .		0 Q
		=====
<b>Maximum deduction allowable:</b> (amount H plus amount Q) . . . . .		1,667,237 R
		=====
<b>Claim for charitable donations:</b> (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.

**Part 3 - Gifts to Canada or a province**

Gifts to Canada or a province at the end of the preceding taxation year . . . . .		0
<b>Deduct:</b> Gifts to Canada or a province expired after 5 taxation years . . . . .	339	0
Gifts to Canada or a province at the beginning of the taxation year . . . . .	340	0
<b>Add:</b> Gifts to Canada or a province transferred on amalgamation or		
wind-up of a subsidiary . . . . .	350	0
Total current year gifts made to Canada or a province * . . . . .	310	0
	Subtotal	0
<b>Deduct:</b> Amount applied against taxable income (enter this amount on line 312		
of the T2 return) . . . . .	360	0
Gifts to Canada or a province closing balance . . . . .	380	0
		=====

\* 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
Gifts of certified cultural property at the end of the preceding taxation year . . . . .	0	0	0
<b>Deduct:</b> Gifts of certified cultural property expired after 5 taxation years . . . . .	439	0	0
Gifts of certified cultural property at the beginning of the taxation year . . . . .	440	0	0
<b>Add:</b> Gifts of certified cultural property transferred on amalgamation or wind-up of a subsidiary . . . . .	450	0	
Total current year gifts of certified cultural property . . . . .	410	0	
	Subtotal	0	0
<b>Deduct:</b> Amount applied against taxable income (enter this amount on line 313 of the T2 return) . . . . .	460	0	0
Gifts of certified cultural property - Closing balance . . . . .	480	0	0
	=====	=====	=====

**Amounts carried forward - 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
6th prior year *	1999	0	0	0
	<b>Total</b>	0	0	0
		=====	=====	=====

\* These donations expired in the prior year.

**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
<b>Deduct:</b> 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
<b>Add:</b> Gifts of certified ecologically sensitive land transferred on amalgamation or wind-up of a subsidiary . . . . .	0		
Total current year gifts of certified ecologically sensitive land . . . . .	0		
	-----	-----	-----
Subtotal	0	0	0
<b>Deduct:</b> Amount applied against taxable income (enter this amount on line 314 of the T2 return) . . . . .	0	0	0
	-----	-----	-----
Gifts of certified ecologically sensitive land - Closing balance . . . . .	0	0	0
	=====	=====	=====

**Amounts carried forward - Gifts of certified ecologically sensitive lands**

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
		-----	-----	-----
<b>Total</b>		0	0	0
		=====	=====	=====

\* These donations expired in the prior year.

## Summary of Capital Cost Allowance

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

Class No.	UCC at Beginning of Year	Cost of Additions During Year	Adjustments	Lesser of Cost or Proceeds	1/2 of [203] - [207]	Rate %	Recapture of Capital Cost Allowance	Terminal Loss	Capital Cost Allowance	Undepreciated Capital Cost end of year
[200]	[201]	[203]	[205]	[207]	[211]	[212]	[213]	[215]	[217]	[220]
1	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

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## 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)

Name	Ctry of resi- dence	Business Number (Note)	Rela- tion- ship Code	Number of common shares owned	% of common shares owned	Number of preferred shares owned	% of pre- ferred shares owned	Book value of capital stock
	[100]	[200]	[300]	[400]	[500]	[600]	[650]	[700]
E.L.K. SOLUTIONS INC.		864877519RC0001	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".



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

# **CUMULATIVE ELIGIBLE CAPITAL DEDUCTION**

- For use by a corporation that has eligible capital property. For more information, see the "T2 Corporation Income Tax Guide."
- A separate cumulative eligible capital account must be kept for each business.

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

### **Cumulative eligible capital - Balance at the end of the preceding taxation year**

(if negative, enter "0") ..... **200** 696,404 A

#### **Add:** Cost of eligible capital property acquired

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 ..... **224** 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

The gross amount of a reduction in respect of  
a forgiven debt obligation as provided for in  
subsection 80(7) ..... **244** 0 H

Other adjustments ..... **246** 0 I

(add amounts G, H, and I) 0 x 0.75 = **248** 0 J

**Cumulative eligible capital balance** (amount F minus amount J) ..... 696,404 K  
(if amount K is negative, enter "0" at line M and proceed to Part 2)

Cumulative eligible capital for a property no longer  
owned after ceasing to carry on that business ..... **249** 0

amount K 696,404  
less amount from line 249 0

**Current year deduction** ..... 696,404 x 7.00% = **250** 48,748 \*

(line 249 plus line 250) (enter this amount at line 405 of Schedule 1) 48,748 48,748 L

### **Cumulative eligible capital - Closing balance** (amount K minus amount L)

(if negative, enter "0") ..... **300** 647,656 M

\* 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.

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

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

Amount from line K (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 1Total of all amounts which reduced CEC in the current or  
prior years under subsection 80(7) ..... 401 0 2Total of CEC deductions claimed for taxation years  
beginning before July 1, 1988 ..... 402 0 3Negative balances in the CEC account that were  
included in income for taxation years beginning  
before July 1, 1988 ..... 408 0 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 7Amounts at line T from Schedule 10 ending after  
February 27, 2000 ..... 0 8Subtotal (line 7 plus line 8) 409 0 0 9

Line 6 minus line 9 (if negative, enter "0") ..... 0 0 O

Line N minus line O (if negative, enter "0") ..... 0 P

Line 5 0 x 1/2 = 0 Q

Line P minus line Q (if negative, enter "0") ..... 0 R

Amount R 0 x 2/3 = 0 S

Amount N or amount O, whichever is less ..... 0 T

**Amount to be included in income** (amount S plus amount T)  
(enter this amount on line 108 of Schedule 1) ..... 410 0

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

Description of property	Balance at the beginning of the year	Transfer on amalgamation or wind-up of subsidiary	Add	Deduct	Balance at the end of the year
	\$	\$	\$	\$	\$
<b>001</b>	<b>002</b>	<b>003</b>			<b>004</b>
	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
<b>Totals</b>	<b>008</b>	<b>009</b>			<b>010</b>
	0	0	0	0	0

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 Reserves (not deductible)

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
<b>Totals</b>	<b>644,766</b>	<b>0</b>	<b>8,463</b>	<b>0</b>	<b>653,229</b>

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

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

**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]	\$	\$	\$	\$	\$
Reserve for doubtful debts..... [ ]	<input type="checkbox"/>	0	0	0	0	0
Reserve for undelivered goods and services not rendered..... [ ]	<input type="checkbox"/>	0	0	0	0	0
Reserve for prepaid rent..... [ ]	<input type="checkbox"/>	0	0	0	0	0
Reserve for December 31, 1995 income..... [ ]	<input type="checkbox"/>	0	0	0	0	0
Reserve for refundable containers..... [ ]	<input type="checkbox"/>	0	0	0	0	0
Reserve for unpaid amounts..... [ ]	<input type="checkbox"/>	0	0	0	0	0
Other tax reserves..... [ ]	<input type="checkbox"/>	0	0	0	0	0
<b>Totals</b>		0	0	0	0	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.

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

**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 \$10,000,000 or \$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.**

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

- In cases where a related corporation has more than one taxation year ending in a calendar year, it 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.
- Attach additional schedules if space for agreement is not sufficient.

**Agreement**

Date filed (do not use this area) .....  Year Month Day

Is an amended agreement? .....  [Y/N] [ N ]

Calendar year to which the agreement applies .....  Year  
2004

**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.

Names of all corporations which are members of the related group	Business Number (Note 1)	Allocation of capital deduction for the year \$	Taxation year end to which this agreement applies (Note 2)
<input type="text" value="200"/>	<input type="text" value="300"/>	<input type="text" value="400"/>	<input type="text" value="500"/>
E.L.K. Energy Inc.	866567787RC0001	45,000,000	
See attached		5,000,000	
		-----	
<b>Total</b> (Before 2004 must not exceed \$10,000,000 After 2003 must not exceed \$50,000,000)		50,000,000 =====	

**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.

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]
<hr/>			
E.L.K. SOLUTIONS INC.	864877519RC0001	5,000,000	
<b>TOTAL</b>		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

Corporate Taxprep / Taxprep des sociétés - TP-10

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
	<b>(note 1)</b>	<b>(note 2)</b>		
<span style="border: 1px solid black; padding: 0 5px;">100</span>	<span style="border: 1px solid black; padding: 0 5px;">200</span>	<span style="border: 1px solid black; padding: 0 5px;">300</span>	<span style="border: 1px solid black; padding: 0 5px;">400</span>	<span style="border: 1px solid black; padding: 0 5px;">500</span>
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.

**Schedule of Instalment Remittances**

Name of Corporation Contact: . . . . .  
 Telephone Number: . . . . .

Effective Interest Date	Description (Instalment Remittance, Split Payment, Assessed Credit)	Amount of Credit
		480,106
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
		0
	Total amount of instalments claimed (A)	480,106
		=====
	Total instalments credited to the taxation year per T9 (B)	480,106
		=====

**TRANSFER**

Account Number	Taxation Year End	Amount	Effective Interest Date	Description
From:				
		0		
To:				



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

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For agency use  
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For agency use  
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Name: E.L.K. Energy Inc.

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

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Name: E.L.K. Energy Inc.

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

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[ 284 ]      ELECTRICITY

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[ 950 ]      SLATER

[ 951 ]      SANDRA

[ 954 ]      DIRECTOR OF FINANCE

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**XXXXXXXXXXXX**

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 ]	_____		<b>XXXXXXXXXXXXX</b>
[ 313 ]	_____	[ 600 ]	24 897		
[ 314 ]	_____	[ 632 ]	_____	[ 704 ]	_____
[ 320 ]	_____	[ 636 ]	_____	[ 708 ]	_____
[ 325 ]	_____	[ 780 ]	_____	[ 716 ]	_____
[ 331 ]	_____		<b>XXXXXXXXXXXXX</b>	[ 720 ]	_____
[ 332 ]	_____			[ 724 ]	_____
[ 333 ]	_____	[ 460 ]	_____	[ 727 ]	_____
[ 334 ]	_____	[ 465 ]	_____	[ 728 ]	_____
[ 335 ]	_____	[ 480 ]	_____	[ 760 ]	_____
[ 340 ]	_____	[ 485 ]	_____	[ 765 ]	_____
[ 350 ]	_____	[ 712 ]	_____	[ 770 ]	491 718
[ 355 ]	_____		<b>XXXXXXXXXXXXX</b>		<b>XXXXXXXXXXXXX</b>
[ 360 ]	2 222 958				
	<b>XXXXXXXXXXXXX</b>	[ 550 ]	844 724	[ 784 ]	_____
		[ 602 ]	_____	[ 788 ]	_____
[ 400 ]	_____	[ 604 ]	_____	[ 792 ]	_____
[ 405 ]	_____	[ 608 ]	222 296	[ 796 ]	_____
[ 410 ]	_____	[ 616 ]	_____	[ 797 ]	_____
[ 425 ]	_____	[ 620 ]	_____	[ 800 ]	_____
[ 430 ]	_____	[ 628 ]	_____	[ 804 ]	_____
	<b>XXXXXXXXXXXXX</b>	[ 637 ]	_____	[ 808 ]	_____
		[ 638 ]	_____	[ 812 ]	_____
[ 415 ]	_____	[ 639 ]	155 607	[ 816 ]	_____
	<b>XXXXXXXXXXXXX</b>	[ 640 ]	_____	[ 840 ]	480 106
		[ 644 ]	_____	[ 890 ]	480 106
		[ 648 ]	_____		<b>XXXXXXXXXXXXX</b>

Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001      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]	
Net 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 ]      \_\_\_\_\_

**XXXXXXXXXXXX**

[ 101 ]	808 000	[ 118 ]	_____	[ 204 ]	_____
[ 102 ]	# 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 ]	_____
[ 112 ]	25	[ 500 ]	2 212 076	[ 215 ]	_____
[ 113 ]	_____		<b>XXXXXXXXXXXX</b>	[ 216 ]	_____
[ 114 ]	_____			[ 217 ]	_____
[ 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 ]		[ 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
[ 234 ]		[ 313 ]		[ 416 ]	
[ 235 ]		[ 314 ]		[ 417 ]	
[ 236 ]		[ 315 ]		[ 499 ]	37 479
[ 237 ]		[ 316 ]		[ 510 ]	1 277 199
[ 238 ]		[ 340 ]			<b>XXXXXXXXXXXX</b>
[ 290 ]	169 692	[ 341 ]			
[ 291 ]	352 980	[ 342 ]			
[ 292 ]	37 000	[ 343 ]			
[ 293 ]		[ 344 ]			
[ 294 ]		[ 345 ]			
	<b>XXXXXXXXXXXX</b>	[ 346 ]			
		[ 390 ]			
		[ 391 ]			
		[ 392 ]	37 479		
		[ 393 ]			
		[ 394 ]			

**XXXXXXXXXXXX**

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 ]	_____		XXXXXXXXXXXXX
[ 439 ]	_____		
[ 539 ]	_____	[ 510 ]	_____
	XXXXXXXXXXXXX	[ 540 ]	_____
		[ 550 ]	_____
[ 210 ]	25	[ 560 ]	_____
[ 240 ]	_____	[ 580 ]	_____
[ 250 ]	_____		XXXXXXXXXXXXX
[ 260 ]	25		
[ 280 ]	_____		
	XXXXXXXXXXXXX		
[ 310 ]	_____		
[ 340 ]	_____		
[ 350 ]	_____		
[ 360 ]	_____		
[ 380 ]	_____		
	XXXXXXXXXXXXX		



Name: E.L.K. Energy Inc.

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

[ 101 ]      2      4. \_\_\_\_\_ \*

[ 200 ]      1. 1  
              2. 8  
              3. 10  
              4. 12 \*[ 207 ]      1. 188 808  
              2. \_\_\_\_\_  
              3. \_\_\_\_\_  
              4. \_\_\_\_\_ \*[ 211 ]      1. 43 580  
              2. 3 161  
              3. 34 537  
              4. 32 211 \*[ 213 ]      1. \_\_\_\_\_  
              2. \_\_\_\_\_  
              3. \_\_\_\_\_  
              4. \_\_\_\_\_ \*[ 212 ]      1. 4  
              2. 20  
              3. 30  
              4. 100 \*[ 215 ]      1. \_\_\_\_\_  
              2. \_\_\_\_\_  
              3. \_\_\_\_\_  
              4. \_\_\_\_\_ \*

XXXXXXXXXXXX

[ 201 ]      1. 9 327 346  
              2. 300 452  
              3. 225 095  
              4. 544 \*[ 217 ]      1. 374 837  
              2. 60 723  
              3. 77 890  
              4. 32 756 \*[ 203 ]      1. 275 969  
              2. 6 323  
              3. 69 074  
              4. 64 423 \*[ 220 ]      1. 9 039 670  
              2. 246 052  
              3. 216 279  
              4. 32 211 \*

XXXXXXXXXXXX

[ 205 ]      1. \_\_\_\_\_  
              2. \_\_\_\_\_  
              3. \_\_\_\_\_

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    \*

XXXXXXXXXXXXX

[ 100 ]    1. E.L.K. SOLUTIONS INC.    \*

[ 200 ]    1. \_\_\_\_\_    \*

[ 500 ]    1. 10 000    \*

[ 550 ]    1. 100    \*

[ 600 ]    1. \_\_\_\_\_    \*

[ 650 ]    1. \_\_\_\_\_    \*

[ 700 ]    1. 100    \*

XXXXXXXXXXXXX

Name: E.L.K. Energy Inc.

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

[ 200 ]      696 404

[ 222 ]      \_\_\_\_\_

[ 224 ]      \_\_\_\_\_

[ 226 ]      \_\_\_\_\_

[ 228 ]      \_\_\_\_\_

[ 230 ]      696 404

**XXXXXXXXXXXXX**

[ 242 ]      \_\_\_\_\_

[ 244 ]      \_\_\_\_\_

[ 246 ]      \_\_\_\_\_

[ 248 ]      \_\_\_\_\_

**XXXXXXXXXXXXX**

[ 249 ]      \_\_\_\_\_

[ 250 ]      48 748

[ 300 ]      647 656

**XXXXXXXXXXXXX**

[ 400 ]      \_\_\_\_\_

[ 401 ]      \_\_\_\_\_

[ 402 ]      \_\_\_\_\_

[ 408 ]      \_\_\_\_\_

[ 409 ]      \_\_\_\_\_

[ 410 ]      \_\_\_\_\_

**XXXXXXXXXXXXX**

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 ] \_\_\_\_\_

**XXXXXXXXXXXXX**

[ 115 ] \_\_\_\_\_

[ 135 ] \_\_\_\_\_

[ 155 ] \_\_\_\_\_

[ 175 ] \_\_\_\_\_

[ 195 ] \_\_\_\_\_

[ 215 ] \_\_\_\_\_

[ 235 ] \_\_\_\_\_

[ 275 ] \_\_\_\_\_

**XXXXXXXXXXXXX**

[ 120 ] \_\_\_\_\_

[ 140 ] \_\_\_\_\_

[ 160 ] \_\_\_\_\_

[ 180 ] \_\_\_\_\_

[ 200 ] \_\_\_\_\_

[ 220 ] \_\_\_\_\_

[ 240 ] \_\_\_\_\_

[ 280 ] \_\_\_\_\_

**XXXXXXXXXXXXX**

Name: E.L.K. Energy Inc.

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

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

[ 008 ] \_\_\_\_\_

XXXXXXXXXXXXX

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

[ 009 ] \_\_\_\_\_

XXXXXXXXXXXXX

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

[ 010 ] \_\_\_\_\_

XXXXXXXXXXXXX

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

XXXXXXXXXXXXX

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. \_\_\_\_\_    \*

XXXXXXXXXXXXX

[ 400 ]    1. 45 000 000

          2. 5 000 000    \*

XXXXXXXXXXXXX

[ 200 ]    1. E.L.K. Energy Inc.

          2. E.L.K. SOLUTIONS INC.    \*

XXXXXXXXXXXXX

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 ]    1. NR  
          2. NR  
          3. NR    \*

- [ 300 ]    1. \_\_\_\_\_  
          2. \_\_\_\_\_  
          3. \_\_\_\_\_    \*

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

- [ 500 ]    1. \_\_\_\_\_  
          2. \_\_\_\_\_  
          3. \_\_\_\_\_    \*

XXXXXXXXXXXXX

Name: E.L.K. Energy Inc.

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

[ 3640 ]	20 753 469	[ 3450 ]	902 225
	<b>XXXXXXXXXXXXX</b>	[ 3499 ]	9 364 617
			<b>XXXXXXXXXXXXX</b>
[ 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		<b>XXXXXXXXXXXXX</b>
[ 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		<b>XXXXXXXXXXXXX</b>
[ 2008 ]	18 102 055		
[ 2009 ]	# 10 388 863		
[ 2242 ]	100		
[ 2420 ]	46 502		
[ 2421 ]	990 000		
[ 2589 ]	1 036 602		
[ 2599 ]	20 753 469		
	<b>XXXXXXXXXXXXX</b>		
[ 2600 ]	<hr/>		
[ 2620 ]	2 561 458		
[ 2680 ]	360 515		
[ 2861 ]	5 200 000		
[ 2961 ]	340 419		
[ 3139 ]	8 462 392		
[ 3320 ]	248 996		
[ 3322 ]	653 229		



Name: E.L.K. Energy Inc.

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

[ 0001 ] \_\_\_\_\_

[ 0002 ]      MUNICIPALLY OWNED ELECTRICAL DISTRIBUTION COMPANY

**XXXXXXXXXXXXX**

[ 0003 ] \_\_\_\_\_

**XXXXXXXXXXXXX**

[ 8519 ]      3 875 737

[ 8710 ]      428 047

[ 9369 ]      1 678 106

[ 8813 ]      521 215

[ 9899 ]      \_\_\_\_\_

[ 9270 ]      447 559

[ 9970 ]      1 678 106

[ 9284 ]      705 839

[ 9975 ]      \_\_\_\_\_

[ 9367 ]      2 710 569

[ 9976 ]      \_\_\_\_\_

[ 9368 ]      15 285 491

[ 9980 ]      \_\_\_\_\_

**XXXXXXXXXXXXX**

[ 9985 ]      \_\_\_\_\_

[ 9990 ]      808 000

[ 9370 ]      \_\_\_\_\_

[ 9995 ]      # 418 000

[ 9659 ]      0

[ 9999 ]      1 288 106

**XXXXXXXXXXXXX****XXXXXXXXXXXXX**

[ 9660 ]      \_\_\_\_\_

[ 8000 ]      16 450 659

[ 9898 ]      0

[ 8089 ]      16 450 659

**XXXXXXXXXXXXX**

[ 8094 ]      445 719

[ 8245 ]      67 219

[ 8299 ]      16 963 597

**XXXXXXXXXXXXX**

[ 8300 ]      \_\_\_\_\_

[ 8320 ]      12 574 922

[ 8518 ]      12 574 922

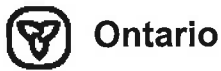
[ 8670 ]      607 909

**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

**XXXXXXXXXXXXX**



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

2003

# CT23 Corporations Tax and Annual Return

For taxation years  
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.

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-Form criteria, may request and file the CT23 Short-Form Return (see page 2).

MCBS Annual Return Required? *(Not required if already filed or Annual Return exempt. Refer to Guide)*

☒ Yes ☐ No

Page 1 of 24

Ministry Use

Corporation's Legal Name (including punctuation)			Ontario Corporations Tax Account No. (MOF)	
E.L.K. Energy Inc.			1800085	
Mailing Address			This CT23 Return covers the Taxation Year	
172 Forest Avenue			Start <input type="text" value="year month day"/> 2004-01-01	
Essex			End <input type="text" value="year month day"/> 2004-12-31	
ON CA N8M-3E4				
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes			Date of Incorporation or Amalgamation	
Date of Change <input type="text" value="year month day"/>			<input type="text" value="year month day"/> 2000-01-06	
Registered/Head Office Address			Ontario Corporation No. (MCBS)	
172 Forest Avenue			1395434	
Essex				
C CA N8M-3E4				
Location of Books and Records			Canada Customs and Revenue Agency (formerly Revenue Canada) Business No.	
172 Forest Avenue			<input type="text" value="If applicable, enter"/> 866567787RC0001	
Essex				
ON CA N8M-3E4				
Name of person to contact regarding this CT23 Return		Telephone No.	Jurisdiction Incorporated	
SANDRA SLATER		519-776-5291	ONTARIO	
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS)			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased:	
ON CA -			Commenced <input type="text" value="year month day"/>	
For Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MCBS)			Ceased <input type="text" value="year month day"/>	
			<input checked="" type="checkbox"/> Not Applicable	
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).			Preferred Language/Langue de préférence	
No. of Schedule(s) <input type="text" value="0"/>			<input checked="" type="checkbox"/> English <input type="checkbox"/> French	
If there is no change to the Directors/Officers/Administrators' information previously submitted to MCBS, please <input checked="" type="checkbox"/> this box. Schedule(s) A and K are not required (MCBS).			Ministry use	
			<input checked="" type="checkbox"/> 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

Title: ☒ Director ☐ Officer ☐ Other individual having knowledge 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.

E.L.K. Energy Inc.

1800085

2004-12-31

# CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please "X" box(es) if applicable in sections 1 & 2

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

Share Capital with full voting rights  
owned by Canadian Residents

(nearest percent)

100%

Ontario Retail Sales Tax Vendor Permit No.  
(Use Head Office no.)

if applicable, enter

Ontario Employer Health Tax Account No.  
(Use Head Office no.)

if applicable, enter

Specify major business activity

- 2 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.2(2)(a) or (b)
- 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)

- 14 ☐ Bare Trustee Corporation
- 15 ☐ Branch of Non-resident s.63(1)
- 16 ☐ Financial institution prescribed by Regulation only
- 17 ☐ Investment Dealer
- 18 ☐ Generator of electrical energy for sale or producer of steam for use in the generation of electrical energy for sale
- 19 ☒ Hydro successor, Municipal Electrical Utility or subsidiary of either
- 20 ☐ Producer and seller of steam for uses other than for the generation of electricity
- 21 ☐ Insurance Exchange s.74.4
- 22 ☐ Farm Feeder Finance Co-operative Corporation
- 23 ☐ Professional Corporation (incorporated professionals only)

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

☐ Transfer or Receipt of Asset(s) involving a corporation having a Canadian permanent establishment outside Ontario

☐ Acquisition of Control fed s.249(4)

Date Control was acquired

year month day

Was the corporation inactive throughout the taxation year?

Yes No  
☐ ☒

Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?

☒ ☐

Are you requesting a refund due to: the Carry-back of a Loss?

☐ ☒

an Overpayment?

☐ ☒

a Specified Refundable Tax Credit?

☐ ☒

Are you a Member of a Partnership or Joint Venture?

☐ ☒

**Income Tax**

**Allocation** – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction, to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	±	From 690	2,222,983.
Subtract: Charitable donations	-	1	25.
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	-	2	0.
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.
Net capital losses (page 16) 0. X Inclusion rate 50.000000%	-	714	0.
Farm losses	-	From 724	0.
Restricted farm losses	-	From 734	0.
Limited partnership losses	-	From 754	0.
<b>Taxable Income (Non-capital loss)</b>	=	10	2,222,958.
Addition to taxable income for unused foreign tax deduction for federal purposes	+	11	0.
<b>Adjusted Taxable Income</b> 10 + 11 (if 10 is negative, enter 11)	=	20	2,222,958.

<b>Taxable Income</b>		<b>Number of Days in Taxation Year</b>	
From 10 (or 20 if applicable)	2,222,958. x 30 100.0000% X 12.5000% X 33 0 + 73 366	Days after Sept. 30, 2001 and before Jan. 1, 2004	Total Days
	Ontario Allocation		
From 10 (or 20 if applicable)	2,222,958. x 30 100.0000% X 14.0000% X 34 366 + 73 366	Days after Dec. 31, 2003	Total Days
	Ontario Allocation		
<b>Income Tax Payable</b> (before deduction of tax credits)	29 + 32		311,214.

**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(5.1) not been applicable in the taxation year?

(X) ☐ Yes ☒ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	50	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	0.
Subtract: Losses of other years deducted for Ontario purposes (s.34)	- 53	0.
	= 54	0.
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	55	0.

**ario Business Limit Calculation**

0 X	Days after Sept. 30, 2001 and before Jan. 1, 2003	28 0 + ** 366	= + 43	0.	
0 X	Days after Dec. 31, 2002 and before Jan. 1, 2004	31 0 + ** 366	= + 46	0.	
0 X	Days after Dec. 31, 2003	34 0 + ** 366	= + 47	0.	
Business Limit for Ontario purposes	43 + 46 + 47	= 44	0.	48	0.
<b>Income eligible for the IDSBC</b>	From 30	100.0000% X 56	0.	60	0.
	**** Ontario Allocation	Least of 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: For a taxation year ending before Jan. 1, 2003, use your proportion of the associated group business limit.

\*\*\*\* 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

E.L.K. Energy Inc.

1800085

2004-12-31

DOLLARS ONLY

**Income Tax** continued from Page 4

## Calculation of IDSBC Rate

Number of Days in Taxation Year				
Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days			
		28	0	73
		366		
Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days			
		31	0	73
		366		
Days after Dec. 31, 2003	Total Days			
		34	366	73
		366		

IDSBC Rate for Taxation Year

79 + 89 + 90 = 78 8.5000

Claim From 60 0. X From 78 8.5000 % = 70 0.

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in 114 below.

**Surtax on Canadian-controlled private corporations (s.41.1)**

**Applies** if you have claimed the Incentive Deduction for Small Business Corporations.

**\*\* 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.

**Associated Corporation** - The taxable income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

**\*\* Taxable Income of the corporation** From 10 (or 20 if applicable) + 80 0.

If you are a member of an associated group (X) 81 (Yes)

Name of associated corporation (Canadian & foreign)  
Sufficient space, attach schedule

Ontario Corporations Tax  
Account No. (MOF)  
(if applicable)

Taxation Year End

\*\* Taxable Income  
(if loss, enter nil)

Sub attached	82	65,747.
	83	
	84	
Aggregate Taxable Income	80 + 82 + 83 + 84, etc.	85 0.

## Number of Days in Taxation Year

Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days			
		28	0	73
		366		
Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days			
		31	0	73
		366		
Days after Dec. 31, 2003	Total Days			
		34	0	73
		366		

Subtract: 0 X 113 0.

0 X 115 0.

0 X 116 0.

113 + 115 + 116 = 0. - 114 0.

(negative, enter nil) = 86 0.

## Calculation of Specified Rate for Surtax

Number of Days in Taxation Year				
Days after Sept. 30, 2001 and before Jan. 1, 2003	Total Days			
		28	0	73
		366		
Days after Dec. 31, 2002 and before Jan. 1, 2004	Total Days			
		31	0	73
		366		
Days after Dec. 31, 2003	Total Days			
		34	366	73
		366		

Specified rate of surtax for Taxation Year

95 + 96 + 97 = 94 0.0000

From 86 0. X From 94 0.0000 % = 87 0.

From 87 0. X From 60 0. + From 114 0. = 88 0.

Surtax Lesser of 70 or 88

continued on Page 6

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**Income Tax** *continued from Page 5***Additional Deduction for Credit Unions (s.51(4))** *(Attach schedule 17)*

110 0.

**Manufacturing and Processing Profits Credit (M&P) (s.43)****Applies** to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

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.

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.

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	100.0000 %
			From 78	8.5000 %
				= 121
				0.
Lesser of 56 or 121	.....	+	122	0.
120 - 56 + 122	.....	=	130	0.
Taxable Income	.....	+	From 10	2,222,958.
Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)	.....	-	From 56	0.
Add: Adjustments for Surtax on Canadian-controlled private corporations	.....	+	From 122	0.
Subtract: Taxable Income 10	2,222,958.	X	Allocation % to jurisdictions outside Canada	.0000 %
Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses	.....	-	140	0.
10 - 56 + 122 - 140 - 141	.....	=	142	2,222,958.

**Number of Days in Taxation Year**

143	0.	X	From 30	100.0000 %	X	1.5000 %	X	33	0	+	73	366	= +	154	0.
Lesser of 130 or 142				* Ontario Allocation				Days after Sept. 30, 2001 and before Jan. 1, 2004				Total Days			
143	0.	X	From 30	100.0000 %	X	2.0000 %	X	34	0	+	73	366	= +	156	0.
Lesser of 130 or 142				* Ontario Allocation				Days after Dec. 31, 2003				Total Days			

M&amp;P claim for taxation year 154 + 156 = 160 0.

\* Note: Ontario Allocation for M&amp;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 0.

**Manufacturing and Processing Profits Credit for Corporations that Produce and Sell Steam for uses other than the Generation of Electricity**

= 162 0.

**Credit for Foreign Taxes Paid (s.40)****Applies** if you paid tax to a jurisdiction outside Canada on foreign investment income (Int.B. 3001) *(Attach schedule)*. 170 0.**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 0. Credit Claimed 180 0.

**Subtotal of Income Tax** 40 - 70 + 100 - 110 - 160 - 161 - 162 - 170 - 180 = 190 311,214.*continued on Page 7*

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## Income Tax *continued from Page 6*

### Specified Tax Credits *(Refer to Guide)*

**Ontario Innovation Tax Credit (OITC) (s.43.3)** *Applies* to research 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* to employment of eligible students.

Eligible Credit From 5798 Summary Schedule F ..... + 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 Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.

*(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* ..... + 193 ..... 0.

### Graduate Transitions Tax Credit (GTTTC) (s.43.6)

*Applies* to employment of eligible unemployed post secondary graduate.

Eligible Credit From 6598 Summary Schedule G ..... + 195 ..... 0.

No. of Graduates From 6596  
194 ..... 0

### Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)

*Applies* to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.

Eligible Credit From 6900 OBPTC Claim Form *(Attach both the original Claim Form and the Certification Form)* ..... + 196 ..... 0.

### Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)

*Applies* to labour relating to computer animation and special effects on an eligible production.

Eligible Credit From 6700 Claim Form Certified by Ontario Media Development Corporation  
*(Attach 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.

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 Corporation (OMDC) or Ministry of Finance (MOF) CT Schedule 193/199, as applicable.

*(Attach the original Certification/Claim Form received from the OMDC or the original Certification Form received from the OMDC along with a completed MOF CT Schedule 193/199, as applicable.)* ..... + 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 Corporation  
*(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 sound recordings.

Eligible Credit From 7500 OSRTC Claim Form *(Attach both the original Claim Form and the Certification Form)* ..... + 201 ..... 0.

Other (specify) ..... + 201.1 ..... 0.

**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.

**Income Tax** 190 - 225 OR Enter NIL if reporting Non-Capital Loss *(amount cannot be negative)* ..... = 230 ..... 311,214.

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on **Page 8**. If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on **Page 17**.

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)

### Determination of Applicability

**Applies** if **either** Total Assets [249] exceeds \$5,000,000 **or** Total Revenue [250] exceeds \$10,000,000.

\* These amounts include the corporation's and associated corporations' share of any partnership(s) / joint venture(s) total assets and total revenue.

**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 or before the date of the claiming corporation's taxation year end.

\* Total Assets of the corporation ..... + [240] 20,753,469.  
 \* Total Revenue of the corporation ..... + [241] 16,963,597.

If you are a member of an associated group (x) [242] ☒ (Yes)

Name of associated corporation (Canadian & foreign)  
 (if insufficient space attach schedule)

Ontario Corporations Tax  
 Account No. (MOF)  
 (if applicable)

Taxation Year End

\* Total Assets

\* Total Revenue

See attached ..... + [243] 718,007. + [244] 278,972.

..... + [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.

If CMT is applicable to current taxation year, complete section **Calculation: CMT** below and **Corporate Minimum Tax Schedules A through E** on **Pages 18, 19 and 20 of CT23.**

### Calculation: CMT (Attach Schedule A: Calculation of CMT Base on Page 18.)

Gross CMT Payable ..... CMT Base From [2135] 1,678,106. X From [30] 100.0000 % X 4.0000 % = [276] 67,124.  
 If negative, enter zero Ontario Allocation

Subtract: Foreign Tax Credit for CMT purposes (Attach schedule) ..... - [277] 0.

Subtract: Income Tax ..... - From [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 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, complete 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 Schedule D: Continuity of CMT Credit Carryovers, on Page 20.**

**CMT Credit Carryover available** ..... From [2307] 0.

### Calculation of CMT Credit Carryovers

**A. Income Tax (before deduction of specified credits)** ..... + From [190] 311,214.  
 Gross CMT Payable ..... + From [276] 67,124.  
 Subtract: Foreign Tax Credit for CMT purposes ..... - From [277] 0.  
 If [276] - [277] is negative, enter NIL in [290] ..... = 67,124.  
**Income Tax eligible for CMT Credit** ..... = [300] 244,090.

**B. Income Tax (after deduction of specified credits)** ..... + From [230] 311,214.  
 Subtract: CMT credit used to reduce income taxes ..... - [310] 0.  
**Income Tax** ..... = [320] 311,214.

Transfer to page 17

If A & B apply, [310] cannot exceed the lesser of [230], [300] and your CMT credit carryover available [2307].

If only B applies, [310] cannot exceed the lesser of [230] and your CMT credit carryover available [2307].

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**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 (Int.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)	351	6,986,379.
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.
Mortgages 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)	359	-572,000.
Contingent, investment, inventory and similar reserves (Int.B. 3012)	360	653,229.
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012)	361	0.
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017)	362	0.
<b>Subtotal</b>	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.
<b>Total Paid-up Capital</b>	380	17,462,112.
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.
<b>Net Paid-up Capital</b>	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.
<b>Total Eligible Investments</b>	410	100.

continued on Page 10

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**Capital Tax** *continued from Page 9***Total Assets** (Int.B. 3015)

Total Assets per balance sheet	+	420	20,753,469.
Mortgages or other liabilities deducted from assets	+	421	0.
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )	+	422	0.
Subtract: Investment in partnership(s)/joint venture(s)	-	423	0.
<b>Total Assets as adjusted</b>	=	430	20,753,469.
Amounts in 360 and 361 (if deducted from assets)	+	440	0.
Subtract: Amounts in 371, 372 and 381	-	441	-202,616.
Subtract: Appraisal surplus if booked	-	442	0.
Add or Subtract: Other adjustments (specify on an attached schedule)	+	443	0.
<b>Total Assets</b>	=	450	20,956,085.

<b>Investment Allowance</b> ( 410 + 450 ) X 390	Not to exceed 410	=	460	83.
<b>Taxable Capital</b> 390 - 460		=	470	17,462,029.

<b>Gross Revenue</b> (as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	480	16,963,597.
<b>Total Assets</b> (as adjusted)	From 430	20,753,469.

**Calculation of Capital Tax for all corporations except Financial Institutions***Note: This version (2003) of the CT23 may only be used for a taxation year that commenced after September 30, 2001.**(Financial Institutions use calculations on page 13.)*

- Important:** 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, review only the capital tax calculations in Section B below and select and complete the one specific subsection (e.g. B3) that applies to the corporation.
- 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.

**SECTION B**

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	0.							
-		0.							
=	471	0.	X	From 30	100.0000%	X	.3000%	X	555 366
					Ontario Allocation				** 366
									(366 if leap year)
								=	+ 523
									0.

Transfer to 543 on page 12 and complete the return from that point

\*\* If floating taxation year, refer to Guide.

continued on Page 11

**Capital Tax Calculation** *continued from Page 10***SECTION C**

This section applies **ONLY** to a corporation that is a member of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership. You must check either **509** or **524** and complete this section before you can calculate your capital tax calculation under either Section D or Section E.

**C1.** ☐ **509** (X if applicable) **All corporations that you are associated with do not have a permanent establishment in Canada.**

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.

If taxable capital **470** on page 10 exceeds \$5,000,000 proceed to **Section D**, enter \$5,000,000 in **542** Section D, and complete Section D and the return from that point.

**C2.** ☒ **524** (X if applicable) **One or more of the corporations that you are associated with maintains a permanent establishment in Canada.**

If the taxation year **ends before January 1, 2003**, you must complete the *Calculation* below.

If the taxation year **ends after December 31, 2002**, you and your associated group may continue to allocate the \$5,000,000 taxable capital exemption by completing the *Calculation* below. Or, the associated group **may file an election** under subsection 69(2.1) of the Corporations Tax Act, whereby total assets are used to allocate the taxable capital exemption among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the \$15,000 capital tax effect, relating to the \$5,000,000 taxable capital exemption, to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

**Calculation Do NOT complete this calculation if ss.69(2.1) election is filed**

Taxable Capital From **470** on page 10 ..... + From **470** 17,462,029.

**Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada**

Names of associated corporations (excluding financial institutions and corporations exempt from capital tax) or related partners having a permanent establishment in Canada  
(if insufficient space, attach schedule)

Ontario Corporations Tax  
Account No. (MOF)  
(if applicable)

Taxation Year End

Taxable Capital

See attached

+ **531** 108,642.

+ **532** .....

+ **533** .....

= **540** 17,570,671.

Aggregate Taxable Capital **470** + **531** + **532** + **533**, etc. ....

If **540** above is \$5,000,000 or less, the corporation's Capital Tax for the taxation year, is NIL.  
Enter NIL in **523** in section D on page 12, as applicable.

If **540** above is greater than \$5,000,000, the corporation must compute its share of the \$5,000,000 exemption below in order to calculate its Capital Tax for the taxation year under Section D on page 12.

From **470** 17,462,029. + From **540** 17,570,671. x 5,000,000 ..... = **541** 4,969,084.  
Transfer to **542** in Section D on page 12

**S.s.69(2.1) Election Filed**

☐ **591** (X if applicable)

**Election filed. Attach a copy of the election with this CT23 Return.**  
Proceed to **Section E** on page 12.

**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 AGGREGATE taxable capital, 540 on page 11, exceeds \$5,000,000.

Complete the following calculation and transfer the amount From 523 to 543, and complete the return from that point.

[illegible]

## 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**

$$+ \text{ From } 470 \text{ } 0. \times \text{ From } 30 \text{ } 100.0000\% \times 3000\% \dots\dots\dots = + 561 \text{ } 0.$$

Ontario Allocation

- Capital tax deduction From 995 relating to *your corporation's* capital tax deduction, on ss.69(2.1) election form . . . . . From 995 0  
= 562 0

**Capital Tax**

Days in taxation year

562 0.

x 555 366

\*\* 366

(366 if leap year)

= 563 0.

Transfer to 543 and complete the return from that point

**\*\* If floating taxation year, refer to Guide.**

<b>Capital Tax before application of specified credits</b> .....	=	543	37,479.
Subtract: Specified Tax Credits applied to reduce capital tax payable (Refer to Guide) .....	-	546	0.
<b>Capital Tax</b> 543 - 546 (amount cannot be negative) .....	=	550	37,479.

Transfer to Page 17

Transfer to Page 17

**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  on page 12, and complete the return from that point.

**I.2. Other than Credit Unions**

(Retain details of calculations for amounts in boxes  and . Do not submit with this tax return.)

$$\begin{array}{l} \text{565} \quad 0. \times 0.6\% \times \text{From } \text{30} \quad \text{Ontario Allocation} \times \text{555} \quad 0 + \text{Days in taxation year} \quad 0 \text{ (366 if leap year)} = + \text{569} \quad 0. \\ \text{Lesser of adjusted TPUC and Basic Capital Amount in accordance with Division B.1} \end{array}$$

$$\begin{array}{l} \text{570} \quad 0. \times \text{571} \quad 0.00\% \times \text{From } \text{30} \quad \text{Ontario Allocation} \times \text{555} \quad 0 + \text{Days in taxation year} \quad 0 \text{ (366 if leap year)} = + \text{574} \quad 0. \\ \text{Adjusted TPUC in accordance with Division B.1 in excess of Basic Capital Amount} \end{array}$$

**Capital Tax for Financial Institutions – other than Credit Unions (before Section II)**

$$\text{569} + \text{574} = \text{575} \quad 0.$$

\*: .. 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.)

$$\text{Allowable Credit for Eligible Investments} \dots \dots \dots - \text{585} \quad 0.$$

Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? ☒ Yes

**Capital Tax – Financial Institutions**

$$\text{575} - \text{585} = \text{586} \quad 0.$$

Transfer to  on Page 12

**Premium Tax (s.74.2 & 74.3) (Refer to Guide)**

$$\begin{array}{l} \text{(1) Uninsured Benefits Arrangements} \dots \dots \dots \text{587} \quad 0. \times 2\% \dots \dots = \text{588} \quad 0. \\ \text{applies to Ontario-related uninsured benefits arrangements.} \end{array}$$

(2) Unlicensed Insurance (enter premium tax payable in  and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in .)

**Applies** to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.

$$\text{Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)} \dots \dots \dots - \text{589} \quad 0.$$

**Premium Tax**

$$\text{588} - \text{589} = \text{590} \quad 0.$$

Transfer to page 17

# Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1

+ 600 2,222,983.  
Transfer to Page 15

## Add:

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	+ 604	644,766.
Federal allowable reserves. Balance end of year	+ 605	0.
Ontario non-allowable reserves. Balance end of year	+ 606	653,229.
Ontario allowable reserves. Balance beginning of year	+ 607	0.
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 before Jan. 1, 2004		Total Days
612 0. x 5 + 12.5000 x	33 0 + 73 366	= + 633 0.
Days after Dec. 31, 2003		Total Days
612 0. x 5 + 14.0000 x	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	+ 615	0.
Add any negative amount in 473 from Ont. CT23 Schedule 161	+ 616	0.
Federal allowable business investment loss	+ 620	0.
Total of other items not allowed by Ontario but allowed federally (Attach schedule)	+ 614	0.

Total of Additions 601 to 611 + 613 + 615 + 616 + 620 + 614 = 1,892,949. 640 1,892,949.  
Transfer to Page 15

## Deduct:

Ontario capital cost allowance (excludes amounts deducted under 675 )	+ 650	546,206.
Ontario cumulative eligible capital deduction	+ 651	48,748.
Federal taxable capital gain	+ 652	0.
Ontario non-allowable reserves. Balance beginning of year	+ 653	644,766.
Ontario allowable reserves. Balance end of year	+ 654	0.
Federal non-allowable reserves. Balance end of year	+ 655	653,229.
Federal allowable reserves. Balance beginning of year	+ 656	0.
Ontario exploration expenses (e.g. CEDE, CEE, CDE, COGPE) (Retain calculations. Do not submit.)	+ 657	0.
Ontario depletion allowance	+ 658	0.
Ontario resource allowance	+ 659	0.
Ontario current cost adjustment (Attach schedule)	+ 661	0.
Incentive for new electricity supply (section 13.6 deduction from income) (Applies only to electrical generating corporations.)	+ 674	0.
CCA for investments in qualifying energy-efficient equipment and for assets used to generate electricity from natural gas, alternative or renewable resources.	+ 675	0.
Subtotal of deductions for this page	650 to 659 + 661 + 674 + 675	681 1,892,949. Transfer to Page 15

# Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal T2 SCH 1

From + 600 2,222,983.

Total of Additions

From = 640 1,892,949.

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 than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year

From 662 0.

## ONTTI Gross-up deduction calculation:

$$\left[ \begin{array}{l} \text{From } 662 \quad 0. \times \frac{100}{\text{From } 30 \quad 100.0000} \\ \text{Ontario Allocation} \end{array} \right] - \text{From } 662 \quad 0. = 663 \quad 0.$$

## Workplace Child Care Tax Incentive

$$\text{Qualifying expenditures: } 665 \quad 0. \times 30.00\% \times \frac{100}{\text{From } 30 \quad 100.0000} = 666 \quad 0.$$

Ontario Allocation

## Workplace Accessibility Tax Incentive

$$\text{Qualifying expenditures: } 667 \quad 0. \times 100.00\% \times \frac{100}{\text{From } 30 \quad 100.0000} = 668 \quad 0.$$

Ontario Allocation

## Number of

Employees accommodated 669 0

## Ontario School Bus Safety Tax Incentive (OSBSTI) (Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)

$$\text{Qualifying expenditures: } 670 \quad 0. \times 30.00\% \times \frac{100}{\text{From } 30 \quad 100.0000} = 671 \quad 0.$$

Ontario Allocation

## Educational Technology Tax Incentive (Applies to qualifying amounts incurred after May 2, 2000.)

$$\text{Qualifying expenditures: } 672 \quad 0. \times 15.00\% \times \frac{100}{\text{From } 30 \quad 100.0000} = 673 \quad 0.$$

Ontario Allocation

Ontario allowable business investment loss

+ 678 0.

Ontario Scientific Research Expenses claimed in year in 477

+ 679 0.

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003)

+ 677 0.

Total of other deductions allowed by Ontario (Attach schedule)

+ 684 0.

Total of Deductions

681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 684 = 1,892,949. 680 1,892,949.

Net income (loss) for Ontario Purposes

600 + 640 - 680 = 690 2,222,983.

Transfer to Page 4



## 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)
<b>Balance at Beginning of Year</b>	700 (2)	710 (2)	720 (2)	730	740	750
	0	0	0	0	0	0
<b>Add:</b>	701	711	721	731	741	751
Current year's losses (7)	0	0	0	0	0	0
Losses from predecessor corporations (3)	702	712	722	732		752
	0	0	0	0		0
	703	713	723	733	743	753
<b>Subtotal</b>	0	0	0	0	0	0
<b>Subtract:</b>	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Utilized during the year to reduce taxable income	0	0	0	0	0	0
	705		725	735	745	
Expired during the year	0		0	0	0	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
	0	0	0	0	0	
	707	717	727	737	747	757
<b>Subtotal</b>	0	0	0	0	0	0
<b>Balance at End of Year</b>	709 (8)	719	729	739	749	759
	0	0	0	0	0	0

## Notes:

- (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.

- (7) Include amount from 111 if taxable income is adjusted to claim unused foreign tax credit for federal purposes.
- (8) Amount in 709 must equal total of 829 + 839.
- (9) Total Capital Losses for a year is the excess of 100% of the Capital Losses in the taxation year minus 100% of the Capital Gains (less any reserves) in the taxation year. Total Capital Losses is before the inclusion rate has been applied.
- (10) Commencing in the 2001 CT23 this column now refers to Total Capital Losses (100% of loss), whereas previously the column referred to Net Capital Losses (75% of loss or after the inclusion rate has been applied). Loss amounts that are not carried at 100% of the loss must be grossed back up to 100% by multiplying the balance by 1.333333. No adjustment is required where losses are carried at 100% of the loss amount.

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

	Year of Origin (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 1996-09-30				850	870
					0	0
801	8th preceding taxation year 1997-09-30				851	871
					0	0
802	7th preceding taxation year 1998-09-30				852	872
					0	0
803	6th preceding taxation year 1999-09-30	820	830	840	853	873
		0	0	0	0	0
804	5th preceding taxation year 2000-09-30	821	831	841	854	874
		0	0	0	0	0
805	4th preceding taxation year 2001-09-30	822	832	842	855	875
		0	0	0	0	0
806	3rd preceding taxation year 2001-12-31	823	833	843	856	876
		0	0	0	0	0
807	2nd preceding taxation year 2002-12-31	824	834	844	857	877
		0	0	0	0	0
808	1st preceding taxation year 2003-12-31	825	835	845	858	878
		0	0	0	0	0
809	Current taxation year 2004-12-31	826	836	846	859	879
		0	0	0	0	0
<b>Total</b>		829	839	849	869	889
		0	0	0	0	0

## 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 0	920 0	930 0	940 0
<b>Deduct:</b> Loss to be carried back to preceding taxation years and applied to reduce taxable income				
Predecessor Ontario Corporation's Tax Account No. (MOF)				
Taxation Year Ending year month day				
i) 3rd preceding 901	911 0	921 0	931 0	941 0
ii) 2nd preceding 902	912 0	922 0	932 0	942 0
iii) 1st preceding 903	913 0	923 0	933 0	943 0
loss to be carried back	From 706 0	From 716 0	From 726 0	From 736 0
Balance of loss available for carry-forward	919 0	929 0	939 0	949 0

### Summary

Income tax	+ From 230 or 320	311,214.
Corporate Minimum Tax	+ From 280	0.
Capital Tax	+ From 550	37,479.
Premium Tax	+ From 590	0.
Total Tax Payable	= 950	348,693.
Subtract: Payments	- 960	0.
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	348,693.
If payment due	Enclosed * 990	348,693.
If overpayment: Refund (Refer to Guide)	= 975	0.
Apply to year month day	980	0.

\* 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

2005-04-08

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

# Corporate Minimum Tax - Schedule A: Calculation of CMT Base

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

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

+ [2100] 1,288,106.

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

Provision for recovery of income taxes / benefit of current income taxes	.....	+	[2101]	0.
Provision for deferred income taxes (credits) / benefit of future income taxes	.....	+	[2102]	418,000.
Equity income from corporations	.....	+	[2103]	0.
Share of partnership(s)/joint venture(s) income	.....	+	[2104]	0.
Dividends received/receivable deductible under fed.s.112	.....	+	[2105]	0.
Dividends received/receivable deductible under fed.s.113	.....	+	[2106]	0.
Dividends received/receivable deductible under fed.s.83(2)	.....	+	[2107]	0.
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1)	0. X 9/3	+	[2108]	0.
<b>Subtotal</b>	.....	=		418,000. [2109] 418,000.

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

Provision for current taxes / cost of current income taxes	.....	+	[2110]	808,000.
Provision for deferred income taxes (debits) / cost of future income taxes	.....	+	[2111]	0.
Equity losses from corporations	.....	+	[2112]	0.
Share of partnership(s)/joint venture(s) losses	.....	+	[2113]	0.

Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1))

+ [2114] 0.  
+ [2115] 808,000. 808,000.

## Subtotal

## Subtract:

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

** Fed.s.85	.....	+	[2116]	0. or -	[2117]	0.
** Fed.s.85.1	.....	+	[2118]	0. or -	[2119]	0.
** Fed.s.97	.....	+	[2120]	0. or -	[2121]	0.
** Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years	.....	+	[2122]	0. or -	[2123]	0.
** Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years	.....	+	[2124]	0. or -	[2125]	0.
** Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years	.....	+	[2126]	0. or -	[2127]	0.
Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income	.....	-	[2150]	0.		

## Subtotal (Additions)

## Subtotal (Subtractions)

## \*\* Other adjustments

**Subtotal** ± [2100] - [2109] + [2115] + [2128] - [2129] ± [2130] = [2131] 1,678,106.

## \*\* Share of partnership(s)/joint venture(s) adjusted net income/loss

**Adjusted net income (loss)** (if loss, transfer to [2202] in Schedule B: Continuity of CMT Losses Carried Forward, Page 19.) = [2133] 1,678,106.

Deduct: * CMT losses: pre-1994 Loss	.....	+	From [2210]	0.
* CMT losses: other eligible losses	.....	+	[2211]	0.
		=		0. [2134] 0.

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

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

**CMT Base** = [2135] 1,678,106.

Transfer to CMT Base on Page 8

## Corporate Minimum Tax (CMT)



DOLLARS ONLY

## Schedule B: Continuity of CMT Losses Carried Forward

Balance at Beginning of year (1), (2)		+	2201	0.		
Add:						
Current year's losses		+	2202	0.		
Losses from predecessor corporations on amalgamation (3)		+	2203	0.		
Losses from predecessor corporations on wind-up (3)		+	2204	0.		
Amalgamation (x) 2205 <input type="checkbox"/> Yes	Wind-up (x) 2206 <input type="checkbox"/> Yes	=	0.	+	2207	0.
Subtotal						
Adjustments (attach schedule)		±	2208	0.		
CMT losses available	2201 + 2207 ± 2208	=	2209	0.		
Subtract:						
Pre-1994 loss utilized during the year to reduce adjusted net income		+	2210	0.		
Other eligible losses utilized during the year to reduce adjusted net income (4)		+	2211	0.		
Losses expired during the year		+	2212	0.		
Subtotal		=	0.	-	2213	0.
Balances at End of Year (5)	2209 - 2213	=	2214	0.		

## Notes:

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

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

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

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

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

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

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

	Year of Origin (oldest year first) year month day	CMT Losses of Corporation	CMT Losses of Predecessor Corporations
2240	9th preceding taxation year 1996-09-30	2260 0	2280 0
2241	8th preceding taxation year 1997-09-30	2261 0	2281 0
2242	7th preceding taxation year 1998-09-30	2262 0	2282 0
2243	6th preceding taxation year 1999-09-30	2263 0	2283 0
2244	5th preceding taxation year 2000-09-30	2264 0	2284 0
2245	4th preceding taxation year 2001-09-30	2265 0	2285 0
2246	3rd preceding taxation year 2001-12-31	2266 0	2286 0
2247	2nd preceding taxation year 2002-12-31	2267 0	2287 0
2248	1st preceding taxation year 2003-12-31	2268 0	2288 0
2249	Current taxation year 2004-12-31	2269 0	2289 0
Totals		2270 0	2290 0

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

## Corporate Minimum Tax (CMT)

## Schedule D: Continuity of CMT Credit Carryovers

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

## Notes:

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 1996-09-30	2360 0	2380 0
2341	8th preceding taxation year 1997-09-30	2361 0	2381 0
2342	7th preceding taxation year 1998-09-30	2362 0	2382 0
2343	6th preceding taxation year 1999-09-30	2363 0	2383 0
2344	5th preceding taxation year 2000-09-30	2364 0	2384 0
2345	4th preceding taxation year 2001-09-30	2365 0	2385 0
2346	3rd preceding taxation year 2001-12-31	2366 0	2386 0
2347	2nd preceding taxation year 2002-12-31	2367 0	2387 0
2348	1st preceding taxation year 2003-12-31	2368 0	2388 0
2349	Current taxation year 2004-12-31	2369 0	2389 0
<b>Totals</b>		2370 0	2390 0

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





## Corporate Minimum Tax - Associated Corporations

[illegible]

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





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**

Charitable Donations at end of preceding taxation year	.....	+	<input type="text" value="0"/>	A
<b>Deduct:</b> Donations expired after 5 taxation years	.....	-	<input type="text" value="0"/>	B
Charitable donations at beginning of taxation year	.....	=	<input type="text" value="0"/>	C
<b>Add:</b> Donations transferred on amalgamation or wind-up of subsidiary	.....	+	<input type="text" value="0"/>	D
Total current year charitable donations made	.....	+	<input type="text" value="25"/>	E
<b>Subtotal D + E</b>	.....	=	<input type="text" value="25"/>	F
Total donations available <b>C + F</b>	.....	+	<input type="text" value="25"/>	G
<b>Deduct:</b> Amount applied against taxable income (amount T)	.....	-	<input type="text" value="25"/>	T
<b>Charitable donations closing balance</b>	.....	=	<input type="text" value="0"/>	H

**Part 2 - Maximum Deduction Calculation for Donations**

Ontario net income for tax purposes multiplied by 75%	.....	=	<input type="text" value="1,667,237"/>	I
<b>Note:</b> 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.				
Ontario taxable capital gains arising in respect of gifts of capital property	.....	+	<input type="text" value="0"/>	J
Ontario taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01) ITA	.....	+	<input type="text" value="0"/>	K
<b>Add the lesser of:</b>				
1. The amount of the recapture of capital cost allowance in respect of charitable gifts	.....		<input type="text" value="0"/>	L
<b>2. The lesser of:</b>				
2a. Proceeds of dispositions less outlays and expenses	<input type="text" value="0"/>	M		
2b. The capital cost	<input type="text" value="0"/>	N		
The lesser of M and N	<input type="text" value="0"/>	O		
The lesser of L and O	<input type="text" value="0"/>	+	<input type="text" value="0"/>	P
<b>Subtotal J + K + P</b>	.....	=	<input type="text" value="0"/>	Q
25% X <input type="text" value="0"/>	Q		<input type="text" value="0"/>	R
<b>Maximum deduction allowable I + R</b>	.....	=	<input type="text" value="1,667,237"/>	S
<b>Claim for charitable donations</b> (not exceeding the lesser of G from Part 1, S and net income for tax purposes)	.....		<input type="text" value="25"/>	T
Enter in <input type="text" value="1"/> of the CT23				

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

Foundation Name	Date of Donation	Amount \$
		0
		0
		0
		0
		0
		0
<b>Total gifts to Her Majesty in right of Ontario</b>	..... =	0

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

Deduction is the lesser of:

- 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**
  - Lesser of:**
    - Ontario Net Income for the taxation year ..... 2,222,983 **V**
    - 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 ..... 0 **W**

The lesser of **V** and **W** ..... 0
- Maximum deduction allowable the lesser of U and X** ..... 0 **X**
- 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
<b>Deduct:</b> 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
<b>Add:</b> 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
<b>Subtotal</b>	..... =	0
<b>Deduct:</b> Amount applied against taxable income	..... -	0
<b>Gifts to Canada or a province other than Ontario closing balance</b>	..... =	0

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

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

Gifts of certified ecologically sensitive land at the end of the preceding taxation year	.....	+	0
<b>Deduct:</b> Gifts of certified ecologically sensitive land expired after five years	.....	-	0
<b>Gifts of certified ecologically sensitive land at the beginning of the taxation year</b>	.....	=	0
<b>Add:</b> Gifts of certified ecologically sensitive land transferred on amalgamation or wind-up of a subsidiary	.....	+	0
Total current year gifts of certified ecologically sensitive land	.....	+	0
<b>Subtotal</b>	.....	=	0
<b>Deduct:</b> Amount applied against taxable income	.....	-	0
<b>Gifts of certified ecologically sensitive land closing balance</b>	.....	=	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
<b>Totals</b>	0	0	0	0	0

Summary of Capital Cost Allowance

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

1	2	3	4	5	6	7	8	9	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)	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)	Reduced undepreciated capital cost (column 6 minus acquisitions column 7)	CCA 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)
1	9,327,346	275,969	0	188,808	9,414,507	43,580	9,370,927	4	0	0	374,837	9,039,670
8	300,452	6,323	0	0	306,775	3,161	303,614	20	0	0	60,723	246,052
10	225,095	69,074	0	0	294,169	34,537	259,632	30	0	0	77,890	216,279
12	544	64,423	0	0	64,967	32,211	32,756	100	0	0	32,756	32,211
Total	9,853,437	415,789	0	188,808	10,080,418	113,489	9,966,929		0	0	546,206	9,534,212
Enter in boxes [650]										[650]	[650] on the CT23	

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.



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

# Ontario Cumulative Eligible Capital Deduction Schedule 10

(For taxation years 2000 and later)

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 that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

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

Ontario Cumulative eligible capital – balance at end of preceding taxation year (if negative, enter zero) ..... **696,404<sup>A</sup>**

**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>C</sup>**  
Other adjustments ..... + **0<sup>D</sup>**  
**Total of B + C + D** ..... = **0** X 0.75 = **0<sup>E</sup>**  
**Subtotal A + E** ..... = **696,404<sup>F</sup>**

**Deduct:** Ontario proceeds of sales (less outlays and expenses not otherwise deductible)  
from the disposition of all eligible capital property during the taxation year ..... + **0<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 *Income Tax Act* (Canada) ..... + **0<sup>H</sup>**  
Other adjustments ..... + **0<sup>I</sup>**  
**Total of G + H + I** ..... = **0** X 0.75 = **0<sup>J</sup>**  
**Ontario cumulative eligible capital balance F – J** ..... = **696,404<sup>K</sup>**  
*F K is negative, enter zero at line M and proceed to Part 2*

**Current year deduction** **696,404<sup>K</sup>** X 7.00% \* ..... = **48,748<sup>L</sup>**  
\* 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)** ..... = **647,656<sup>M</sup>**

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

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

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

Amount from line K above (show as a positive amount) ..... **0<sup>N</sup>**

Total cumulative eligible capital deductions from income for  
taxation years beginning after June 30, 1988 ..... **0<sup>1</sup>**  
Total 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 ..... **0<sup>3</sup>**  
Negative balances in the cumulative eligible capital account  
that were included in income for taxation years beginning  
before July 1, 1988 ..... **0<sup>4</sup>**  
Line 3 deduct line 4 ..... **0** **0<sup>5</sup>**  
Total lines 1 + 2 + 5 ..... **0** **0<sup>6</sup>**  
Line T from previous Ontario Schedule 10 for taxation years ending after February 27, 2000 ..... **0** **0<sup>7</sup>**  
Deduct line 7 from line 6 ..... **0** **0<sup>8</sup>**  
**N – O (cannot be negative)** ..... **0<sup>O</sup>**  
Amount on line 5 ..... **0** X 1/2 ..... **0<sup>P</sup>**  
**P – Q** ..... **0<sup>Q</sup>**  
Amount on line R ..... **0** X 2/3 \* ..... **0<sup>R</sup>**  
Lesser of line N or line O ..... **0** **0<sup>S</sup>**  
**Amount to be included in income S + T** ..... **0** **0<sup>T</sup>**

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



### FEDERAL TAX INSTALMENTS

**For The Taxation Year Ended: 2005-12-31**

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
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
2005-10-31	40,977	0	0	40,977
2005-11-30	40,977	0	0	40,977
2005-12-31	40,977	0	0	40,977
<b>Total</b>	491,724	0		491,724

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) . . . . .	491,718	/	12	=	40,977
					-----
	Monthly Instalments Required				40,977

### 2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD

2nd Instalment Base Amount:					
Indicate:	Part I Tax . . . . .	452,326			
	Part I.3, VI & VI.I Tax . . . . .	0			
	Provincial Tax . . . . .	0			
		-----			
	Total	452,326	/	12	= (A) 37,694
					-----
	Less: 1/12 of Estimated Current Yr Credits [(H) below / 12] . . . . .				0
					-----
	Each of the first 2 Instalment Payments . . . . .			= (B)	37,694
					-----
	Total tax from (I) below . . . . .	491,718			
	Less: Amount (B) above x 2 . . . . .	75,388			
		-----			
		416,330	/	10	= 41,633
					-----
	Each of the remaining 10 Instalment Payments . . . . .				41,633

### 3. ESTIMATED TAX METHOD

Instalment Base Amount (Amount (I) Below) . . . . .	0	/	12	=	0
					-----
	Monthly Instalments Required				0



— **INSTALMENT BASE CALCULATION** —

	1st Instalment Base Method	Estimated Tax Method
<b>Taxable Income</b> . . . . .	2,222,958 =====	0 =====
<b>CALCULATION OF TAX PAYABLE</b>		
Total of:		
Federal Part I Tax . . . . .	844,724	0
Federal Surtax . . . . .	24,897	0
Refundable Tax on a CCPC's Investment Income . . . . .	0	0
	-----	-----
Subtotal (A)	869,621	0
<b>Less</b> Total of:		
Small Business Deduction . . . . .	0	0
Investment Corporation Deduction . . . . .	0	0
Federal Tax Abatement . . . . .	222,296	0
Manufacturing and Processing Profits Deduction . . . . .	0	0
Non-Business Foreign Tax Credit . . . . .	0	0
Business Foreign Tax Credit . . . . .	0	0
Tax Reduction, General and Accelerated . . . . .	155,607	0
Logging Tax Credit . . . . .	0	0
Federal Political Contribution Tax Credit . . . . .	0	0
Investment tax credit per Schedule 31 and resource deduction . . . . .	0	0
Qualifying Environmental Trust Tax Credit . . . . .	0	0
	-----	-----
Subtotal (B)	377,903	0
Total Part I Tax Payable . . . . . (A) - (B) = (C)	491,718	0
<b>Add:</b> Part I.3 Tax . . . . . (D)	0	0
Part VI Tax . . . . . (D.1)	0	0
Part VI.I Tax . . . . . (D.2)	0	0
Provincial/Territorial Tax . . . . . (E)	0	0
	-----	-----
<b>Total</b> Parts I, I.3, VI, VI.I and Provincial/Territorial Tax . . . . . = (F)	491,718	0
Adjustment for Short Taxation Years: x 365/# of days in year if < 365 . . . . . (G)	365 / 365 491,718	365 / 0 0
<b>Less - Estimated Current Year Credits:</b>		
Investment Tax Credit Refund . . . . .	0	0
Dividend Refund . . . . .	0	0
Federal Capital Gains Refund . . . . .	0	0
Provincial and Territorial Capital Gains Refund . . . . .	0	0
NRO Allowable Refund per Sch. 26 . . . . .	0	0
Tax Withheld at Source . . . . .	0	0
Other Estimated Credits . . . . .	0	0
	-----	-----
<b>Total Estimated Current Year Credits</b> . . . . . (H)	0	0
<b>INSTALMENT BASE AMOUNT</b> . . . . . (G) - (H) = (I)	491,718 =====	0 =====

**ONTARIO TAX INSTALMENTS**

For The Taxation Year Ended: 2005-12-31

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
2005-03-31	0	0	0	0
2005-06-30	0	0	0	0
2005-09-30	0	0	0	0
2005-12-31	0	0	0	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
2005-08-31	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
	-----	-----		-----
<b>Total</b>	348,696	0		348,696
	=====	=====		=====

**Indicate Instalment Method Chosen [1-3]: 1**

1. 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 monthly payments . . . . . [     ]

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				
(Amt (I) Below) . . . . .	348,693	/	12	= 29,058
				-----
				Monthly Instalments Required 29,058
				Quarterly Instalments Required 0

**2. COMBINED 1st AND 2nd INSTALMENT BASE METHOD**

2nd Instalment Base Amount:				
<b>Indicate:</b> Income Tax, C.M.T. . . . .	218,168			
Capital Tax, Prem. Tax . . . . .	35,381			
	-----			
Total	253,549	/	12	= (A) 21,130
				-----
Each of the first 2 Instalment Payments . . . . .				= (B) 21,130
Total tax from (I) below . . . . .	348,693			
<b>Less:</b> Amount (A) above x 2 . . . . .	42,260			
	-----			
	306,433	/	10	= 30,644
				-----
Each of the remaining 10 Instalment Payments . . . . .				= 30,644
				Quarterly Instalments Required 0

**3. ESTIMATED TAX METHOD**

Instalment Base Amount				
(Amt (I) Below) . . . . .	0	/	12	= 0
				-----
				Monthly Instalments Required 0
				Quarterly Instalments Required 0

INSTALMENT BASE CALCULATION

		1st Instalment Base Method	Estimated Tax Method
Ontario Taxable Income . . . . .		2,222,958	0
		=====	=====
<b>CALCULATION OF TAX PAYABLE</b>			
Gross Ontario Tax . . . . . (A)		311,214	0
<b>Less</b> Total of:			
Incentive Deduction for an S.B.C., net of surtax . . . . .		0	0
Manufacturing and Processing Profits Credit . . . . .		0	0
Additional deduction for credit unions . . . . .		0	0
Credit for foreign taxes paid . . . . .		0	0
Credit for Investment in S.B.D.C. . . . .		0	0
Specified credits applied against income tax . . . . .		0	0
		-----	-----
<b>Total</b> Deduction and Credits . . . . . (B)		0	0
Income Tax . . . . . (A) - (B) = (C)		311,214	0
<b>Add:</b> Capital Tax . . . . . (D)		37,479	0
Corporate minimum tax paid (credited) . . . . . (E)		0	0
Premium Tax . . . . . (F)		0	0
		-----	-----
<b>Total</b> 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 . . . . .		365 / 365	365 / 365
	(H)	348,693	0
<b>Less:</b> Total estimated current year credits . . . . .		0	0
	(I)	348,693	0
		=====	=====



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

# Electronic Filing Certificate for Corporations Tax Return CT23

Page 1 of 2

Corporation's Ontario Tax Account Number  
**1800085**

<input type="checkbox"/> First Year of Filing	<input type="checkbox"/> Final Taxation Year up to Dissolution	<input type="checkbox"/> Change of Control fed. s.249(4)
<input type="checkbox"/> Amended Return	<input type="checkbox"/> Final Taxation Year before Amalgamation	Date Control was acquired: year month day
<input type="checkbox"/> Taxation Year End has changed (approval by Revenue Canada required)	<input type="checkbox"/> Floating Fiscal Year End	
<input type="checkbox"/> Exempt From Filing	<input checked="" type="checkbox"/> Subject to CMT	

Date of Incorporation  
year month day  
**2000-01-06**

Return for Taxation Year  
Start year month day  
**2004-01-01**  
End year month day  
**2004-12-31**

Change of Information? Yes ☐ No ☒

Corporation's Legal Name

**E.L.K. Energy Inc.**

Mailing Address

**172 Forest Avenue**

**Essex**

**N8M-3E4**

Revenue Canada Taxation Account No.

If incorrect or missing, enter  
**866567787RC0001**

Jurisdiction Incorporated

**ONTARIO**

## Transmitter Data

Transmitter Number: **0009036**

Transmitter Name: **KPMG**

Nan Person to Contact:

Telephone Number: **519-251-3500**

Facsimile Number: **519-251-3530**

Transmitter Address:

Disk Reference Number: **120**

☐ 250 Aggregate of Total Revenue: **17,242,569**

☐ 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: **0**

☐ 975 Refund: **0** Yes ☐ No ☒

If Yes, Due to: Loss Carryback: Yes ☐ No ☐

Overpayment: Yes ☐ No ☐

Refundable Tax Credit: Yes ☐ No ☐

## Certification

I am an authorized signing officer of the Corporation. I certify that this Return, including all schedules and statements filed with or as part of this 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

**SANDRA SLATER**

Title

**DIRECTOR OF FINANCE**

Full Residence Address

Signature

Date

Phone Number

**2005-04-08 519-776-5291**

Ministry  
Use Only

Return I.D. # **86656778720050408143751000000**



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

## Payment Advice

Enter the amount of payment and indicate taxation year.

Corporation's Ontario Tax Account Number	Date of Incorporation year month day	Taxation Year End year month day	Payment Amount
1800085	2000-01-06	2003-12-31	\$ 0
Corporation's Legal Name E.L.K. Energy Inc.		2004-12-31	\$ 348,693
Total Payment			\$ 348,693

Submit your cheque (drawn on a Canadian financial institution) or money order, in Canadian funds, payable to the Minister 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 delay processing an assessment

SS-2

E.L.K. ENERGY INC.

Account No.

1800085

Assessment Date

(year, month, day)  
2005/08/16

FP MAR 0 6

STATEMENT NO. 68

Tax: Federal and Provincial PIL  
Assessment Interest

Total Assessment Liability

840,411.00  
12,732.20  
853,143.20

SUMMARY OF 2004/12/31 TAXATION YEAR TRANSACTIONS

Payments/Transfers

840,411.00CR

Sub-Total

TAXATION YEAR BALANCE DUE \*\*

840,411.00CR  
12,732.20

In accordance with s.80(8) of the Corporations Tax Act, as made applicable by s.95 of the Electricity Act, 1998, notice is hereby given of the amount of tax, penalty and interest for which you are assessed.

Total tax assessed as per company estimate

all interest

\*\*Remember to include additional interest due with your payment. Interest on the balance is compounded daily from the date of this Notice/Statement until payment is received by the Ontario Electricity Financial Corporation (OEFEC). The current interest rate is 0.0191780%.

F'04 Installments 480,106  
Final Pmt FDS 360,305 SS-1N  
840,411

RECEIVED JUN 20 2005

Tax (Re)Assessment Enquiries:

- Toronto (416) 730-5585
- FAX (416) 730-5583

Account Billing Enquiries & Change of Address Information:

- Oshawa and Local (905) 433-8708
- Toll-Free 1-800-262-0794 ext. 3038
- Toronto (416) 820-9048 ext. 3038
- FAX (905) 433-5197

0000008

002 P30000

✓ assessed as filed.

1

2

3

**APPENDIX 9-R**  
**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.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font. Below the signature is a single horizontal line that starts under the "K" and ends under the "P", with a small upward tick at the right end.

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
<b>Assets</b>		
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
<b>Liabilities and Shareholders' Equity</b>		
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
	<u>10,429,751</u>	<u>8,462,392</u>
Long-term liabilities:		
Customer deposits	239,692	248,996
Employee future benefits (note 6)	650,037	653,229
	<u>889,729</u>	<u>902,225</u>
Shareholders' equity:		
Share capital (note 7)	100	100
Retained earnings	8,128,165	6,986,379
Contributed surplus	4,402,373	4,402,373
	<u>12,530,638</u>	<u>11,388,852</u>
Contingency (note 8)		
	<u>\$ 23,850,118</u>	<u>\$ 20,753,469</u>

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.

# E.L.K. ENERGY INC.

## 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-consolidated financial statements.

# E.L.K. ENERGY INC.

## 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	\$ 1,141,786	\$ 1,288,106
Items not involving cash:		
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)
	<u>3,663,193</u>	<u>155,210</u>
Financing:		
Decrease in shareholders' promissory notes	(650,000)	(650,000)
Increase (decrease) in long-term customer deposits	(9,304)	38,625
	<u>(659,304)</u>	<u>(611,375)</u>
Investing:		
Capital assets additions, net	(826,248)	(415,789)
Decrease (increase) in regulatory assets	(588,522)	522,672
	<u>(1,414,770)</u>	<u>106,883</u>
Increase (decrease) in cash	1,589,119	(349,282)
Cash, beginning of year	7,129,283	7,478,565
Cash, end of year	<u>\$ 8,718,402</u>	<u>\$ 7,129,283</u>

See accompanying notes to non-consolidated financial statements.

# E.L.K. ENERGY INC.

Notes to Non-Consolidated Financial Statements

Year ended December 31, 2005

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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%.



# E.L.K. ENERGY INC.

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.

# **E.L.K. ENERGY INC.**

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.

# E.L.K. ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2005

## 3. Capital assets:

			2005	2004
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 156,387	\$ —	\$ 156,387	\$ 156,387
Building, plant and equipment	3,048,815	2,262,221	786,594	797,736
Transmission and distribution system	15,723,101	8,773,455	6,949,646	6,759,069
	<b>\$ 18,928,303</b>	<b>\$ 11,035,676</b>	<b>\$ 7,892,627</b>	<b>\$ 7,713,192</b>

## 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)
	<b>\$ 635,024</b>	<b>\$ 46,502</b>

### (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.

# **E.L.K. ENERGY INC.**

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.

# **E.L.K. ENERGY INC.**

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.

# E.L.K. ENERGY INC.

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	\$ 653,229	\$ 644,766
Service cost	5,571	5,038
Interest cost	33,032	37,806
Benefits paid	(41,795)	(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	5.75%	5.75%
Rate of compensation increase	3%	3%
Medical trend rate:		
Initial	9.4%	9.4%
Ultimate	4%	4%

# E.L.K. ENERGY INC.

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	3,800	\$ 38
Town of Lakeshore	2,400	24
Town of Kingsville	3,800	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.

# E.L.K. ENERGY INC.

Notes to Non-Consolidated Financial Statements (continued)

Year ended December 31, 2005

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## 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	\$ 387,319	\$ 428,047
Payments in lieu of income taxes	1,200,725	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	\$ 354,414	\$ 386,694
Due from shareholders, included in accounts receivable	–	1,750
Due from subsidiary, included in accounts receivable	285,813	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.



# E.L.K. ENERGY INC.

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	\$ 7,000	\$ 127,000
Investment	12,000	11,000
Total future tax liabilities	\$ 19,000	\$ 138,000
Future tax assets:		
Capital assets	\$ 694,000	\$ 658,000
Employee future benefits	235,000	236,000
Intangible assets	218,000	234,000
Total future tax assets	1,147,000	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.



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

# Electronic Filing Certificate for Corporations Tax Return CT23

<input type="checkbox"/> First Year of Filing	<input type="checkbox"/> Final Taxation Year up to Dissolution	<input type="checkbox"/> Change of Control fed. s.249(4)
<input type="checkbox"/> Amended Return	<input type="checkbox"/> Final Taxation Year before Amalgamation	Date Control was acquired: <input type="text"/>
<input type="checkbox"/> Taxation Year End has changed (approval by Revenue Canada required)	<input type="checkbox"/> Floating Fiscal Year End	
<input type="checkbox"/> Exempt From Filing	<input checked="" type="checkbox"/> Subject to CMT	

Change of Information? Yes ☐ No ☒

Corporation's Legal Name  
E.L.K. Energy Inc.

Mailing Address

Forest Avenue  
  
Essex  
ON CA N8M 3E4

Corporation's Ontario  
Tax Account Number  
1800085

Date of Incorporation  
2000-01-06

Return for Taxation Year

Start 2005-01-01

End 2005-12-31

Revenue Canada Taxation  
Account Number

86656 7787 RC0001

Jurisdiction Incorporated

ONTARIO

## Transmitter Data

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

Disk Reference Number 677870

Aggregate of Total Revenue 250 21,303,994

Aggregate of Total Assets 249 24,250,151

Taxable Income (Non-capital Loss) 10 793,400

Total Tax Payable 950 141,540

Payments 960 654,244

Enclosed 990

Apply to: Year

Apply Amount 980

Refund 975 512,704 Yes ☒ No ☐

If Yes, Due to:

Loss Carryback Yes ☐ No ☒

Overpayment Yes ☒ No ☐

Refundable Tax Credit Yes ☐ No ☒

## Certification

I am an authorized signing officer of the Corporation. I certify that this Return, including all schedules and statements filed with or as part of this 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

SANDRA SLATER

Title

DIRECTOR OF FINANCE

Full Residence address

Signature

*S. Slater*

Date

2006-04-10

Phone Number

(519) 776-5291

Ministry  
Use Only

Return I.D. # 86656778720060410133434000000

**Payment Advice**

Enter the amount of payment and indicate taxation year.

Corporation's Ontario Tax Account Number 1800085	Date of Incorporation year month day 2000-01-06	Taxation Year End	Payment Amount
Corporation's Legal Name E.L.K. Energy Inc.		2004-12-31	\$
		2005-12-31	\$
		<b>Total Payment</b>	\$

Submit your cheque (drawn on a Canadian financial institution) or money order, in Canadian funds, payable to the Minister 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 delay processing an assessment.*

Canada Customs  
and Revenue AgencyAgence des douanes  
et du revenu du Canada**T2 CORPORATION INCOME TAX RETURN****200**

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 *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, refer to the Guide under the heading "Before you start."

**055 Do not use this area****Identification****Business Number (BN)** 001 86656 7787 RC0001**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 ☒If Yes, do you have a copy of the articles of amendment? 004 1 Yes ☐ 2 No ☐**Address of head office**Has the address changed since the last time we were notified? 010 1 Yes ☐ 2 No ☒

011 172 Forest Avenue

012

City

Province, territory, or state

015 Essex

016 ON

Country (other than Canada)

Postal code/ZIP code

018 N8M 3E4

**To which taxation year does this return apply?**

Taxation year start

Taxation year end

060 2005-01-01

061 2005-12-31

YYYY MM DD

YYYY MM DD

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

If Yes, provide the date control was acquired 065

YYYY MM DD

**Mailing address (if different from head office address)**Has the address changed since the last time we were notified? 020 1 Yes ☐ 2 No ☒

021 c/o

022

023

City

Province, territory, or state

025

026

Country (other than Canada)

Postal code/ZIP code

027

028

**Is the corporation a professional corporation that is a member of a partnership?** 067 1 Yes ☐ 2 No ☒**Is this the first year of filing after:**Incorporation? 070 1 Yes ☐ 2 No ☒Amalgamation? 071 1 Yes ☐ 2 No ☒

If Yes, complete lines 030 to 038 and attach Schedule 24.

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

If Yes, complete and attach Schedule 24.

**Is this the final taxation year before amalgamation?** 076 1 Yes ☐ 2 No ☒**Is this the final return up to dissolution?** 078 1 Yes ☐ 2 No ☒**Is the corporation a resident of Canada?**080 1 Yes ☒ 2 No ☐ If No, give the country of residence on line 081 and complete and attach Schedule 97.

081

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

If Yes, complete and attach Schedule 91.

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

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

**040 Type of corporation at the end of the taxation year**

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

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

YYYY MM DD

Do not use this area

091

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## 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.

	Yes	Schedule
Is the corporation related to any other corporations?	<input checked="" type="checkbox"/>	9
Does the corporation have any non-resident shareholders?	<input type="checkbox"/>	19
Is the corporation an associated Canadian-controlled private corporation?	<input type="checkbox"/>	23
Is the corporation an associated Canadian-controlled private corporation that is claiming the expenditure limit?	<input type="checkbox"/>	49
Has the corporation had any transactions, including section 85 transfers, with its shareholders, officers, or employees, other than transactions in the ordinary course of business? Exclude non-arm's length transactions with non-residents	<input type="checkbox"/>	11
If you answered Yes to the above question, and the transaction was between corporations not dealing at arm's length, were all or substantially all of the assets of the transferor disposed of to the transferee?	<input type="checkbox"/>	44
Has the corporation paid any royalties, management fees, or other similar payments to residents of Canada?	<input type="checkbox"/>	14
Is the corporation claiming a deduction for payments to a type of employee benefit plan?	<input type="checkbox"/>	15
Is the corporation claiming a loss or deduction from a tax shelter acquired after August 31, 1989?	<input type="checkbox"/>	T5004
Is the corporation a member of a partnership for which a partnership identification number has been assigned?	<input type="checkbox"/>	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?	<input type="checkbox"/>	22
Did the corporation have any foreign affiliates during the year?	<input type="checkbox"/>	25
Has the corporation made any payments to non-residents of Canada under subsections 202(1) and/or 105(1) of the federal <i>Income Tax Regulations</i> ?	<input type="checkbox"/>	29
Has the corporation had any non-arm's length transactions with a non-resident?	<input type="checkbox"/>	T106
Has the corporation made payments to, or received amounts from, a retirement compensation plan arrangement during the year?	<input type="checkbox"/>	
For private corporations: Does the corporation have any shareholders who own 10% or more of the corporation's common and/or preferred shares?	<input checked="" type="checkbox"/>	50
Is the net income/loss shown on the financial statements different from the net income/loss for income tax purposes?	<input checked="" type="checkbox"/>	1
Has the corporation made any charitable donations; gifts to Canada, a province, or a territory; or gifts of cultural or ecological property?	<input checked="" type="checkbox"/>	2
Has the corporation received any dividends or paid any taxable dividends for purposes of the dividend refund?	<input checked="" type="checkbox"/>	3
Is the corporation claiming any type of losses?	<input type="checkbox"/>	4
Is the corporation claiming a provincial or territorial tax credit or does it have a permanent establishment in more than one jurisdiction?	<input type="checkbox"/>	5
Has the corporation realized any capital gains or incurred any capital losses during the taxation year?	<input checked="" type="checkbox"/>	6
i) Is the corporation claiming the small business deduction and reporting income from: a) property (other than dividends deductible on line 320 of the T2 return), b) a partnership, c) a foreign business, or d) a personal services business; or ii) is the corporation claiming the refundable portion of Part I tax?	<input type="checkbox"/>	7
Does the corporation have any property that is eligible for capital cost allowance?	<input checked="" type="checkbox"/>	8
Does the corporation have any property that is eligible capital property?	<input checked="" type="checkbox"/>	10
Does the corporation have any resource-related deductions?	<input type="checkbox"/>	12
Is the corporation claiming reserves of any kind?	<input type="checkbox"/>	13
Is the corporation claiming a patronage dividend deduction?	<input type="checkbox"/>	16
Is the corporation a credit union claiming a deduction for allocations in proportion to borrowing or an additional deduction?	<input type="checkbox"/>	17
Is the corporation an investment corporation or a mutual fund corporation?	<input type="checkbox"/>	18
Was the corporation carrying on business in Canada as a non-resident corporation?	<input type="checkbox"/>	20
Is the corporation claiming any federal or provincial foreign tax credits, or any federal or provincial logging tax credits?	<input type="checkbox"/>	21
Is the corporation a non-resident-owned investment corporation claiming an allowable refund?	<input type="checkbox"/>	26 *
Does the corporation have any Canadian manufacturing and processing profits?	<input type="checkbox"/>	27
Is the corporation claiming an investment tax credit?	<input type="checkbox"/>	31
Is the corporation claiming any scientific research and experimental development (SR&ED) expenditures?	<input type="checkbox"/>	T661
Is the corporation subject to gross Part I.3 tax?	<input type="checkbox"/>	33/34/35
Is the corporation a member of a related group with one or more members subject to gross Part I.3 tax?	<input checked="" type="checkbox"/>	36
Is the corporation claiming a surtax credit?	<input type="checkbox"/>	37
Is the corporation subject to gross Part VI tax on capital of financial institutions?	<input type="checkbox"/>	38
Is the corporation claiming a Part I tax credit?	<input type="checkbox"/>	42
Is the corporation subject to Part IV.1 tax on dividends received on taxable preferred shares or Part VI.1 tax on dividends paid?	<input type="checkbox"/>	43
Is the corporation agreeing to a transfer of the liability for Part VI.1 tax?	<input type="checkbox"/>	45
Is the corporation subject to Part II - Tobacco Manufacturers' surtax?	<input type="checkbox"/>	46
For financial institutions: Is the corporation a member of a related group of financial institutions with one or more members subject to gross Part VI tax?	<input type="checkbox"/>	39
Is the corporation claiming a Canadian film or video production tax credit refund?	<input type="checkbox"/>	T1131
Is the corporation claiming a film or video production services tax credit refund?	<input type="checkbox"/>	T1177
Is the corporation subject to Part XIII.1 tax?	<input type="checkbox"/>	92 *

\* We do not print this schedule.

## Attachments – continued from page 2

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

## Additional information

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

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

What is the corporation's major business activity? **282** \_\_\_\_\_  
(Only complete if Yes was entered at line 281.)

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

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

<b>284</b> ELECTRICITY	<b>285</b> 100.000 %
<b>286</b> _____	<b>287</b> _____ %
<b>288</b> _____	<b>289</b> _____ %

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

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

## Taxable income

Net income or (loss) for income tax purposes from Schedule 1, financial statements, or GIFL. **300** 795,505 A

**Deduct:**

Charitable donations from Schedule 2	<b>311</b>	695
Gifts to Canada, a province, or a territory from Schedule 2	<b>312</b>	
Cultural gifts from Schedule 2	<b>313</b>	
Ecological gifts from Schedule 2	<b>314</b>	
Taxable dividends deductible under section 112 or 113, or subsection 138(6) from Schedule 3	<b>320</b>	1,410
Part VI.1 tax deduction from Schedule 43 *	<b>325</b>	
Non-capital losses of preceding taxation years from Schedule 4	<b>331</b>	
Net capital losses of preceding taxation years from Schedule 4	<b>332</b>	
Restricted farm losses of preceding taxation years from Schedule 4	<b>333</b>	
Farm losses of preceding taxation years from Schedule 4	<b>334</b>	
Limited partnership losses of preceding taxation years from Schedule 4	<b>335</b>	
Taxable capital gains or taxable dividends allocated from a central credit union	<b>340</b>	
Prospector's and grubstaker's shares	<b>350</b>	
Subtotal		2,105 B
Subtotal (amount A minus amount B) (if negative, enter "0")		793,400 C
<b>Add:</b> Section 110.5 additions and/or subparagraph 115(1)(a)(vii) additions	<b>355</b>	
<b>Taxable income</b> (amount C plus amount D)	<b>360</b>	793,400
Income exempt under paragraph 149(1)(t)	<b>370</b>	
<b>Taxable income</b> for a corporation with exempt income under paragraph 149(1)(t) (line 360 minus line 370)		793,400 Z

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

## Small business deduction

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

Income from active business carried on in Canada from Schedule 7 ..... **400** ..... A  
Taxable income from line 360 on page 3, minus 10/3 of the amount on line 632\* on page 7, minus 3 times the amount on line 636\*\* on page 7, and minus any amount that, because of federal law, is exempt from Part I tax ..... **405** ..... B

### Calculation of the business limit:

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

225,000	x	Number of days in the taxation year in 2003	=	1
		Number of days in the taxation year	365	
250,000	x	Number of days in the taxation year in 2004	=	2
		Number of days in the taxation year	365	
300,000	x	Number of days in the taxation year after 2004	=	300,000 3
		Number of days in the taxation year	365	

Add amounts at lines 1, 2, and 3 ..... **4**

Business limit (see notes 1 and 2 below) ..... **410** ..... C

- Notes:**
- For CCPCs that are not associated, enter the amount from line 4 at line 410. However, if the corporation's taxation year is less than 51 weeks, prorate the amount from line 4 by the number of days in the taxation year divided by 365, and enter the result on line 410.
  - For associated CCPCs, use Schedule 23 to calculate the amount to be entered at line 410.

### Business limit reduction:

Amount C ..... x **415** \*\*\* ..... D = ..... E  
11,250

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: A, B, C, or F ..... **430** ..... G  
(enter amount G on line 9 of page 7)

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

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

### \*\*\* Large corporation tax

- The large corporation tax to be entered at line 415 is the gross Part I.3 tax, which is the amount before deducting the surtax credits, increased to reflect a full-year tax liability if the taxation year is less than 51 weeks. For the purpose of the business limit reduction, the gross Part I.3 tax is equal to 0.225% x (taxable capital employed in Canada minus \$10,000,000).
- If the corporation is not associated with any corporations in both the current and the preceding taxation years, enter the corporation's gross Part I.3 tax for its **preceding** taxation year.
- If the corporation is not associated with any corporations in the current taxation year, but was associated in the preceding taxation year, enter the corporation's gross Part I.3 tax for its **current** taxation year.
- For corporations associated in the current taxation year, see Schedule 23 for the special rules that apply.

## Accelerated tax reduction

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

Reduced business limit (amount from line 425) ..... x  $\frac{300,000}{\text{line 4 above}}$  = ..... A

Net active business income (amount from line 400) \* ..... B

Taxable income from line 360 on page 3 minus 3 times the amount at line 636\*\* on page 7, and minus any amount that, because of federal law, is exempt from Part I Tax ..... C

### Deduct:

Aggregate investment income (amount from line 440 of page 6) ..... D

Amount C minus amount D (if negative, enter "0") ..... E

Amount A, B, or E above, whichever is less ..... F

Amount Z from Part 9 of Schedule 27 ..... x 100 / 7 = ..... G

Amount QQ from Part 13 of Schedule 27 ..... H

Taxable resource income from line 435 above ..... I

Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17) ..... J

Amount on line 400, 405, 410, or 425 of the small business deduction, whichever is less ..... K

Total of amounts G, H, I, J, and K ..... L

Amount F minus amount L (if negative, enter "0") ..... M

**Accelerated tax reduction** – 7.00 % of amount M (enter amount N on line 637 of page 7) ..... N

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

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

### Resource deduction

Taxable resource income [as defined in subsection 125.11(1)]				<b>435</b>	A
Amount A	x	Number of days in the taxation year in 2004	x 2 % =		B
		Number of days in the taxation year	365		
Amount A	x	Number of days in the taxation year in 2005	x 3 % =		C
		Number of days in the taxation year	365		
Amount A	x	Number of days in the taxation year in 2006	x 5 % =		D
		Number of days in the taxation year	365		
Amount A	x	Number of days in the taxation year after 2006	x 7 % =		E
		Number of days in the taxation year	365		
<b>Resource deduction – total of amounts B, C, D, and E</b> (enter amount F on line 10 of page 7)				<b>438</b>	F

### General tax reduction for Canadian-controlled private corporations

#### Canadian-controlled private corporations throughout the taxation year

Taxable income from line 360 on page 3					A
Amount Z from Part 9 of Schedule 27	x	100 / 7 =			B
Amount QQ from Part 13 of Schedule 27					C
Taxable resource income from line 435 above					D
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)					E
Amount on line 400, 405, 410, or 425 on page 4, whichever is the least					F
Aggregate investment income from line 440 of page 6					G
Amount used to calculate the accelerated tax reduction (amount M of page 4)					H
Total of amounts B, C, D, E, F, G, and H					I
Amount A minus amount I (if negative, enter "0")					J
Amount J	x	Number of days in the taxation year after 2003	x 7 % =		K
		Number of days in the taxation year	365		
<b>General tax reduction for Canadian-controlled private corporations – amount K</b> (enter amount L on line 638 of page 7)					L

### General tax reduction

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

Taxable income from line 360 on page 3				793,400	M
Amount Z from Part 9 of Schedule 27	x	100 / 7 =			N
Amount QQ from Part 13 of Schedule 27					O
Taxable resource income from line 435 above					P
Amount used to calculate the credit union deduction (amount E in Part 3 of Schedule 17)					Q
Total of amounts N, O, P, and Q					R
Amount M minus amount R (if negative, enter "0")				793,400	S
Amount S	793,400	x	Number of days in the taxation year after 2003	x 7 % =	55,538
			Number of days in the taxation year	365	
<b>General tax reduction – amount T</b> (enter amount U on line 639 of page 7)				55,538	U



### Refundable portion of Part I tax

#### Canadian-controlled private corporations throughout the taxation year

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

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

#### Deduct:

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

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

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 ..... x 25 / 9 = .....

Foreign business income  
tax credit from line 636  
of page 7 ..... x 3 = .....  
..... x 26 2 / 3 % = ..... D

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

Deduct: Corporate surtax from line 600 of page 7 .....

Net amount ..... E

Refundable portion of Part I tax – Amount C, D, or E, whichever is the least ..... **450** ..... 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 ..... **465** ..... G

#### Add the total of:

Refundable portion of Part I tax from line 450 above .....

Total Part IV tax payable from line 360 of Schedule 3 .....

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

Refundable dividend tax on hand at the end of the taxation year – Amount G plus amount H ..... **485** .....

### Dividend refund

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

Taxable dividends paid in the taxation year from line 460 of Schedule 3 ..... x 1 / 3 ..... I

Refundable dividend tax on hand at the end of the taxation year from line 485 above ..... J

Dividend refund – Amount I or J, whichever is less (enter this amount 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** 301,492 A

**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 ..... 3

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 ..... a ..... 6

28.00 % of taxed capital gains ..... b ..... 6

Part I tax otherwise payable ..... c ..... 6  
(line A plus lines C and D minus line F)

Total of lines 2 to 6 ..... **79,340** 7

Net amount (line 1 minus line 7) ..... **222,152** 8

**Corporate surtax** — 4.00 % of the amount on line 8 ..... **600** 8,886 B

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

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

Aggregate investment income from line 440 on page 6 ..... i

Taxable income from line 360 on page 3 ..... ii

**Deduct:**

Amount on line 400, 405, 410, or 425 of page 4,  
whichever is the least ..... ii

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 ..... **608** 79,340 9

Federal tax abatement ..... **616**

Manufacturing and processing profits deduction from amount BB  
of amount RR of Schedule 27 ..... **620**

Investment corporation deduction  
(taxed capital gains **624** ) ..... **628**

Additional deduction — credit unions from Schedule 17 ..... **632**

Federal foreign non-business income tax credit from Schedule 21 ..... **636**

Federal foreign business income tax credit from Schedule 21 ..... **637**

Accelerated tax reduction from amount N on page 4 ..... 10

Resource deduction from line 438 on page 5 ..... **638**

General tax reduction for CCPCs from amount R on page 5 ..... **639** 55,538

General tax reduction from amount U on page 5 ..... **640**

Federal logging tax credit from Schedule 21 ..... **644**

Federal political contribution tax credit ..... **646**

Federal political contributions ..... **648**

Federal qualifying environmental trust tax credit ..... **652**

Investment tax credit from Schedule 31 ..... **134,878** F

**Part I tax payable** — Line E minus line F (enter amount G on line 700 of page 8) ..... **175,500** G

## Summary of tax and credits

### Federal tax

Part I tax payable from page 7	700	175,500
Part I.3 tax payable from Schedule 33, 34, or 35	704	
Part II surtax payable from Schedule 46	708	
Part IV tax payable from Schedule 3	712	
Part IV.1 tax payable from Schedule 43	716	
Part VI tax payable from Schedule 38	720	
Part VI.1 tax payable from Schedule 43	724	
Part XIII.1 tax payable from Schedule 92	727	
Part XIV tax payable from Schedule 20	728	
Total federal tax		175,500

### Add provincial or territorial tax:

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)	760	
Provincial tax on large corporations (New Brunswick and Nova Scotia)	765	
Total tax payable	770	175,500 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	
Canadian film or video production tax credit refund (Form T1131)	796	
Film or video production services tax credit refund (Form T1177)	797	
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	816	
Tax instalments paid	840	186,176
Total credits	890	186,176
Refund code	894	
Overpayment		10,676
Balance (line A minus line B)		-10,676

### 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:

<input type="checkbox"/> Start	<input type="checkbox"/> Change information	910
		Branch number
4	918	Account number

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

Balance unpaid .....  
Enclosed payment 898

If the corporation is a Canadian-controlled private corporation throughout the taxation year, does it qualify for the one-month extension of the date the balance of tax is due? 896 1 Yes ☐ 2 No ☒

### Certification

I, 950 SLATER	951 SANDRA	954 DIRECTOR OF FINANCE
Last name	First name	Position, office, or rank
I am an authorized signing officer of the corporation. I certify that I have examined this return, including accompanying schedules and statements, and that the information given on this return is, to the best of my knowledge, correct and complete. I further certify that the method of calculating income for this taxation year is consistent with that of the previous year except as specifically disclosed in a statement attached to this return.		
955 2006-04-10	Signature of the authorized signing officer of the corporation	956 (519) 776-5291
Date (yyyy/mm/dd)		Telephone number
Is the contact person the same as the authorized signing officer? If No, complete the information below		957 1 Yes <input checked="" type="checkbox"/> 2 No <input type="checkbox"/>
958	Name	959 Telephone number

### Language of correspondence – Langue de correspondance

990 Indicate the language in which you would like to receive correspondence. 1 English / Anglais ☒ 2 Français / French ☐  
Indiquer la langue de correspondance de votre choix.



Canada Customs  
and Revenue Agency

Agence des douanes  
et du revenu du Canada

## GENERAL INDEX OF FINANCIAL INFORMATION – GIFI

Form identifier 100

Name of corporation	Business Number	Taxation year end Year Month Day
E.L.K. Energy Inc.	86656 7787 RC0001	2005-12-31

### Identification of the imported corporation from the GIFI file

Name of the corporation . . . E.L.K. Energy Inc.  
Business number . . . . . 86656 7787 RC0001  
Taxation year end . . . . . 2005-12-31

### Balance Sheet

Account	Description	GIFI	Amount	Prior year
<b>Assets</b>				
	Total current assets . . . . .	1599 +	14,194,367	12,003,675
	Total tangible capital assets . . . . .	2008 +	18,928,303	18,102,055
	Total accumulated amortization of tangible capital assets . . . . .	2009 -	11,035,676	10,388,863
	Total intangible capital assets . . . . .	2178 +		
	Total accumulated amortization of intangible capital assets . . . . .	2179 -		
	Total long-term assets . . . . .	2589 +	1,763,124	1,036,602
	* Assets held in trust . . . . .	2590 +		
	<b>Total assets (mandatory field)</b>	2599 =	23,850,118	20,753,469
<b>Liabilities</b>				
	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 +		
	<b>Total liabilities (mandatory field)</b>	3499 =	11,319,480	9,364,617
<b>Shareholder equity</b>				
	<b>Total shareholder equity (mandatory field)</b>	3620 +	12,530,638	11,388,852
	<b>Total liabilities and shareholder equity</b>	3640 =	23,850,118	20,753,469
<b>Retained earnings</b>				
	<b>Retained earnings/deficit – end (mandatory field)</b>	3849 =	8,128,165	6,986,379

\* Generic item

Canada Customs  
and Revenue AgencyAgence des douanes  
et du revenu du Canada

## GENERAL INDEX OF FINANCIAL INFORMATION – GIF

Form identifier 125

Name of corporation	Business Number	Taxation year end Year Month Day
E.L.K. Energy Inc.	86656 7787 RC0001	2005-12-31

## Income Statement

Description	GIFI
Operating name	0001
Description of the operation	0002 MUNICIPALLY OWNED ELECTRICAL DISTRIBUTION COMPANY
Sequence Number	0003 01

Account	Description	GIFI	Amount	Prior year
<b>Income statement information</b>				
	Total sales of goods and services	8089 +	20,398,179	16,450,659
	Cost of sales	8518 -	16,965,467	12,574,922
	<b>Gross profit/loss</b>	8519 =	3,432,712	3,875,737
	Cost of sales	8518 +	16,965,467	12,574,922
	Total operating expenses	9367 +	2,743,671	2,710,569
	<b>Total expenses (mandatory field)</b>	9368 =	19,709,138	15,285,491
	Total revenue (mandatory field)	8299 +	21,012,924	16,963,597
	Total expenses (mandatory field)	9368 -	19,709,138	15,285,491
	<b>Net non-farming income</b>	9369 =	1,303,786	1,678,106

<b>Farming income statement information</b>				
	Total farm revenue (mandatory field)	9659 +		
	Total farm expenses (mandatory field)	9898 -		
	<b>Net farm income</b>	9899 =		

	<b>Net income/loss before taxes and extraordinary items</b>	9970 =	1,303,786	1,678,106
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<b>Extraordinary items and income (linked to Schedule 140)</b>				
	<b>Extraordinary item(s)</b>	9975 -		
	Legal settlements	9976 -		
	<b>Unrealized gains/losses</b>	9980 +		
	<b>Unusual items</b>	9985 -		
	<b>Current income taxes</b>	9990 -	300,000	808,000
	<b>Deferred income tax provision</b>	9995 -	-138,000	-418,000
	<b>Net income/loss after taxes and extraordinary items (mandatory field)</b>	9999 =	1,141,786	1,288,106



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**SCHEDULE 141**

**NOTES CHECKLIST**

Corporation's name E.L.K. Energy Inc.	Business Number 86656 7787 RC0001	Taxation year end Year Month Day 2005-12-31
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- This schedule should be completed from the perspective of the person who prepared or reported on the **financial statements**. This person is referred to as the "accounting practitioner", in this schedule.
- For more information, see RC4088, *Guide to the General Index of Financial Information (GIFI) for Corporations* and T4012, *T2 Corporation – Income Tax Guide*.
- Attach a copy of this schedule, along with any Notes to the financial statements, to the GIFI.

**Part 1 – Accounting practitioner information**

Does the accounting practitioner have a professional designation? **095** 1 Yes ☒ 2 No ☐

Is the accounting practitioner connected\* with the corporation? **097** 1 Yes ☐ 2 No ☒

\* 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.

**Note**

If the accounting practitioner does not have a professional designation or is connected with the corporation, you do not have to complete Parts 2 and 3 of this schedule. However, you do have to complete Part 4.

**Part 2 – Type of involvement**

Choose the option that represents the highest level of involvement of the accounting practitioner:

Completed an auditor's report **198** 1 ☒

Completed a review engagement report 2 ☐

Conducted a compilation engagement 3 ☐

**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? **099** 1 Yes ☐ 2 No ☒

**Part 4 – Other information**

Were notes to the financial statements prepared? **101** 1 Yes ☒ 2 No ☐

If Yes, complete lines 102 to 107 below:

Are any values presented at other than cost? **102** 1 Yes ☐ 2 No ☒

Has there been a change in accounting policies since the last return? **103** 1 Yes ☐ 2 No ☒

Are subsequent events mentioned in the notes? **104** 1 Yes ☐ 2 No ☒

Is re-evaluation of asset information mentioned in the notes? **105** 1 Yes ☐ 2 No ☒

Is contingent liability information mentioned in the notes? **106** 1 Yes ☒ 2 No ☐

Is information regarding commitments mentioned in the notes? **107** 1 Yes ☐ 2 No ☒

Does the corporation have investments in joint venture(s) or partnership(s)? **108** 1 Yes ☐ 2 No ☒

If Yes, complete line 109 below:

Are you filing financial statements of the joint venture(s) or partnership(s)? **109** 1 Yes ☐ 2 No ☐



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**SCHEDULE 1**

**NET 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*.

Net income (loss) after taxes and extraordinary items per financial statements ..... 1,141,786 A

**Add:**

Provision for income taxes – current	101	300,000	
Provision for income taxes – deferred	102	-138,000	
Interest and penalties on taxes	103	12,732	
Amortization of tangible assets	104	646,813	
Charitable donations from Schedule 2	112	695	
Taxable capital gains from Schedule 6	113	16,851	
Non-deductible meals and entertainment expenses	121	1,176	
Reserves from financial statements – balance at the end of the year	126	650,037	
Subtotal of additions		1,490,304	1,490,304

**C r additions:**

**Miscellaneous other additions:**

603a Enerconnect Limited Partnership income	1,218		
Total	1,218	293	1,218
Subtotal of other additions		199	1,218
<b>Total additions</b>		500	1,491,522

**Deduct:**

Gain on disposal of assets per financial statements	401	35,956	
Capital cost allowance from Schedule 8	403	560,655	
Cumulative eligible capital deduction from Schedule 10	405	45,336	
Reserves from financial statements – balance at the beginning of the year	414	653,229	
Subtotal of deductions		1,295,176	1,295,176

**Other deductions:**

**Miscellaneous 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 deductions	499	542,627	542,627
<b>Total deductions</b>	510	1,837,803	1,837,803

**Net income (loss) for income tax purposes** – enter on line 300 of the T2 return ..... 795,505



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**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.
- 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 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	Amount (\$100 or more only)		
		Subtotal	
	<b>Add: Total donations of less than \$100 each</b>		695
	<b>Total donations in current taxation year</b>		695
	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		
<b>Add:</b>			
Charitable donations transferred on an amalgamation or the 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
<b>Deduct:</b> Adjustment for an acquisition of control (for donations made after March 22, 2004)	255		
Total charitable donations available	695	695	695
<b>Deduct:</b> Amount applied against taxable income (cannot be more than amount K in Part 2) (enter this amount on line 311 of the T2 return)	260	695	695
Charitable donations closing balance	280		

**Amounts carried forward – Charitable donations**

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			
4 <sup>th</sup> prior year	2001			
5 <sup>th</sup> prior year	2001			
6 <sup>th</sup> prior year *	2000			
<b>Total (to line A)</b>				

\* These donations expired in the current year.



## Part 2 – Calculation of the maximum allowable deduction for charitable donations

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		
Total	225	C
Taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01)	227	D
The amount of the recapture of capital cost allowance in respect of charitable gifts	230	
Proceeds of disposition, less outlays and expenses	E	
Capital cost	F	
Amount E or F, whichever is less	235	
Amount on line 230 or 235, whichever is less		G
Subtotal (add amounts C, D, and G)		H
Amount H multiplied by 25 %		I
Subtotal (amount B plus amount I)	596,629	J
<b>Maximum allowable deduction for charitable donations</b> (enter amount A from Part 1, amount J, or net income for tax purposes, whichever is less)	695	K

\* For credit unions, this amount is before the deduction of payments pursuant to allocations in 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 taxation year	339	
<b>Deduct:</b> Gifts to Canada, a province, or a territory expired after five taxation years	340	
Gifts to Canada, a province, or a territory at the beginning of the taxation year		
<b>Add:</b> Gifts to Canada, a province, or a territory transferred on an amalgamation or the windup of a subsidiary	350	
Total current year gifts made to Canada, a province, or a territory *	310	
Subtotal (line 350 plus line 310)		355
<b>Deduct:</b> Adjustment for an acquisition of control (for gifts made after March 22, 2004)		
Total gifts to Canada, a province, or a territory available		
<b>Deduct:</b> Amount applied against taxable income (enter this amount on line 312 of the T2 return)	360	
Gifts to Canada, a province, or a territory closing balance	380	

\* 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 on line 210 and complete Part 2.

## Part 4 – Gifts of certified cultural property

	Federal	Quebec	Alberta
Gifts of certified cultural property at the end of the preceding taxation year			
<b>Deduct:</b> Gifts of certified cultural property expired after five taxation years	439		
Gifts of certified cultural property at the beginning of the taxation year	440		
<b>Add:</b> Gifts of certified cultural property transferred on an amalgamation or the windup of a subsidiary	450		
Total current-year gifts of certified cultural property	410		
Subtotal (line 450 plus line 410)			
<b>Deduct:</b> Adjustment for an acquisition of control (for gifts made after March 22, 2004)	455		
Total gifts of certified cultural property available			
<b>Deduct:</b> 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**

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			
4 <sup>th</sup> prior year	2001			
5 <sup>th</sup> prior year	2001			
6 <sup>th</sup> prior year *	2000			
<b>Total</b>				

\* These donations expired in the current year.

**Part 5 – Gifts of certified ecologically sensitive land**

	Federal	Quebec	Alberta
Gifts of certified ecologically sensitive land at the end of the preceding taxation year			
<b>Deduct:</b> Gifts of certified ecologically sensitive land expired after five taxation years	539		
Gifts of certified ecologically sensitive land at the beginning of the taxation year	540		
<b>Add:</b> Gifts of certified ecologically sensitive land transferred on an amalgamation or the windup of a subsidiary	550		
Total current-year gifts of certified ecologically sensitive land	510		
Subtotal (line 550 plus line 510)			
<b>Deduct:</b> Adjustment for an acquisition of control (for gifts made after March 22, 2004)	555		
Total gifts of certified ecologically sensitive land available			
<b>Deduct:</b> Amount applied against taxable income (enter this amount on line 314 of the T2 return)	560		
Gifts of certified ecologically sensitive land closing balance	580		

**Amounts carried forward – Gifts of certified ecologically sensitive 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			
4 <sup>th</sup> prior year	2001			
5 <sup>th</sup> prior year	2001			
6 <sup>th</sup> prior year *	2000			
<b>Total</b>				

\* These donations expired in the current year.



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**DIVIDENDS RECEIVED, TAXABLE DIVIDENDS PAID, AND  
PART IV TAX CALCULATION**

**SCHEDULE 3**

Name of corporation <b>E.L.K. Energy Inc.</b>	Business Number <b>86656 7787 RC0001</b>	Taxation year end Year Month Day <b>2005-12-31</b>
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- 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.**

Name of payer corporation (Use only one line per corporation, abbreviating its name if necessary)	A	B	Complete if payer corporation is connected	
			C Business Number	D Taxation year end of the payer corporation in which the sections 112/113 and subsection 138(6) dividends were paid YYYY/MM/DD
<b>200</b>		<b>205</b>	<b>210</b>	<b>220</b>
1 SUN LIFE FINANCIAL				

**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.

If payer corporation is not connected, leave these 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 *
<b>230</b>	<b>240</b>	<b>250</b>	<b>260</b>	<b>270</b>
1	1,410			
Total (enter amount of column F on line 320 of the T2 return)				
	1,410			
<b>J</b>				

For dividends received from connected corporations: Part IV tax equals:  $\frac{\text{Column F} \times \text{Column H}}{\text{Column G}}$

\* Life insurers are not subject to Part IV tax on subsection 138(6) dividends.  
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** .....

Subtotal .....

**Deduct:**

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 .....  $\times 1 / 3 =$  .....

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**

A	B	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
<b>400</b>	<b>410</b>	<b>420</b>	<b>430</b>
1			
2			
3			
4			

**Note**

If your corporation's taxation year end is different than that of the connected recipient corporation, your corporation could have paid dividends in more than one taxation year of the recipient corporation. If so, use a separate line to provide the information for each taxation year of the recipient corporation.

Total .....

Total taxable dividends paid in the taxation year to other than connected corporations ..... **450** .....

Total taxable dividends paid in the taxation year for the purposes of a dividend refund  
(total of column D above plus line 450) ..... **460** .....

**Part 4 – Total dividends paid in the taxation year**

Complete this part if the total taxable dividends paid in the taxation year for purposes of a dividend refund (line 460 above) is different from the total dividends paid in the taxation year.

Total taxable dividends paid in the taxation year for the purposes of a dividend refund (from above) ..... **460** .....

Other dividends paid in the taxation year (total of 510 to 540) ..... **500** .....

Total dividends paid in the taxation year .....


**Deduct:**

Dividends paid out of capital dividend account ..... **510** .....

Capital gains dividends ..... **520** .....

Dividends paid on shares described in subsection 129(1.2) ..... **530** .....

Taxable dividends paid to a controlling corporation that was bankrupt at any time in the year ..... **540** .....

Subtotal .....  .....

Total taxable dividends paid in the taxation year for purposes of a dividend refund .....

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et du revenu du Canada**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)?

**050** 1 Yes ☐ 2 No ☒ If Yes, attach a statement specifying which properties are subject to such a designation.

**Part 1 – Shares**

No. of shares <b>100</b>	Name of corporation <b>105</b>	Class of shares <b>106</b>	Date of acquisition YYYY/MM/DD <b>110</b>	Proceeds of disposition <b>120</b>	Adjusted cost base <b>130</b>	Outlays and expenses (dispositions) <b>140</b>	Gain (or loss) (column 120 less cols. 130 and 140) <b>150</b>	Foreign source
<b>Totals</b>								<b>A</b>

**Part 2 – Real estate – Do not include losses on depreciable property**

Municipal address 1 = Address 1 2 = Address 2 3 = City 4 = Province, Country, Postal Code and Zip Code or Foreign Postal Code <b>200</b>		Date of acquisition YYYY/MM/DD <b>210</b>	Proceeds of disposition <b>220</b>	Adjusted cost base <b>230</b>	Outlays and expenses (dispositions) <b>240</b>	Gain (or loss) (column 220 less cols. 230 and 240) <b>250</b>	Foreign source
1	47 Maple		35,000		1,299	33,701	
2							
<b>Totals</b>				35,000	1,299	33,701	<b>B</b>

**Part 3 – Bonds**

Face value <b>300</b>	Maturity date <b>305</b>	Name of issuer <b>307</b>	Date of acquisition YYYY/MM/DD <b>310</b>	Proceeds of disposition <b>320</b>	Adjusted cost base <b>330</b>	Outlays and expenses (dispositions) <b>340</b>	Gain (or loss) (column 320 less cols. 330 and 340) <b>350</b>	Foreign source
1								
<b>Totals</b>								<b>C</b>

**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)	Foreign source
<b>400</b>	<b>410</b>	<b>420</b>	<b>430</b>	<b>440</b>	<b>450</b>	
1						
<b>Totals</b>						<b>D</b>

**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
<b>500</b>	<b>510</b>	<b>520</b>	<b>530</b>	<b>540</b>	<b>550</b>	
1						
<b>Totals</b>						<b>E</b>

**Note:** Losses are not deductible.

**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
<b>600</b>	<b>610</b>	<b>620</b>	<b>630</b>	<b>640</b>	<b>650</b>	
1						
<b>Totals</b>						
<b>Note:</b> Net listed personal property losses may only be applied against listed personal property gains.					<b>Subtract:</b> Unapplied listed personal property losses from other years <b>655</b>	
Amount from line 655 is from line 530 in Part 5 of Schedule 4.					Net gains (or losses)	<b>F</b>

**Part 7 – Determining allowable business investment losses**

**Property qualifying for and resulting in an allowable business investment loss**

Name of small business corporation	Shares, enter 1; debt, enter 2	Date of acquisition YYYY/MM/DD	Proceeds of disposition	Adjusted cost base	Outlays and expenses (dispositions)	(Loss)(column 920 less cols. 930 and 940)	Foreign source
<b>900</b>	<b>905</b>	<b>910</b>	<b>920</b>	<b>930</b>	<b>940</b>	<b>950</b>	
1							
<b>Totals</b>							<b>G</b>

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

**Allowable business investment losses**  
Enter amount H on line 406 of Schedule 1.

Amount G \_\_\_\_\_ x 50 % = \_\_\_\_\_ **H**

**Part 8 – Determining capital gains or losses**

Total of amounts A to F (do not include F, if the amount is a loss)		33,701	<b>I</b>
<b>Add:</b>			Foreign source
Capital gains dividend received in the year	875		<b>J</b>
Capital gains reserve opening balance (from Schedule 13)	880		<b>K</b>
Subtotal (add amounts I, J, and K)		33,701	<b>L</b>
<b>Deduct:</b> Capital gains reserve closing balance (from Schedule 13)		885	<b>M</b>
Capital gains or losses (amount L minus amount M)		33,701	

Part 9 – Determining taxable capital gains and total capital losses

Capital gains or losses (amount from line 890 above) 33,701 N

Deduct the following gains that are included in the 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  
Income Tax Act x 50 % = 895

Gain on donation of ecologically sensitive land x 50 % = 896

Subtotal (line 895 plus line 896) O

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.

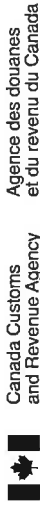
Taxable capital gains: If amount P is a gain, enter it on this line 33,701 x 50 % = 16,851 Q

Enter amount Q on line 113 of Schedule 1.

Foreign source  
☐

Foreign source  
☐

Portion of gain or loss from foreign sources (100%)  
(excluding business investment losses)



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## CAPITAL COST ALLOWANCE (CCA)

### SCHEDULE 8

Name of corporation E.L.K. Energy Inc.		Business Number 86656 7787 RC0001		Taxation year end Year Month Day 2005-12-31
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Is the corporation electing under regulation 1101(5q)? **101** 1 Yes ☐ 2 No ☒

1 Class number	2 Undepreciated capital cost at the beginning of the year	3 Cost of acquisitions during the year*	4 Net adjustments	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Undepreciated capital cost (column 2 plus column 3 plus or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)**	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance (amount on line 107 of Schedule 1)	11 Terminal loss (amount on line 404 of Schedule 1)	12 Capital cost allowance (column 8 multiplied by column 9; or a lower amount) (amount on line 403 of Schedule 1)***	13 Undepreciated capital cost at the end of the year (column 6 minus column 12)
<b>200</b>	<b>201</b>	<b>203</b>	<b>205</b>	<b>207</b>		<b>211</b>		<b>212</b>	<b>213</b>	<b>215</b>	<b>217</b>	<b>220</b>
1	9,039,670			0	9,039,670		9,039,670	4	0	0	361,587	8,678,083
2	246,052	32,276		0	278,328	16,138	262,190	20	0	0	52,438	225,890
3	216,279			1,657	214,622		214,622	30	0	0	64,387	150,235
4	32,211	28,588		0	60,799	14,294	46,505	100	0	0	46,505	14,294
5		27,691		0	27,691	13,846	13,845	45	0	0	6,230	21,461
6		737,693		0	737,693	368,847	368,846	8	0	0	29,508	708,185
<b>Total</b>	<b>9,534,212</b>	<b>826,248</b>		<b>1,657</b>	<b>10,358,803</b>	<b>413,125</b>	<b>9,945,678</b>				<b>560,655</b>	<b>9,798,148</b>

\* 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).

\*\* 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.

T2 SCH 8 (99)

Canada



# Fixed Assets Reconciliation

Reconciliation of change in fixed assets per financial statements to amounts used per tax return

## Tax return

Additions for tax purposes – Schedule 8 regular classes		826,248	
Additions for tax purposes – Schedule 8 leasehold improvements	+		
Operating leases capitalized for book purposes	+		
Capital gain deferred	+		
Recapture deferred	+		
Deductible expenses capitalized for book purposes – Schedule 1	+		
	+		
Total additions per books	=	826,248	826,248
Proceeds up to original cost – Schedule 8 regular classes		1,657	
Proceeds up to original cost – Schedule 8 leasehold improvements	+		
Proceeds in excess of original cost – capital gain	+		
Recapture deferred – as above	+		
Capital gain deferred – as above	+		
Pre V-day appreciation	+		
	+		
Total proceeds per books	=	1,657	1,657
Depreciation and amortization per accounts – Schedule 1	-		646,813
Loss on disposal of fixed assets per accounts	-		
Gain on disposal of fixed assets per accounts	+		
Net change per tax return	=		177,778

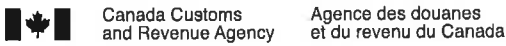
## Financial statements

### Fixed assets (excluding land) per financial statements

Closing net book value		7,736,240
Opening net book value	-	7,556,805
Net change per financial statements	=	179,435

If the amounts from the tax return and the financial statements differ, explain why below

\$1,657 of proceeds credited to pool for tax, directly to gain on sale for accounting.



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:

- 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.



Canada Customs  
and Revenue Agency

Agence des douanes  
et du revenu du Canada

**SCHEDULE 10**

**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.

**Part 1 – Calculation of current deduction and carry-forward**

<b>Cumulative eligible capital - Balance at the end of the preceding taxation year</b> (if negative, enter "0")	<b>200</b>	647,656	<b>A</b>
<b>Add:</b> Cost of eligible capital property acquired during the taxation year	<b>222</b>		
Other adjustments	<b>226</b>		
Subtotal (line 222 plus line 226)		x 3 / 4 =	<b>B</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	<b>228</b>	x 1 / 2 =	<b>C</b>
amount B minus amount C (if negative, enter "0")			<b>D</b>
Amount transferred on amalgamation or wind-up of subsidiary	<b>224</b>		<b>E</b>
Subtotal (add amounts A, D, and E)	<b>230</b>	647,656	<b>F</b>
<b>Less:</b> Proceeds of sale (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year	<b>242</b>		<b>G</b>
The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7)	<b>244</b>		<b>H</b>
Other adjustments	<b>246</b>		<b>I</b>
(add amounts G, H, and I)		x 3 / 4 =	<b>248</b> <b>J</b>
<b>Cumulative eligible capital balance</b> (amount F minus amount J)		647,656	<b>K</b>
(if amount K is negative, enter "0" at line M and proceed to Part 2)			
<b>Cumulative eligible capital for a property no longer owned after ceasing to carry on that business</b>	<b>249</b>		
amount K		647,656	
less amount from line 249			
<b>Current year deduction</b>		647,656 x 7.00 % =	<b>250</b> 45,336 *
(line 249 plus line 250) (enter this amount at line 405 of Schedule 1)		45,336	<b>L</b>
<b>Cumulative eligible capital – Closing balance</b> (amount K minus amount L) (if negative, enter "0")	<b>300</b>	602,320	<b>M</b>

\* 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.

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

Page 2 of 2



Canada Customs  
and Revenue Agency

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**SCHEDULE 36**

**AGREEMENT AMONG RELATED CORPORATIONS – PART 1.3 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 1.3 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**

Date filed (do not use this area) ..... 010 ..... Year Month Day

Is this an amended agreement? ..... 020 1 Yes ☐ 2 No ☒

Calendar year to which the agreement applies ..... 030 ..... Year 2005

**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 1.3 tax under subsection 181.1(3) does not have to be included.

Names of all corporations which are members of the related group <b>200</b>	Business Number (if a corporation is not registered, enter "NR") <b>300</b>	Allocation of capital deduction for the year \$ <b>400</b>	Taxation year end to which this agreement applies* (YYYY/MM/DD) <b>500</b>
E.L.K. Energy Inc.	86656 7787 RC0001	45,000,000	
1 E.L.K. SOLUTIONS INC.	86487 7519 RC0001	5,000,000	
<b>Total (cannot be more than \$50,000,000)</b>		<b>50,000,000</b>	

\* 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.  
 \*\*\* = 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.

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					
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.

Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

For agency use  
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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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[ 264 ]	_____	[ 950 ]	SLATER
[ 291 ]	2	[ 951 ]	SANDRA
[ 292 ]	2	[ 954 ]	DIRECTOR OF FINANCE
[ 370 ]	_____	[ 955 ]	2006 04 10
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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

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 from Schedule 001, or GIF1 [line 200300]	795 505
Part I tax payable [line 200700]	175 500
Part I.3 tax payable [line 200704]	0
Part II surtax payable [line 200708]	0
Part IV tax payable [line 200712]	0
Part IV.1 tax payable [line 200716]	0
Part VI tax payable [line 200720]	0
Part VI.1 tax payable [line 200724]	0
Part XIV tax payable [line 200728]	0
Net provincial and territorial tax payable [line 200760]	0
Provincial tax on large corporations [line 200765]	0

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.

2006-04-10

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: 2005-12-31

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 [ 603 ] Enerconnect Limited Partnership income  
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 [ 700 ] Deduction of expenses capitalized for accounting  
 [ 701 ] Recovery of previous PILs in accounting income  
 [ 702 ] Enerconenecy Loss for income tax purposes  
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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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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.

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Taxation Year End: 2005-12-31

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			[ 450 ]	1.	_____	*
					XXXXXXXXXXXXX	

Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

[ 520 ] 1. \_\_\_\_\_ \*

[ 950 ] 1. \_\_\_\_\_ \*

XXXXXXXXXXXX

[ 530 ] 1. \_\_\_\_\_ \*

[ 540 ] 1. \_\_\_\_\_ \*

[ 550 ] 1. \_\_\_\_\_ \*

XXXXXXXXXXXX

[ 620 ] 1. \_\_\_\_\_ \*

[ 630 ] 1. \_\_\_\_\_ \*

[ 640 ] 1. \_\_\_\_\_ \*

[ 650 ] 1. \_\_\_\_\_ \*

XXXXXXXXXXXX

[ 655 ] \_\_\_\_\_

[ 875 ] \_\_\_\_\_

[ 880 ] \_\_\_\_\_

[ 885 ] \_\_\_\_\_

[ 890 ] 33 701

XXXXXXXXXXXX

[ 920 ] 1. \_\_\_\_\_ \*

[ 930 ] 1. \_\_\_\_\_ \*

[ 940 ] 1. \_\_\_\_\_ \*

Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

[ 105 ] 1. \_\_\_\_\_ \*

[ 106 ] 1. \_\_\_\_\_ \*

[ 200 ]@ 1. 47 Maple

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ \*

[ 307 ] 1. \_\_\_\_\_ \*

[ 400 ] 1. \_\_\_\_\_ \*

[ 500 ] 1. \_\_\_\_\_ \*

[ 600 ] 1. \_\_\_\_\_ \*

[ 900 ] 1. \_\_\_\_\_ \*

XXXXXXXXXXXXX

Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

[ 101 ] 2

[ 200 ] 1. 1  
2. 8  
3. 10  
4. 12  
5. 45  
6. 47 \*

[ 211 ] 1. \_\_\_\_\_  
2. 16 138  
3. \_\_\_\_\_  
4. 14 294  
5. 13 846  
6. 368 847 \*

[ 212 ] 1. 4  
2. 20  
3. 30  
4. 100  
5. 45  
6. 8 \*

XXXXXXXXXXXXX

[ 201 ] 1. 9 039 670  
2. 246 052  
3. 216 279  
4. 32 211  
5. \_\_\_\_\_  
6. \_\_\_\_\_ \*

[ 203 ] 1. \_\_\_\_\_  
2. 32 276  
3. \_\_\_\_\_  
4. 28 588  
5. 27 691  
6. 737 693 \*

[ 205 ] 1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_  
4. \_\_\_\_\_  
5. \_\_\_\_\_  
6. \_\_\_\_\_ \*

[ 207 ] 1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. 1 657  
4. \_\_\_\_\_  
5. \_\_\_\_\_  
6. \_\_\_\_\_ \*

[ 213 ] 1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_  
4. \_\_\_\_\_  
5. \_\_\_\_\_  
6. \_\_\_\_\_ \*

[ 215 ] 1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_

Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

4. \_\_\_\_\_  
5. \_\_\_\_\_  
6. \_\_\_\_\_ \*

[ 217 ] 1. 361 587  
2. 52 438  
3. 64 387  
4. 46 505  
5. 6 230  
6. 29 508 \*

[ 220 ] 1. 8 678 083  
2. 225 890  
3. 150 235  
4. 14 294  
5. 21 461  
6. 708 185 \*

XXXXXXXXXXXX

Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

[ 300 ] 1. 86487 7519 RC 0001 \*

[ 400 ] 1. 2 \*

XXXXXXXXXXXXX

[ 100 ] 1. E.L.K. SOLUTIONS INC. \*

[ 200 ] 1. \_\_\_\_\_ \*

[ 500 ] 1. 10 000 \*

[ 550 ] 1. 100 \*

[ 600 ] 1. \_\_\_\_\_ \*

[ 650 ] 1. \_\_\_\_\_ \*

[ 700 ] 1. 100 \*

XXXXXXXXXXXXX

Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

[ 200 ] 647 656

[ 222 ] \_\_\_\_\_

[ 224 ] \_\_\_\_\_

[ 226 ] \_\_\_\_\_

[ 228 ] \_\_\_\_\_

[ 230 ] 647 656

XXXXXXXXXXXXX

[ 242 ] \_\_\_\_\_

[ 244 ] \_\_\_\_\_

[ 246 ] \_\_\_\_\_

[ 248 ] \_\_\_\_\_

XXXXXXXXXXXXX

[ 249 ] \_\_\_\_\_

[ 250 ] 45 336

[ 300 ] 602 320

XXXXXXXXXXXXX

[ 400 ] \_\_\_\_\_

[ 401 ] \_\_\_\_\_

[ 402 ] \_\_\_\_\_

[ 408 ] \_\_\_\_\_

[ 409 ] \_\_\_\_\_

[ 410 ] \_\_\_\_\_

XXXXXXXXXXXXX

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. \_\_\_\_\_ \*

XXXXXXXXXXXXX

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

XXXXXXXXXXXXX

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

XXXXXXXXXXXXX



Name: E.L.K. Energy Inc.

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  
2. 24  
3. 38 \*

[ 500 ] 1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_ \*

XXXXXXXXXXXXX

Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

[ 3640 ]	23 850 118	[ 3450 ]	889 729
	XXXXXXXXXXXXX	[ 3499 ]	11 319 480
			XXXXXXXXXXXXX
[ 1000 ]	8 718 402		
[ 1060 ]	1 069 565	[ 3500 ]	100
[ 1062 ]	3 483 315	[ 3540 ]	4 402 373
[ 1066 ]	510 210	[ 3600 ]	8 128 165
[ 1120 ]	311 357	[ 3620 ]	12 530 638
[ 1484 ]	101 518		XXXXXXXXXXXXX
[ 1599 ]	14 194 367		
[ 1600 ]	156 387	[ 3660 ]	6 986 379
[ 1680 ]	3 048 815	[ 3680 ]	1 141 786
[ 1681 ]	# 2 262 221	[ 3849 ]	8 128 165
[ 1740 ]	15 723 101		XXXXXXXXXXXXX
[ 1741 ]	# 8 773 455		
[ 2008 ]	18 928 303		
[ 2009 ]	# 11 035 676		
[ 2242 ]	100		
[ 2420 ]	635 024		
[ 2421 ]	1 128 000		
[ 2589 ]	1 763 124		
[ 2599 ]	23 850 118		
	XXXXXXXXXXXXX		
[ 2600 ]	_____		
[ 2620 ]	4 362 018		
[ 2861 ]	4 550 000		
[ 2961 ]	1 517 733		
[ 3139 ]	10 429 751		
[ 3320 ]	239 692		
[ 3322 ]	650 037		

Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

[ 0001 ] \_\_\_\_\_

[ 0002 ] MUNICIPALLY OWNED ELECTRICAL DISTRIBUTION COMPANY  
 XXXXXXXXXXXXX

[ 0003 ] \_\_\_\_\_

XXXXXXXXXXXXX

[ 8519 ] 3 432 712

[ 8710 ] 387 319

[ 9369 ] 1 303 786

[ 8813 ] 481 419

[ 9899 ] \_\_\_\_\_

[ 9270 ] 601 125

[ 970 ] 1 303 786

[ 9284 ] 626 995

[ 9975 ] \_\_\_\_\_

[ 9367 ] 2 743 671

[ 9976 ] \_\_\_\_\_

[ 9368 ] 19 709 138

[ 9980 ] \_\_\_\_\_

XXXXXXXXXXXXX

[ 9985 ] \_\_\_\_\_

[ 9990 ] 300 000

[ 9370 ] \_\_\_\_\_

[ 9995 ] # 138 000

[ 9659 ] 0

[ 9999 ] 1 141 786

XXXXXXXXXXXXX

XXXXXXXXXXXXX

[ 9660 ] \_\_\_\_\_

[ 8000 ] 20 398 179

[ 9898 ] 0

[ 8089 ] 20 398 179

XXXXXXXXXXXXX

[ 8094 ] 552 379

[ 8245 ] 62 366

[ 8299 ] 21 012 924

XXXXXXXXXXXXX

[ 8300 ] \_\_\_\_\_

[ 8320 ] 16 965 467

[ 8518 ] 16 965 467

[ 8670 ] 646 813

Name: E.L.K. Energy Inc.

BN: 86656 7787 RC 0001

Taxation Year End: 2005-12-31

[ 095 ] 1

[ 097 ] 2

[ 198 ] 1

[ 099 ] 2

[ 101 ] 1

[ 102 ] 2

[ 103 ] 2

[ 104 ] 2

[ 105 ] 2

[ 106 ] 1

[ 107 ] 2

[ 108 ] 2

XXXXXXXXXXXX



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

2004/  
2005

# CT23 Corporations Tax and Annual Return

Corporations Tax Act - Ministry of Finance (MOF)  
Corporations Information Act - Ministry of Consumer and Business Services (MCBS)

For taxation years commencing  
after December 31, 2002

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).

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.

Ministry Use

MCBS Annual Return Required? (Not required if already filed or Annual Return exempt. Refer to Guide)

☒ Yes ☐ No

Page 1 of 20

Corporation's Legal Name (including punctuation) <b>E.L.K. Energy Inc.</b>			<b>Ontario Corporations Tax Account No. (MOF)</b> <b>1800085</b>														
Mailing Address  <b>172 Forest Avenue</b>  <b>Essex</b> <b>ON CA N8M 3E4</b>			This Return covers the Taxation Year  Start <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2005</td><td>01</td><td>01</td></tr></table> End <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2005</td><td>12</td><td>31</td></tr></table>			year	month	day	2005	01	01	year	month	day	2005	12	31
year	month	day															
2005	01	01															
year	month	day															
2005	12	31															
Has the mailing address changed since last filed CT23 Return? <input type="checkbox"/> Yes <input type="checkbox"/> No			Date of Incorporation or Amalgamation <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr><tr><td>2000</td><td>01</td><td>06</td></tr></table>			year	month	day	2000	01	06						
year	month	day															
2000	01	06															
Registered/Head Office Address  <b>172 Forest Avenue</b>  <b>Essex</b> <b>ON CA N8M 3E4</b>			Ontario Corporation No. (MCBS) <table border="1"><tr><td>1395434</td></tr></table>			1395434											
1395434																	
Location of Books and Records  <b>172 Forest Avenue</b>  <b>Essex</b> <b>ON CA N8M 3E4</b>			Canada Customs and Revenue Agency Business No. <table border="1"><tr><td>If applicable, enter</td></tr><tr><td>86656 7787 RC0001</td></tr></table>			If applicable, enter	86656 7787 RC0001										
If applicable, enter																	
86656 7787 RC0001																	
Name of person to contact regarding this CT23 Return  <b>SANDRA SLATER</b>	Telephone No.  <b>(519) 776-5291</b>	Fax No.	Jurisdiction Incorporated <table border="1"><tr><td>ONTARIO</td></tr></table>			ONTARIO											
ONTARIO																	
Address of Principal Office in Ontario (Extra-Provincial Corporations only) (MCBS)  <b>Ontario Canada</b>			If not incorporated in Ontario, indicate the date Ontario business activity commenced and ceased: Commenced <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr></table> Ceased <table border="1"><tr><td>year</td><td>month</td><td>day</td></tr></table>			year	month	day	year	month	day						
year	month	day															
year	month	day															
Former Corporation Name (Extra-Provincial Corporations only) <input checked="" type="checkbox"/> Not Applicable (MCBS)			<input checked="" type="checkbox"/> Not Applicable														
Information on Directors/Officers/Administrators must be completed on MCBS Schedule A or K as appropriate. If additional space is required for Schedule A, only this schedule may be photocopied. State number submitted (MCBS).  No. of Schedule(s) <table border="1"><tr><td></td></tr></table>				Preferred Language / Langue de préférence <input checked="" type="checkbox"/> English <input type="checkbox"/> French <i>anglais français</i>													
If there is <b>no change</b> to the Directors'/Officers'/Administrators' information previously submitted to MCBS, please check (X) this box. Schedule(s) A and K are not required (MCBS). <input checked="" type="checkbox"/> No Change			Ministry Use 														

## 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**

Title ☒ Director ☐ Officer ☐ Other individuals having knowledge of the Corporation's business activities

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

E.L.K. Energy Inc.

1800085

2005-12-31

# CT23 Corporations Tax Return

Identification continued (for CT23 filers only)

Type of Corporation – Please check (X) box(es) if applicable in sections

1 & 2

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) ▼

Share Capital with full voting rights  
owned by Canadian Residents

(nearest percent)

100 %

## Utility-MEU

- 2
- 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.2(2)(a) or (b)
- 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)

- 14 ☐ Bare Trustee Corporation
- 15 ☐ Branch of Non-resident s.63(1)
- 16 ☐ Financial institution prescribed by  
Regulation only
- 17 ☐ Investment Dealer
- 18 ☐ Generator of electrical energy for sale or  
producer of steam for use in the generation  
of electrical energy for sale
- 19 ☒ Hydro successor, Municipal Electrical  
Utility or subsidiary of either
- 20 ☐ Producer and seller of steam for uses  
other than for the generation of electricity
- 21 ☐ Insurance Exchange s.74.4
- 22 ☐ Farm Feeder Finance Co-operative  
Corporation
- 23 ☐ Professional Corporation  
(incorporated professionals only)

Ontario Retail Sales Tax Vendor Permit No.  
(Use Head Office no.)

If applicable, enter

Ontario Employer Health Tax Account No.  
(Use Head Office no.)

If applicable, enter

Specify major business activity

Please check (X) box(es) if applicable

☐ First Year of Filing

☐ Amended Return

☐ Taxation Year End has changed – Canada  
Customs and Revenue Agency 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

☐ Transfer or Receipt of Asset(s) involving a  
corporation having a Canadian permanent  
establishment outside Ontario

☐ Acquisition of Control fed s. 249(4)

Date Control was acquired

year month day

Was the corporation inactive throughout the taxation year?

Has the corporation's Federal T2 Return been filed with the Canada Customs and Revenue Agency (CCRA)?

Are you requesting a refund due to: the Carry-back of a Loss?

an Overpayment?

a Specified Refundable Tax Credit?

Are you a Member of a Partnership or Joint Venture?

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Allocation** – If you carry on a business through a permanent establishment in a jurisdiction outside Ontario, you may allocate that portion of taxable income deemed earned in that jurisdiction to that jurisdiction (s.39) (Int.B. 3008).

DOLLARS ONLY

Net Income (loss) for Ontario purposes (per reconciliation schedule, page 15)	- - - - -	±	From 690	795,505
Subtract: Charitable donations	- - - - -	-	1	695
Subtract: Gifts to Her Majesty in right of Canada or a province and gifts of cultural property (Attach schedule 2)	- - - - -	-	2	
Subtract: Taxable dividends deductible, per federal Schedule 3	- - - - -	-	3	1,410
Subtract: Ontario political contributions (Attach Schedule 2A) (Int.B. 3002R)	- - - - -	-	4	
Subtract: Federal Part VI.1 tax	- - - - -	-	5	
Subtract: Prior years' losses applied – Non-capital losses	- - - - -	-	From 704	
	From 715			
Net capital losses (page 16)	- - - - -	x	inclusion rate 50.000000 %	=
Farm losses	- - - - -	-	From 724	
Restricted farm losses	- - - - -	-	From 734	
Limited partnership losses	- - - - -	-	From 754	
<b>Taxable Income (Non-capital loss)</b>	- - - - -	=	10	793,400
Addition to taxable income for unused foreign tax deduction for federal purposes	- - - - -	+	11	
<b>Adjusted Taxable Income</b>	10 + 11 (if 10 is negative, enter 11)	=	20	793,400

## Taxable Income

From 10 (or 20 if applicable)	793,400	x	30	100.0000 %	x	12.5 %	x	33	÷	73	365	=	+	29		
				Ontario Allocation												
From 10 (or 20 if applicable)	793,400	x	30	100.0000 %	x	14 %	x	34	365	÷	73	365	=	+	32	111,076
				Ontario Allocation												
<b>Income Tax Payable (before deduction of tax credits)</b>			29	+	32								=	40	111,076	

## Number of Days in Taxation Year

Days after Dec. 31, 2002 and before Jan. 1, 2004

Total Days

Days after Dec. 31, 2003

Total Days

## 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(5.1) not been applicable in the taxation year? (X)

☐ Yes ☒ No

* Income from active business carried on in Canada for federal purposes (fed.s.125(1)(a))	- - - - -	50	
Federal taxable income, less adjustment for foreign tax credit (fed.s.125(1)(b))	+	51	
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	
	=	54	
Federal Business limit (line 410 of the T2 Return) for the year before the application of fed.s.125(5.1)	- - - - -	55	

## Ontario Business Limit Calculation

320,000 x	31	÷	**	365	=	+	46	
400,000 x	34	365	÷	**	365	=	+	47
Business Limit for Ontario purposes	46	+	47	=	44			
				x	48	%	=	45
<b>Income eligible for the IDSBC</b>	- - - - -	From 30	100.0000 %	x	56	=	60	
			***Ontario Allocation				Least of 50, 54 or 45	

Percentage of federal Business limit (from T2 Schedule 23). Enter 100% if not associated.

\* 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

**Income Tax** *continued from Page 4*

		<b>Number of Days in Taxation Year</b>			
<b>Calculation of IDSBC Rate</b>	-----	7 %	x	Days after Dec 31, 2002 and before Jan 1, 2004	Total Days
				31	73 365
				= +	89
		8.5 %	x	Days after Dec 31, 2003	Total Days
				34 365	73 365
				= +	90 8.5000
<b>IDSBC Rate for Taxation Year</b>	<b>89 + 90</b>			=	78 8.5000
<b>Claim</b>	-----	From <b>60</b>	x	From <b>78</b>	8.5000 %
				=	70

Corporations claiming the IDSBC must complete the Surtax section below if the corporation's taxable income (or if associated, the associated group's taxable income) is greater than the amount in **114** below.

**Surtax on Canadian-controlled Private Corporations (s.41.1)**

**Applies** if you have claimed the Incentive Deduction for Small Business Corporations.

**Associated Corporation** - The Taxable Income of associated corporations is the taxable income for the taxation year ending on or before the date of this corporation's taxation year end.

\*Taxable Income of the corporation ----- From **10** (or **20** if applicable) + **80**

If you are a member of an associated group (X) **81** (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)
-----	-----	-----	+ <b>82</b>
-----	-----	-----	+ <b>83</b>
-----	-----	-----	+ <b>84</b>
<b>Aggregate Taxable Income</b>	<b>80 + 82 + 83 + 84, etc.</b>		= <b>85</b>

		<b>Number of Days in Taxation Year</b>			
320,000 x	-----		x	Days after Dec 31, 2002 and before Jan 1, 2004	Total Days
				31	73 365
				= +	115
400,000 x	-----		x	Days after Dec 31, 2003	Total Days
				34 365	73 365
				= +	116
		<b>115 + 116</b>	=		114
(If negative, enter nil)	-----			=	86

		<b>Number of Days in Taxation Year</b>			
<b>Calculation of Specified Rate for Surtax</b>	-----	4.6670 %	x	Days after Dec 31, 2002	Total Days
				38	73 365
				= +	97
	From <b>86</b>	x	From <b>97</b>	%	= <b>87</b>
	From <b>87</b>	x	From <b>60</b>	÷ From <b>114</b>	= <b>88</b>
<b>Surtax Lesser of</b>	<b>70</b> or <b>88</b>			=	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.

*continued on Page 6*



**Additional Deduction for Credit Unions (s.51(4))** (Attach schedule 17)

110

**Manufacturing and Processing Profits Credit (M&P) (s.43)**

**Applies** to Eligible Canadian Profits from manufacturing and processing, farming, mining, logging and fishing carried on in Canada, as determined by regulations.

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.

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.

**Eligible Canadian Profits**

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC)

Add: Adjustment for Surtax on Canadian-controlled private corporations

From 100 ÷ From 30 100.0000% ÷ From 78 8.5000% = 121  
\*Ontario Allocation

Lesser of 56 or 121 + 122

120 - 56 + 122 = 130

**Taxable Income** + From 10 793,400

Subtract: Income eligible for the Incentive Deduction for Small Business Corporations (IDSBC) - From 56

Add: Adjustments for Surtax on Canadian-controlled private corporations + From 122

Subtract: Taxable Income 10 793,400 X Allocation % to jurisdictions outside Canada % - 140

Subtract: Amount by which Canadian and foreign investment income exceeds net capital losses - 141 230,563

10 - 56 + 122 - 140 - 141 = 142 562,837

**Claim**

143 X From 30 100.0000% X 1.5% X 33 ÷ 73 365 = + 154  
Lesser of 130 or 142 Ontario Allocation

143 X From 30 100.0000% X 2% X 34 365 ÷ 73 365 = + 156  
Lesser of 130 or 142 Ontario Allocation

M&P claim for taxation year 154 + 156 = 160

\* 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 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 = 190 111,076

continued on Page 7

Income Tax continued from Page 6

Specified Tax Credits (Refer to Guide)

**Ontario Innovation Tax Credit (OITC) (s.43.3)** Applies to scientific research and experimental development in Ontario.

Eligible Credit From 5620 OITC Claim Form (Attach original Claim Form) - - - - - + 191

**Co-operative Education Tax Credit (CETC) (s.43.4)** Applies to employment of eligible students.

Eligible Credit From 5798 CT23 Schedule 113 (Attach Schedule 113) - - - - - + 192

**Ontario Film & Television Tax Credit (OFTTC) (s.43.5)**

Applies to qualifying Ontario labour expenditures for eligible Canadian content film and television productions. Name of Production 204

Eligible Credit From 5850 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) - - - - - + 193

**Graduate Transitions Tax Credit (GTTC) (s.43.6)**

Applies to employment of eligible unemployed post secondary graduates, for employment commencing prior to July 6, 2004 and expenditures incurred prior to January 1, 2005. No. of Graduates From 6596 194

Eligible Credit From 6598 CT23 Schedule 115 (Attach Schedule 115) - - - - - + 195

**Ontario Book Publishing Tax Credit (OBPTC) (s.43.7)**

Applies to qualifying expenditures in respect of eligible literary works by eligible Canadian authors.

Eligible Credit From 6900 OBPTC Claim Form (Attach both the original Claim Form and the Certificate of Eligibility) - - - - - + 196

**Ontario Computer Animation and Special Effects Tax Credit (OCASE) (s.43.8)**

Applies to labour relating to computer animation and special effects on an eligible production.

Eligible Credit From 6700 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) - - - - - + 197

**Ontario Business-Research Institute Tax Credit (OBRITC) (s.43.9)**

Applies to qualifying R&D expenditures under an eligible research institute contract.

Eligible Credit From 7100 OBRITC Claim Form (Attach original Claim Form) - - - - - + 198

**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 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) - - - - - + 199

**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 of the Certificate of Eligibility issued by the Ontario Media Development Corporation (OMDC) (Attach the original Certificate of Eligibility) - - - - - + 200

**Ontario Sound Recording Tax Credit (OSRTC) (s.43.12)**

Applies to qualifying expenditures in respect of eligible Canadian sound recordings.

Eligible Credit From 7500 OSRTC Claim Form (Attach both the original Claim Form and the Certificate of Eligibility) - - - - - + 201

**Apprenticeship Training Tax Credit (ATTC) (s.43.13)**

Applies to employment of eligible apprentices. No. of Apprentices From 5896 202

Eligible Credit From 5898 CT23 Schedule 114 (Attach Schedule 114) - - - - - + 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 reporting Non-Capital Loss (amount cannot be negative) - - - - - = 230 111,076

To determine if the Corporate Minimum Tax (CMT) is applicable to your Corporation, see **Determination of Applicability** section for the CMT on Page 8. If CMT is not applicable, transfer amount in 230 to Income Tax in **Summary** section on Page 17.

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 + 240 23,850,118 .  
Total Revenue of the corporation + 241 21,012,924 .

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 (Yes)

Name of associated corporation (Canadian & foreign) (if insufficient space, attach schedule)	Ontario Corporations Tax Account No. (MOF) (if applicable)	Taxation Year End	Total Assets	Total 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 .	
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 or before 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 . X From 30 100.0000 % X 4 % = 276 52,095 .  
If negative, enter zero Ontario Allocation

Subtract: Foreign Tax Credit for CMT purposes (Attach Schedule) - - - - - 277 .

Subtract: Income Tax - - - - - From 190 111,076 .

Net CMT Payable (If negative, enter Nil on Page 17.) - - - - - = 280 -58,981 .

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 .

## Application of CMT Credit Carryovers

**A.** Income Tax (before deduction of specified credits) - - - - - + From 190 111,076 .

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 .

Income Tax eligible for CMT Credit - - - - - = 300 58,981 .

**B.** Income Tax (after deduction of specified credits) - - - - - + From 230 111,076 .

Subtract: CMT credit used to reduce income taxes - - - - - 310 .

Income Tax - - - - - = 320 111,076 .

Transfer to page 17

If A & B apply, 310 cannot exceed the lesser of 230, 300 and your CMT credit carryover available 2333 .

If only B applies, 310 cannot exceed the lesser of 230 and your CMT credit carryover available 2333 .

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)), 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 the Gross Revenue and Total Assets as calculated on page 10 in 480 and 430 are both \$3,000,000 or less, your corporation is exempt from Capital Tax for the taxation year, except for a branch of a non-resident corporation. 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. 3017R).

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. 3012R and 3015R)		+	350	100	•
Retained earnings (if deficit, deduct) (Int.B. 3012R)		±	351	8,128,165	•
Capital and other surpluses, excluding appraisal surplus (Int.B.3012R)		+	352	4,402,373	•
Loans and advances (Attach schedule) (Int.B. 3013R)		+	353	6,307,425	•
Bankers' acceptances (Int.B. 3013R)		+	354		•
Bankers' acceptances (Int.B. 3013R)		+	355		•
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 revenue where it would also be included in paid-up capital for the purposes of the large corporations tax) (Int.B. 3013R)		+	359	-1,128,000	•
Contingent, investment, inventory and similar reserves (Int.B. 3012R)		+	360	650,037	•
Other reserves not allowed as deductions for income tax purposes (Attach schedule) (Int.B. 3012R)		+	361		•
Share of partnership(s) or joint venture(s) paid-up capital (Attach schedule(s)) (Int.B. 3017R)		+	362		•
<b>Subtotal</b>		=	370	18,360,100	•
Subtract: Amounts deducted for income tax purposes in excess of amounts booked (Retain calculations. Do not submit.) (Int.B. 3012R)		-	371	762,196	•
Deductible R & D expenditures and ONTTI costs deferred for income tax if not already deducted for book purposes (Int.B. 3015R)		-	372		•
<b>Total Paid-up Capital</b>		=	380	17,597,904	•
Subtract: Deferred mining exploration and development expenses (s.62(1)(d)) (Int.B. 3015R)		-	381		•
<b>Electrical Generating Corporations Only</b> – 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		•
<b>Net Paid-up Capital</b>		=	390	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		+	403		•
Shares in other corporations (certain restrictions apply) (Refer to Guide)		+	404	100	•
Loans and advances to unrelated corporations		+	405		•
Eligible loans and advances to related corporations (certain restrictions apply) (Refer to Guide)		+	406		•
Share of partnership(s) or joint venture(s) eligible investments (Attach schedule)		+	407		•
<b>Total Eligible Investments</b>		=	410	100	•

continued on Page 10

**Total Assets** (Int.B. 3015R)**DOLLARS ONLY**

Total Assets per balance sheet	- - - - -	+ 420	23,850,118 ●
Mortgages or other liabilities deducted from assets	- - - - -	+ 421	●
Share of partnership(s)/joint venture(s) total assets ( <i>Attach schedule</i> )	- - - - -	+ 422	●
Subtract: Investment in partnership(s)/joint venture(s)	- - - - -	- 423	●
<b>Total Assets as adjusted</b>	- - - - -	= 430	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	- - - - -	- 442	●
Add or Subtract: Other adjustments (specify on an attached schedule)	- - - - -	+ 443	●
<b>Total Assets</b>	- - - - -	= 450	23,087,922 ●

[illegible]

<b>Gross Revenue</b>	(as adjusted to include the share of any partnership(s)/joint venture(s) Gross Revenue)	- - -	480		21,012,924 ●
<b>Total Assets</b>	(as adjusted)	- - - - -	From 430		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.*

**Important:**

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

### Calculation of Taxable Capital Deduction (TCD)

		Number of Days in Taxation Year			
		Days before Jan. 1, 2005	Total Days		
5,000,000	x	<input type="text" value="35"/>	÷ <input type="text" value="73"/>	<input type="text" value="365"/>	= + <input type="text" value="500"/>
		Days after Dec. 31, 2004 and before Jan. 1, 2006	Total Days		
7,500,000	x	<input type="text" value="36"/>	÷ <input type="text" value="73"/>	<input type="text" value="365"/>	= + <input type="text" value="501"/>
		Days after Dec. 31, 2005 and before Jan. 1, 2007	Total Days		
10,000,000	x	<input type="text" value="37"/>	÷ <input type="text" value="73"/>	<input type="text" value="365"/>	= + <input type="text" value="502"/>
<b>Capital Deduction (TCD)</b>		<input type="text" value="500"/> + <input type="text" value="501"/> + <input type="text" value="502"/>		= <input type="text" value="503"/> <input type="text" value="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.

$$\begin{array}{l}
 + \text{ From } \boxed{470} \\
 - \text{ From } \boxed{503} \\
 = \boxed{471}
 \end{array}
 \times
 \begin{array}{l}
 \text{From } \boxed{30} \text{ } \boxed{100.0000} \% \\
 \text{Ontario Allocation}
 \end{array}
 \times
 \begin{array}{l}
 \text{Days in taxation year} \\
 0.3 \% \times \frac{\boxed{555} - \boxed{365}}{365 \text{ (366 if leap year)}}
 \end{array}
 = + \boxed{523}$$

*If floating taxation year, refer to Guide.*

Transfer to **543** on page 12 and complete the return from that point

*continued on Page 11*

E.L.K. Energy Inc.

1800085

2005-12-31

DOLLARS ONLY

**Capital Tax Calculation** *continued from Page 10***SECTION D**

This section applies ONLY to a corporation that is a member of an associated group (excluding Financial Institutions and corporations exempt from Capital Tax) and/or partnership. You must check either ☐ 509 or ☐ 524 and complete this section before you can calculate your Capital Tax Calculation under either Section E or Section F.

D1. ☐ 509 (X if applicable)All corporations that you are associated with do **not** have a permanent establishment 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 exceeds the TCD ☐ 503 on page 10, proceed to **Section E**, enter the TCD amount in ☐ 542 in Section E, and complete Section E and the return from that point.

D2. ☒ 524 (X if applicable)One or more of the corporations that you are associated with **maintains** a permanent establishment in Canada.

You and your associated group may continue to allocate the TCD by completing the Calculation below. Or, the associated group **may file an election** under subsection 69(2.1) of the *Corporations Tax Act*, whereby total assets are used to allocate the TCD among the associated group. Once a ss.69(2.1) election is filed, all members of the group will then be required to file in accordance with the election and allocate a portion (portion is henceforth referred to as **Net Deduction**) of the capital tax effect relating to the TCD to each corporation in the group on the basis of the ratio that each corporation's total assets multiplied by its Ontario allocation is to the total assets of the group.

The total asset amounts and Ontario allocation percentages to be used for this calculation must be taken from each corporation's financial information from its last taxation year ending in the immediately preceding calendar year.

In addition, although each corporation in the associated group may deduct its Net Deduction amount as apportioned by the total asset formula, the group may, at the group's option, reallocate the group's total Net Deduction among the group on what ever basis the corporate group wishes, as long as the total of the reallocated amounts does not exceed the group's total Net Deduction amount originally calculated for the associated group.

**Calculation** Do not complete this calculation if ss.69(2.1) election is filed

Taxable Capital From ☐ 470 on page 10 - - - - - + From ☐ 470 17,597,828 .

**Determine aggregate taxable capital of an associated group (excluding financial institutions and corporations exempt from capital tax) and/or partnership having a permanent establishment in Canada**

Names of associated corporations (excluding Financial Institutions and corporations exempt from Capital Tax) having a permanent establishment in Canada (if insufficient space, attach schedule)

Ontario Corporations Tax Account No. (MOF) (if applicable)

Taxation Year End

Taxable Capital

E.L.K. SOLUTIONS INC.

1800362

2005-12-31

+ ☐ 531 134,001 .+ ☐ 532 .+ ☐ 533 .Aggregate Taxable Capital ☐ 470 + ☐ 531 + ☐ 532 + ☐ 533 , etc. - - - - -= ☐ 540 17,731,829 .

If ☐ 540 above is equal to or less than the TCD ☐ 503 on page 10, the corporation's Capital Tax for the taxation year, is NIL.

Enter NIL in ☐ 523 in section E on page 12, as applicable.

If ☐ 540 above is greater than the TCD ☐ 503 on page 10, the corporation must compute its share of the TCD below in order to calculate its Capital Tax for the taxation year under Section E on page 12.

From ☐ 470 17,597,828 . ÷ From ☐ 540 17,731,829 . × From ☐ 503 7,500,000 . = ☐ 541 7,443,322 .

Transfer to ☐ 542 in Section E on page 12

**Ss.69(2.1) Election Filed**☐ 591 (X if applicable)

**Election filed.** Attach a copy of Schedule 591 with this CT23 Return. Proceed to **Section F** on page 12.

*continued on Page 12*



E.L.K. Energy Inc.

1800085

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DOLLARS ONLY

**Capital Tax** continued from Page 12**Calculation of Capital Tax for Financial Institutions****1.1 Credit Unions only**For taxation years commencing after May 4, 1999 enter NIL in  on page 12, and complete the return from that point.**1.2 Other than Credit Unions**(Retain details of calculations for amounts in boxes  and . Do not submit with this tax return.)

$$\begin{array}{l}
 \text{Days in taxation year} \\
 \text{Lesser of adjusted Taxable Paid Up Capital and Basic Capital Amount in accordance with Division B.1} \quad \times \quad 0.6 \% \quad \times \quad \text{From } \text{30} \quad \left| \frac{100.0000}{\%} \right| \times \frac{\text{555}}{\text{365}} \div \text{365 (366 if leap year)} = + \text{569}
 \end{array}$$

Ontario Allocation

$$\begin{array}{l}
 \text{Days in taxation year} \\
 \text{Adjusted Taxable Paid Up Capital in accordance with Division B.1 in excess of Basic Capital Amount} \quad \times \quad \text{Capital Tax Rate (Refer to Guide)} \quad \times \quad \text{From } \text{30} \quad \left| \frac{100.0000}{\%} \right| \times \frac{\text{555}}{\text{365}} \div \text{365 (366 if leap year)} = + \text{574}
 \end{array}$$

Ontario Allocation

$$\text{Capital Tax for Financial Institutions - other than Credit Unions (before Section 2)} \quad \text{569} + \text{574} = \text{575}$$

\* If floating taxation year, refer to Guide.

**2. 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.)

$$\begin{array}{l}
 \text{Allowable Credit for Eligible Investments} \quad - - - - - \quad \text{585} \\
 \text{Financial Institutions: Claiming a tax credit for investment in Community Small Business Investment Fund (CSBIF)? (X) } \quad \text{Yes}
 \end{array}$$

$$\text{Capital Tax - Financial Institutions} \quad \text{575} - \text{585} = \text{586}$$

Transfer to  on page 12

**Premium Tax** (s.74.2 & 74.3) (Refer to Guide)

$$\begin{array}{l}
 \text{(1) Uninsured Benefits Arrangements} \quad - - - - - \quad \text{587} \quad \times \quad 2 \% = \text{588} \\
 \text{Applies to Ontario-related uninsured benefits arrangements.}
 \end{array}$$

$$\begin{array}{l}
 \text{(2) Unlicensed Insurance (enter premium tax payable in } \text{588} \text{ and attach a detailed schedule of calculations. If subject to tax under (1) above, add both taxes together and enter total tax in } \text{588} \text{.)} \\
 \text{Applies to Insurance Brokers and other persons placing insurance for persons resident or property situated in Ontario with unlicensed insurers.}
 \end{array}$$

$$\text{Deduct: Specified Tax Credits applied to reduce premium tax (Refer to Guide)} \quad - - - - - \quad \text{589}$$

$$\text{Premium Tax} \quad \text{588} - \text{589} = \text{590}$$

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**

**Net Income (loss) for federal income tax purposes, per federal T2 Schedule 1**

± 600 795,505 •  
Transfer to page 15

**Add:**

Federal capital cost allowance	- - - - -	+	601	560,655 •
Federal cumulative eligible capital deduction	- - - - -	+	602	45,336 •
Ontario taxable capital gain	- - - - -	+	603	16,851 •
Federal non-allowable reserves. Balance beginning of year	- - - - -	+	604	653,229 •
Federal allowable reserves. Balance end of year	- - - - -	+	605	•
Ontario non-allowable reserves. Balance end of year	- - - - -	+	606	650,037 •
Ontario allowable reserves. Balance beginning of year	- - - - -	+	607	•
Federal exploration expenses (e.g. CEDE, CEE, CDE, COGPE)	- - - - -	+	608	•
Federal resource allowance (Refer to Guide)	- - - - -	+	609	•
Federal depletion allowance	- - - - -	+	610	•
Federal foreign exploration and development expenses	- - - - -	+	611	•
Crown charges, royalties, rentals, etc. deducted for Federal purposes (Refer to Guide)	- - - - -	+	617	•
Management fees, rents, royalties and similar payments to non-arm's length non-residents ▼	- - - - -			

**Number of Days in Taxation Year**

Days after Dec. 31, 2002 and before Jan. 1, 2004		Total Days
612	× 5 / 12.5 × 33	÷ 73 365 = + 633
Days after Dec. 31, 2003		Total Days
612	× 5 / 14 × 34	365 ÷ 73 365 = + 634

Total add-back amount for Management fees, etc. 633 + 634 = • + 613 •

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 - - - - - + 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 •

**Total of Additions** 601 to 611 + 617 + 613 + 615 + 616 + 620 + 614 = 1,926,108 • 640 1,926,108 •  
Transfer to page 15

**Deduct:**

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 = 1,926,108 • 681  
Transfer to page 15

continued on Page 15

E.L.K. Energy Inc.

1800085

2005-12-31

DOLLARS ONLY

# Reconcile net income (loss) for federal income tax purposes with net income (loss) for Ontario purposes if amounts differ

continued from Page 14

Net Income (loss) for federal income tax purposes, per federal Schedule 1 - - - - - From  $\pm$  600 795,505 .

Total of Additions on page 14 - - - - - From = 640 1,926,108 .

Sub Total of deductions on page 14 - - - - - From = 681 1,926,108 .

## Deduct:

### Ontario New Technology Tax Incentive (ONTTI) Gross-up

(Applies only to those corporations whose Ontario allocation is less than 100% in the current taxation year.)

Capital Cost Allowance (Ontario) (CCA) on prescribed qualifying intellectual property deducted in the current taxation year - - - 662 .

### ONTTI Gross-up deduction calculation:

Gross-up of CCA

$$\left[ \begin{array}{l} \text{From } 662 \cdot \times \\ \text{From } 30 \cdot 100.0000 \\ \text{Ontario Allocation} \end{array} \right] \times \frac{100}{100.0000} - \text{From } 662 \cdot = 663 \cdot$$

### Workplace Child Care Tax Incentive (WCCT)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures:  $\left[ 665 \cdot \times 30\% \times \frac{100}{100.0000} \right] = 666 \cdot$   
 From 30 Ontario allocation

### Workplace Accessibility Tax Incentive (WATI)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures:  $\left[ 667 \cdot \times 100\% \times \frac{100}{100.0000} \right] = 668 \cdot$   
 From 30 Ontario allocation

Number of Employees accommodated

669

### Ontario School Bus Safety Tax Incentive (OSBSTI)

(Applies to the eligible acquisition of school buses purchased after May 4, 1999 and before January 1, 2006.) (Refer to Guide)

Qualifying expenditures:  $\left[ 670 \cdot \times 30\% \times \frac{100}{100.0000} \right] = 671 \cdot$   
 From 30 Ontario allocation

### Ontario Educational Technology Tax Incentive (ETTI)

(Applies to eligible expenditures incurred prior to January 1, 2005.)

Qualifying expenditures:  $\left[ 672 \cdot \times 15\% \times \frac{100}{100.0000} \right] = 673 \cdot$   
 From 30 Ontario allocation

Ontario allowable business investment loss - - - - - + 678 .

Ontario Scientific Research Expenses claimed in year in 477 from Ont. CT23 Schedule 161 + 679 .

Amount added to income federally for an amount that was negative on federal form T661, line 454 or 455 (if filed after June 30, 2003) - - - - - + 677 .

Total of other deductions allowed by Ontario (Attach schedule) - - - - - + 664 .

Total of Deductions 681 + 663 + 666 + 668 + 671 + 673 + 678 + 679 + 677 + 664 = 1,926,108 . 680 1,926,108 .

Net income (loss) for Ontario Purposes 600 + 640 - 680 = 690 795,505 .  
 Transfer to page 4

DOLLARS ONLY

## Continuity of Losses Carried Forward

	Non-Capital Losses (1)	Total Capital Losses	Farm Losses	Restricted Farm Losses	Listed Personal Property Losses	Limited Partnership Losses (6)
<b>Balance at Beginning of Year</b>	700 (2)	710 (2)	720 (2)	730	740	750
<b>Add:</b>						
Current year's losses (7)	701	711	721	731	741	751
Losses from predecessor corporations (3)	702	712	722	732		752
<b>Subtotal</b>	703	713	723	733	743	753
<b>Subtract:</b>						
Utilized during the year to reduce taxable income	704 (2)	715 (2) (4)	724 (2)	734 (2) (4)	744 (4)	754 (4)
Expired during the year	705		725	735	745	
Carried back to prior years to reduce taxable income (5)	706 (2) to Page 17	716 (2) to Page 17	726 (2) to Page 17	736 (2) to Page 17	746	
<b>Subtotal</b>	707	717	727	737	747	757
<b>Balance at End of Year</b>	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	854	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
<b>Total</b>	829	839	849	869	889

## Notes:

- (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.

(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.

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:
  - 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**

Total amount of loss

**Deduct:** Loss to be carried back to preceding taxation years and applied to reduce taxable income

	Predecessor Ontario Corporation's Tax Account No. (MOF)	Taxation Year Ending year month day
i) 1 <sup>st</sup> preceding	901	2002-12-31
ii) 2 <sup>nd</sup> preceding	902	2003-12-31
iii) 1 <sup>st</sup> preceding	903	2004-12-31
<b>Total loss to be carried back</b>		

Non-Capital Losses	Total Capital Losses	Farm Losses	Restricted Farm Losses
910	920	930	940
911	921	931	941
912	922	932	942
913	923	933	943
From 706	From 716	From 726	From 736
919	929	939	949

Balance of loss available for carry-forward

**Summary**

Income Tax	- - - - - + From 230 or 320	111,076 •
Corporate Minimum Tax	- - - - - + From 280	•
Capital Tax	- - - - - + From 550	30,464 •
Premium Tax	- - - - - + From 590	•
<b>Total Tax Payable</b>	- - - - - = 950	141,540 •
Subtract: Payments	- - - - - - 960	654,244 •
Capital Gains Refund (s.48)	- - 965	•
Qualifying Environmental Trust Tax Credit (Refer to Guide)	- 985	•
Specified Tax Credits (Refer to Guide)	- - - - - 955	•
Other, specify	-	•
<b>Balance</b>	- - - - - = 970	-512,704 •
<b>If payment due</b>	- - - - - Enclosed * 990	•
<b>If overpayment: Refund</b> (Refer to Guide)	- - - - - = 975	512,704 •
	year month day	
<b>Apply to</b>	980	•
	(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

2006-04-10

**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 Account 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 Financial Institutions (SFI) under the Bank Act (Canada), adjusted so consolidation/equity methods are not used.

**Life insurance corporations** – Net income/loss before Special Additional Tax as determined under s.57.1(2)(c) or (d)

Net Income/Loss (unconsolidated, determined in accordance with GAAP) ± [2100] 1,141,786.

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

Provision for recovery of income taxes / benefit of current income taxes + [2101] .  
Provision for deferred income taxes (credits) / benefit of future income taxes + [2102] 138,000 .  
Equity income from corporations + [2103] .  
Share of partnership(s)/joint venture(s) income + [2104] .  
Dividends received/receivable deductible under fed.s.112 + [2105] 1,410 .  
Dividends received/receivable deductible under fed.s.113 + [2106] .  
Dividends received/receivable deductible under fed.s.83(2) + [2107] .  
Dividends received/receivable deductible under fed.s.138(6) + [2108] .  
Federal Part VI.1 tax paid on dividends declared and paid, under fed.s.191.1(1) x 3 + [2109] .

**Subtotal** = 139,410. - [2110] 139,410.

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

Provision for current taxes / cost of current income taxes + [2111] 300,000 .  
Provision for deferred income taxes (debits) / cost of future income taxes + [2112] .  
Equity losses from corporations + [2113] .  
Share of partnership(s)/joint venture(s) losses + [2114] .  
Dividends that have been deducted to arrive at net income per Financial Statements s.57.4(1.1) (excluding dividends under fed.s.137(4.1)) + [2115] .

**Subtotal** = 300,000. + [2116] 300,000.

**Add/Subtract:**

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

\*\* Fed.s.85 + [2117] . or - [2118] .  
\*\* Fed.s.85.1 + [2119] . or - [2120] .  
\*\* Fed.s.97 + [2121] . or - [2122] .  
\*\* Amounts relating to amalgamations (fed.s.87) as prescribed in regulations for current/prior years + [2123] . or - [2124] .  
\*\* Amounts relating to wind-ups (fed.s.88) as prescribed in regulations for current/prior years + [2125] . or - [2126] .  
\*\* Amounts relating to s.57.10 election/regulations for replacement re fed.s.13(4), 14(6) and 44 for current/prior years + [2127] . or - [2128] .

Interest allowable under ss.20(1)(c) or (d) of ITA to the extent not otherwise deducted in determining CMT adjusted net income - [2150] .

**Subtotal (Additions)** = [2129] .

**Subtotal (Subtractions)** = [2130] .

\*\* Other adjustments ± [2131] .

**Subtotal** ± [2100] - [2110] + [2116] + [2129] - [2130] ± [2131] = [2132] 1,302,376 .

\*\* Share of partnership(s)/joint venture(s) **adjusted** net income/loss ± [2133] .

**Adjusted net income (loss)** (if loss, transfer to [2202] in **Part 2: Continuity of CMT Losses Carried Forward.**) = [2134] 1,302,376 .

Deduct: \* CMT losses: pre-1994 Loss + From [2210] .

\* CMT losses: other eligible losses + [2211] .

= [2135] .

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

\*\* Retain calculations. Do not submit with this schedule.

**CMT Base** = [2136] 1,302,376 .

Transfer to CMT Base on Page 8 of the CT23 or Page 6 of the CTB

## CT23 Schedule 101

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2005-12-31

## Part 2: Continuity of CMT Losses Carried Forward

Balance at Beginning of year NOTES (1), (2)		+ 2201	
Add: Current year's losses	+ 2202		
Losses from predecessor corporations on amalgamation NOTE (3)	+ 2203		
Losses from predecessor corporations on wind-up NOTE (3)	+ 2204		
Amalgamation (X) 2205 <input type="checkbox"/> Yes Wind-up (X) 2206 <input type="checkbox"/> Yes			
Subtotal	=		+ 2207
Adjustments (attach schedule)			± 2208
CMT losses available	2201 + 2207 ± 2208		= 2209
Subtract: Pre-1994 loss utilized during the year to reduce adjusted net income	+ 2210		
Other eligible losses utilized during the year to reduce adjusted net income NOTE (4)	+ 2211		
Losses expired during the year	+ 2212		
Subtotal	=		- 2213
Balances at End of Year NOTE (5)	2209 - 2213		= 2214

Notes:

- (1) Pre-1994 CMT loss (see s.57.1(1)) should be included in the balance at beginning of the year. Attach schedule showing computation of pre-1994 CMT loss.
- (2) Where acquisition of control of the corporation has occurred, the utilization of CMT losses can be restricted. (see s.57.5(3) and a 57.5(7))
- (3) Include and indicate whether CMT losses are a result of an amalgamation to which fed.s.87 applies and/or a wind-up to which fed.s.88(1) applies. (see s.57.5(8) and s.57.5(9))
- (4) CMT losses must be used to the extent of the lesser of the adjusted net income 2214 and CMT losses available 2209.
- (5) Amount in 2214 must equal sum of 2270 + 2290.

## 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 1997-09-30	2260	2280
2	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 amounts 2270 + 2290  
must equal amount in 2214.

## CT23 Schedule 101

Corporation's Legal Name E.L.K. Energy Inc.	Ontario Corporations Tax Account No. (MOF) 1800085	Taxation Year End 2005-12-31
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**Part 4: Continuity of CMT Credit Carryovers**

**Balance at Beginning of year** NOTE (1) ..... + 2301

**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 280 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

**Subtotal** (If negative, enter NIL) ... =  - 2305

Current year's CMT credit (If negative, enter NIL) 280 or 347 - 2305 ... =  + 2310

CMT Credit Carryovers from predecessor corporations NOTE (3) ..... + 2325

Amalgamation (X) 2315 ☐ Yes Wind-up (X) 2320 ☐ Yes

**Subtotal** 2301 + 2310 + 2325 ..... = 2330

Adjustments (Attach schedule) ..... + 2332

**CMT Credit Carryover available** 2330 ± 2332 ..... = 2333

Transfer to Page 8 of the CT23 or Page 6 of the CT8

**Subtotal:** 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 310 or 351

CMT Credit expired during the year ..... + 2334

**Subtotal** ..... =  - 2335

**Balances at End of Year** NOTE (4) 2333 - 2335 ..... = 2336

**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) 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 1997-09-30	2360	2380
2341	8th preceding taxation year 1998-09-30	2361	2381
2342	7th preceding taxation year 1999-09-30	2362	2382
2343	6th preceding taxation year 2000-09-30	2363	2383
2344	5th preceding taxation year 2001-09-30	2364	2384
2345	4th preceding taxation year 2001-12-31	2365	2385
2346	3rd preceding taxation year 2002-12-31	2366	2386
2347	2nd preceding taxation year 2003-12-31	2367	2387
2348	1st preceding taxation year 2004-12-31	2368	2388
2349	Current taxation year 2005-12-31	2369	2389
<b>Totals</b>		2370	2390

The sum of amounts 2370 + 2390  
must equal amount in 2336.

**Corporate Minimum Tax (CMT)**  
**CT23 Schedule 101 – Supporting Schedule**

Corporation's Legal Name E.L.K. Energy Inc.	Ontario Corporations Tax Account No. (MOF) 1800085	Taxation Year End 2005-12-31
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**CMT Losses Carried Forward Workchart**

**(i) Continuity of Pre-1994 CMT Losses**

	Corporation's Pre-1994 Loss	Predecessors' Pre-1994 Loss Amalgamation	Predecessors' Pre-1994 Loss Wind-Up
Date of the last tax year end before the corp's 1st tax year commencing after 1993 .....			
Pre-1994 Loss (per schedule) .....			
Less: Claimed in prior taxation years commencing after 1993 .....			
Pre-1994 Loss available for the current year .....			
Less: Deducted in the current year .....			
(max. = adj. net income for the year)			
Expired after 10 years .....			
Pre-1994 Loss Carryforward .....			

**(ii) Continuity of Other Eligible CMT Losses – Filing Corporation**  
**(for losses occurring in tax years commencing after 1993)**

	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					
<b>Total</b>						

**Predecessor Corporations Only – Amalgamation**

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						
<b>Total</b>						



**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						
<b>Total</b>						

**Corporate Minimum Tax (CMT)**  
**CT23 Schedule 101 – Supporting Schedule**

Corporation's Legal Name E.L.K. Energy Inc.	Ontario Corporations Tax Account No. (MOF) 1800085	Taxation Year End 2005-12-31
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**CMT Credit Carryovers Workchart**

**Filing Corporation**

	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					
<b>Total</b>						

**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 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						
<b>Total</b>						

**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 YY/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						
<b>Total</b>						



Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2005-12-31

(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)

Transfer to **353** of the CT23

Corporation's Legal Name E.L.K. Energy Inc.	Ontario Corporations Tax Account No. (MOF) 1800085	Taxation Year End 2005-12-31
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- 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

Charitable Donations at end of preceding taxation year	+		A
<b>Deduct:</b> Donations expired after 5 taxation years	–		B
Charitable donations at beginning of taxation year	=		C
<b>A:</b> Donations transferred on amalgamation or wind-up of subsidiary	+		D
Total current year charitable donations made	+	695	E
<b>Subtotal D + E</b>	=	695	F
Total donations available <b>C + F</b>	= +	695	G
<b>Deduct:</b> Amount applied against taxable income (amount T)	–	695	T
<b>Charitable donations closing balance</b>	=		H

### Part 2 – Maximum Deduction Calculation for Donations

Ontario net income for tax purposes multiplied by 75%	=	596,629	I
---	---	---------	---

**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.

Ontario taxable capital gains arising in respect of gifts of capital property	+		J
Ontario taxable capital gain in respect of deemed gifts of non-qualifying securities per subsection 40(1.01) ITA	+		K

**Also the lesser of:**

1. The amount of the recapture of capital cost allowance in respect of charitable gifts

2. The lesser of:

2a. Proceeds of dispositions less outlays and expenses

2b. The capital cost

The lesser of M and N

The lesser of L and O

**Subtotal J + K + P**

25% X

**Maximum deduction allowable I + R**

**Claim for charitable donations** (not exceeding the lesser of G from Part 1, S and net income for tax purposes)

Enter in 1 of the CT23

Corporation's Legal Name E.L.K. Energy Inc.	Ontario Corporations Tax Account No. (MOF) 1800085	Taxation Year End 2005-12-31
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**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	+	
<b>Deduct:</b> Gifts expired after 5 years	-	
Gifts to Ontario Crown Agency or Ontario Crown Foundation at the beginning of the taxation year	+	
<b>Add:</b> Gifts transferred on amalgamation or wind-up of a subsidiary	+	
<b>Total current year gifts</b>	+	
<b>Subtotal</b>	=	
<b>Deduct:</b> Amount applied against taxable income <input type="text" value="2"/> of the CT23	-	
<b>Gifts to Ontario Crown Agency or Ontario Crown Foundation closing balance</b>	=	

Foundation Name	Date of Donation	Amount \$

**Total gifts to Her Majesty in right of Ontario** =

**Part 4 – Maximum Deduction Calculation for Gifts to Her Majesty in Right of Ontario**

Deduction is the lesser of:

- 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  **U**
- Lesser of:**
  - Ontario Net Income for the taxation year  **V**
  - 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**
  - lesser of V and W  **X**

**Maximum deduction allowable the lesser of U and X**  **Y**  
Transfer to  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	+	
<b>Deduct:</b> Gifts to Canada or a province other than Ontario expired after five taxation years	-	
<b>Gifts to Canada or a province other than Ontario at the beginning of the taxation year</b>	+	
<b>Add:</b> Gifts to Canada or a province other than Ontario transferred on amalgamation or wind-up of a subsidiary	+	
<b>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.)</b>	+	
<b>Subtotal</b>	=	
<b>Deduct:</b> Amount applied against taxable income	-	
<b>Gifts to Canada or a province other than Ontario closing balance</b>	=	

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 cultural property

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

Part 7 – Gifts of certified ecologically sensitive land

Gifts of certified ecologically sensitive land at the end of the preceding taxation year	+	
Deduct: Gifts of certified ecologically sensitive land expired after five years	-	
Gifts of certified ecologically sensitive land at the beginning of the taxation year	+	
Add: Gifts of certified ecologically sensitive land transferred on amalgamation or wind-up of a subsidiary	+	
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					



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
						%		
						%		
						%		
						%		

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)
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#### Part 1 – Shares

No. of shares	Name of corporation	Class of shares	2	3	4	5	6	7
1								

Totals	A
Before February 28, 2000	A1
After February 27, 2000 and before October 18, 2000	A2
After October 17, 2000	A3

# Ontario Summary of Dispositions of Capital Property

Schedule 6

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
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 2 – Real Estate (Do not include losses on depreciable property)

	Municipal address	2	3	4	5	6	7
1	47 Maple			35,000		1,299	33,701
2							
Totals							33,701 <b>B</b>
Before February 28, 2000							<b>B1</b>
After February 27, 2000 and before October 18, 2000							<b>B2</b>
After October 17, 2000							33,701 <b>B3</b>

## Part 3 – Bonds

	Face value	Maturity date YYYY/MM/DD	Name of issuer	2	3	4	5	6	7
1									
Totals									<b>C</b>
Before February 28, 2000									<b>C1</b>
After February 27, 2000 and before October 18, 2000									<b>C2</b>
After October 17, 2000									<b>C3</b>

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

	Description	2	3	4	5	6	7
1							
Totals							<b>D</b>
Before February 28, 2000							<b>D1</b>
After February 27, 2000 and before October 18, 2000							<b>D2</b>
After October 17, 2000							<b>D3</b>

## Part 5 – Personal-use property

	Description of capital property	2	3	4	5	6	7
1							

Note: Losses are not deductible

Net gain or (loss)	<b>E</b>
Before February 28, 2000	<b>E1</b>
After February 27, 2000 and before October 18, 2000	<b>E2</b>
After October 17, 2000	<b>E3</b>



# Ontario Summary of Dispositions of Capital Property

Schedule 6

Corporation's Legal Name E.L.K. Energy Inc.	Ontario Corporations Tax Account No. (MOF) 1800085	Taxation Year End 2005-12-31
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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)
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## Part 6 – Listed personal property

Description	2	3	4	5	6	7
1						

**Deduct:** Unapplied listed personal property losses from other years

**Note:** Net listed personal property losses may only be applied against personal property gains.

Net gain or (loss)

F

### LPP gains or losses realized before February 28, 2000

Gain or loss on dispositions before February 28, 2000

**Less:** Portion of unapplied LPP losses from other years applicable to gain before February 28, 2000

Net gain (loss) on dispositions before February 28, 2000

+	
-	
=	F1

### LPP gains or losses realized after February 27, 2000 and before October 18, 2000

Gain or loss on dispositions after February 27, 2000 and before October 18, 2000

**Less:** Portion of unapplied LPP losses from other years applicable to gain after February 27, 2000 and before October 18, 2000

Net gain (loss) on dispositions after February 27, 2000 and before October 18, 2000

+	
-	
=	F2

### LPP gains or losses realized after October 17, 2000

Gain or loss on dispositions after October 17, 2000

**Less:** Portion of unapplied LPP losses from other years applicable to gain after October 17, 2000

Net gain (loss) on dispositions after October 17, 2000

+	
-	
=	F3

## 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							

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

Totals

Net Loss

Before February 28, 2000

After February 27, 2000 and before October 18, 2000

After October 17, 2000

G

G1

G2

G3

# Ontario Summary of Dispositions of Capital Property

Schedule 6

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
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
<b>Add:</b> Amount (if any) of capital gain reserve opening balance from Schedule 13	+
Capital gain dividend received in the year	+
Subtotal	= 33,701
<b>Deduct:</b> Amount (if any) of capital gain reserve closing balance from Schedule 13	-
<b>Gain or Loss</b> (excluding Allowable Business Investment Losses)	= 33,701 <b>Z</b>

## Determining the inclusion rate

### Gains or losses realized before February 28, 2000

Total of A1 to G1	
<b>Add:</b> Capital gains dividend attributable to period before February 28, 2000	+
Capital gain reserve opening balance (only if taxation year commenced before February 28, 2000)	+
Subtotal	=
<b>Deduct:</b> Portion of capital gains reserve closing balance applicable to dispositions before February 28, 2000	-
<b>Gains or Losses</b>	= <b>H</b>

### Gains or losses realized after February 27, 2000 and before October 18, 2000

Total of A2 to G2	
<b>Add:</b> Capital gains dividend attributable to period after February 27, 2000 and before October 18, 2000	+
Capital gain reserve opening balance (only if taxation year commenced after February 27, 2000 and before October 18, 2000)	+
Subtotal	=
<b>Deduct:</b> Portion of capital gains reserve closing balance applicable to dispositions after February 27, 2000 and before October 18, 2000	-
<b>Gains or Losses</b>	= <b>I</b>

### Gains or losses realized after October 17, 2000

Total of A3 to G3	33,701
<b>Add:</b> Capital gains dividend attributable to period after October 17, 2000	+
Capital gain reserve opening balance (only if taxation year commenced after October 17, 2000)	+
Subtotal	= 33,701
<b>Deduct:</b> Portion of capital gains reserve closing balance applicable to dispositions after October 17, 2000	-
<b>Gains or Losses</b>	= 33,701 <b>J</b>

## Calculate Inclusion Rate

Gains or losses	Inclusion Rate	Net capital gain / capital loss
<b>H</b>	x 75%	= <b>K</b>
<b>I</b>	x 66 2/3%	= <b>L</b>
<b>Subtotal M</b>	x %	= <b>AA</b>
33,701 <b>J</b>	x 50%	= 16,851 <b>N</b>
<b>Total O</b> 33,701	x 50.000000%	= 16,851 <b>P</b>
Inclusion rate P ÷ O (expressed as a percentage)		50.000000 <b>Q</b> %

**Note:** (1) Mutual fund corporations may treat their capital gains and losses as if they were earned on an equal basis throughout the year for the purposes of determining net capital gains or losses attributable to a particular period within the year.

(2) If either lines H or I are positive and the other one is negative, enter the difference on the subtotal line M. Use the inclusion rate from which the larger amount originates and calculate the net gain or net loss based on that rate. If either line J or M are positive and the other is negative enter the difference on line O and use the inclusion rate where the higher amount originated.

Allowable business investment loss . . (G1+ G2+ G3) X Inclusion Rate	50.000000 <b>Q</b> %	= <b>G4</b>
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Transfer to 678 of the CT23

## Determining taxable capital gains

<b>Gain or Loss</b> (excluding Allowable Business Investment Losses)	33,701 <b>Z</b>
<b>Deduct:</b> Gain on donations (made to charities other than private foundations) of securities listed on a prescribed stock exchange divided by 2 (for donations made after February 18, 1997 and before the year 2002.)	-
Gain on donation of ecologically sensitive land after February 27, 2000	-
<b>Gains or Loss</b>	= 33,701 <b>R</b>
Include 100% of the losses in box 711 of the CT23	
<b>Taxable capital gains</b> 33,701 <b>R</b> x Inclusion Rate 50.000000 <b>Q</b> %	= 16,851 <b>S</b>

Transfer to 603 of the CT23



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

## Ontario Capital Cost Allowance Schedule 8

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.K. Energy Inc.	1800085	2005-12-31

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

1 Class number	2 Ontario undepreciated capital cost at the beginning of the year (undepreciated capital cost at the end of the prior year's CCA schedule)	3 Cost of acquisitions during the year (new property must be available for use)  See note 1 below	4 Net adjustments (show negative amounts in brackets)	5 Proceeds of dispositions during the year (amount not to exceed the capital cost)	6 Ontario undepreciated capital cost (column 2 plus column 3 or minus column 4 minus column 5)	7 50% rule (1/2 of the amount, if any, by which the net cost of acquisitions exceeds column 5)  See note 2 below	8 Reduced undepreciated capital cost (column 6 minus column 7)	9 CCA rate %	10 Recapture of capital cost allowance	11 Terminal loss	12 Ontario capital cost allowance (column 8 multiplied by column 9; or a lower amount)	13 Ontario undepreciated capital cost at the end of the year (column 6 minus column 12)
1	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	0	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	60,799	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		737,693		0	737,693	368,847	368,846	8	0	0	29,508	708,185
Totals	9,534,212	876,248		1,657	10,358,803	413,125	9,945,678				560,655	9,798,148

Enter in boxes	650	650	650 on the CT23.
	650	650	650

**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.

Corporation's Legal Name E.L.K. Energy Inc.	Ontario Corporations Tax Account No. (MOF) 1800085	Taxation Year End 2005-12-31
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- For use by a corporation that has eligible capital property.
- A separate cumulative eligible capital account must be kept for each business.

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

Ontario Cumulative eligible capital – balance at end of preceding taxation year (if negative, enter zero) 647,656 A

**Add:** Cost of eligible capital property acquired during the taxation year B  
 Amount transferred on amalgamation or wind-up of subsidiary C  
 Other adjustments D  
**Total of B + C + D** =  x 3 / 4 =  E  
**Subtotal A + E** =  647,656 F

**Deduct:** Ontario proceeds of sales (less outlays and expenses not otherwise deductible) from the disposition of all eligible capital property during the taxation year +  G  
 The gross amount of a reduction in respect of a forgiven debt obligation as provided for in subsection 80(7) of the Income Tax Act (Canada) +  H  
 Other adjustments +  I  
**Total of G + H + I** =  x 3 / 4 =  J

**Ontario cumulative eligible capital balance F - J** =  647,656 K

If K is negative, enter zero at line M and proceed to Part 2

**Current year deduction** 647,656 K x 7 % = 45,336 L

\* The maximum current year deduction is 7%. However, you can claim any amount up to the maximum.

Enter amount in box 651 of the CT23

**Ontario cumulative eligible capital – closing balance K - L (if negative, enter zero)** = 602,320 M

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

### Part 2 – Amount to be included in income arising from disposition

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

Amount from line K above show as a positive amount  N

Total cumulative eligible capital deductions from income for taxation 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

Total of cumulative eligible capital deductions claimed for taxation years beginning before July 1, 1988 3

Negative balances in the cumulative eligible capital account that were included in income for taxation years beginning before July 1, 1988 4

Line 3 deduct line 4 5

Total lines 1 + 2 + 5 6

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

Deduct line 7 from line 6

**N - O (cannot be negative)**

Amount on line 5  x 1 / 2

**P - Q**

Amount on line R  x 2 / 3

Lesser of line N or line O

**Amount to be included in income S + T**

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

<span style="border: 1px solid black; padding: 2px 20px;"></span>	O
<span style="border: 1px solid black; padding: 2px 20px;"></span>	P
<span style="border: 1px solid black; padding: 2px 20px;"></span>	Q
<span style="border: 1px solid black; padding: 2px 20px;"></span>	R
<span style="border: 1px solid black; padding: 2px 20px;"></span>	S
<span style="border: 1px solid black; padding: 2px 20px;"></span>	T

Corporation's Legal Name  E.L.K. Energy Inc.	Ontario Corporations Tax Account No. (MOF)  1800085	Taxation Year End  2005-12-31
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**For use by a corporation to provide a continuity of all reserves claimed which are allowed for tax purposes.**

**Part 1 – Capital gains reserves**

Description of property	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 \$
1					
<b>Totals</b>	<b>A</b>	<b>B</b>			<b>C</b>

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					
Reserve for undelivered goods and services not rendered					
Reserve for prepaid rent					
Reserve for December 31, 1995 income					
Reserve for refundable containers					
Reserve for unpaid amounts					
Other tax reserves					
<b>Totals</b>	<b>D</b>	<b>E</b>			<b>F</b>

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-deductible reserves**

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						
<b>Totals</b>	<b>653,229</b>			<b>3,192</b>		<b>650,037</b>

Enter in box **653** of the CT23

Enter in box **606** of the CT23

# Corporate Taxpayer Summary

## Summary of federal information

Taxation Year:	2005-01-01	to	2005-12-31
Jurisdiction:	Ontario		
Corporation is associated	N		
Corporation is related	N		
Balance due/refund (–)	-10,676		
Net income	795,505	Taxable income	793,400
		Active business income	563,532
		Dividends paid	

### Credits against part I tax

Small bus deduction	
M&P deduction	
Foreign tax credit	
Political contributions	
Investment tax credits	
Abatement/Other	79,340

### Federal taxes

Part I	166,614
Surtax	8,886
Part I.3	
Part IV	
Part I & Surtax	175,500
Other	

### Refunds/credits

ITC refund	
Dividends refund	
Instalments	186,176
Surtax credit	
Other	

## Summary of federal carryforward/carryback information

### Carryback amounts

Investment tax credits	
Non-capital loss	
Capital loss	
Farm loss	
Restricted farm loss	
Surtax credit	
Part I tax credit (Schedule 42)	

### Carryforward balances

RDTOH	
Donations	
Investment tax credits	
Non-capital losses	
Capital/L.P.P. losses	
Farm losses	
Restricted farm losses	
Foreign business tax credit	
Unused surtax credit	16,143
Capital dividend amount	
Part I tax credit (Schedule 42)	

## Summary of provincial information – provincial income tax payable

Province	% Allocation	Taxable income	Tax payable before deduction	Deductions/credits	Net tax payable
Newfoundland and Labrador					
Prince Edward Island					
Nova Scotia					
New Brunswick					
Manitoba					
Saskatchewan					
British Columbia					
Yukon Territory					
Northwest Territories					
Nunavut					
Totals per Federal T2 and Schedule 5					
Alberta (AT1)					
Ontario (CT23)	100.00	793,400	111,076		111,076
Québec (CO-17)					

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) . . . .	-	-			
Schedule 361 . . . .			-		-
Schedule 342 . . . .			-		-
Ontario (CT23) . . . .	17,597,828	30,464	111,076	141,540	-512,704
Québec (CO-17) . . .					
* For Québec, this includes compensation tax and special taxes					
Provincial carryforwards:			Ontario	Québec	Alberta
Non-capital losses . . . . .					
Net capital/L.P.P losses . . . . .					
Farm losses . . . . .					
Restricted farm losses . . . . .					
Donations . . . . .					

# Five Year Comparative Summary

	Current year	1st prior year	2nd prior year	3rd prior year	4th prior year
<b>Federal information</b>					
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 . . . . .	795,505	2,222,983	2,016,518	152,796	-293,048
Taxable income . . . . .	793,400	2,222,958	1,875,315		
Active business income . . . . .	563,532	2,222,983	2,016,518	151,970	
Dividends paid . . . . .				6,500,000	

<b>Federal taxes</b>					
Part I . . . . .	166,614	466,821	431,322		
Surtax . . . . .	8,886	24,897	21,004		
Part I.3 . . . . .				11,648	2,402
Part IV . . . . .					
Other federal taxes (Parts II, IV.1, VI, VI.1, XIII.1, XIV) . . . . .					

<b>Credits against part I tax</b>					
Small business deduction . . . . .					
M&P deduction . . . . .					
Foreign tax credit . . . . .					
Political contribution . . . . .					
Investment tax credit . . . . .					
Abatement/other . . . . .	79,340	222,296	187,532		

<b>Refunds/credits</b>					
ITC refund . . . . .					
Dividend refund . . . . .					
Instalments . . . . .	186,176	480,106		11,648	2,402
Other . . . . .					

<b>Ontario</b>					
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	16,710,104
Capital tax payable . . . . .	30,464	37,479	35,381	28,644	8,855
Total tax payable . . . . .	141,540	348,693	253,549	44,890	8,855
Balance due/refund . . . . .	-512,704	348,693	200,961	-10,034	-28,686



# Schedule of Instalment Remittances

Name of corporation contact: SANDRA SLATER  
Telephone number: (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 A
Total instalments credited to the taxation year per T9		186,176 B

Transfer				
Account number	Taxation year end	Amount	Effective interest date	Description
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				
From:				
To:				

# 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
2006-09-30	14,625			14,625
2006-10-31	14,625			14,625
2006-11-30	14,625			14,625
2006-12-31	14,625			14,625
<b>Total</b>	<b>175,500</b>			<b>175,500</b>

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) 175,500 ÷ 12 = 14,625  
Monthly instalments required 14,625

### 2 – Combined 1st and 2nd instalment base method

2nd Instalment base amount:

Indicate: Part I tax 491,718  
Part I.3, VI & VI.1 tax +  
Provincial tax +  
**Total** 491,718 ÷ 12 = 40,977 A

1/12 of estimated current year credits (H below /12) -

Each of the first two instalment payments = 40,977 B

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

### 3 – Estimated tax method

Instalment base amount (amount I below) + 12 =   
Monthly instalments required

**Instalment base calculation**

	<b>1st instalment base method</b>	<b>Estimated tax method</b>	
<b>Taxable income</b>	<u>793,400</u>		
<b>Calculation of tax payable</b>			
Federal part I tax	<u>301,492</u>		
Federal surtax	+ <u>8,886</u>	+	
Refundable tax on a CCPC's investment income	+ _____	+	
<b>Subtotal</b>	<u>310,378</u>		<b>A</b>
Small business deduction	_____		
Investment corporation deduction	+ _____	+	
Federal tax abatement	+ <u>79,340</u>	+	
Manufacturing and processing profits deduction	+ _____	+	
Non-business foreign tax credit	+ _____	+	
Business foreign tax credit	+ _____	+	
Tax reduction, general and accelerated	+ <u>55,538</u>	+	
Logging tax credit	+ _____	+	
Federal political contribution tax credit	+ _____	+	
Investment tax credit per Schedule 31 and resource deduction	+ _____	+	
Qualifying environmental trust tax credit	+ _____	+	
<b>Subtotal</b>	<u>134,878</u>		<b>B</b>
<b>Total part I tax payable (A - B)</b>	<u>175,500</u>		<b>C</b>
Part I.3 tax	+ _____	+	<b>D</b>
Part VI tax	+ _____	+	<b>D.1</b>
Part VI.I tax	+ _____	+	<b>D.2</b>
Provincial/territorial tax	+ _____	+	<b>E</b>
<b>Total</b>			
Parts I, I.3, VI, VI.I and provincial/territorial tax	<u>175,500</u>		<b>F</b>
Adjustment for short taxation years: x 365 ÷ number of days in year if less than 365	365 ÷ <u>365</u>	365 ÷ <u>365</u>	
	<u>175,500</u>		<b>G</b>
<b>Estimated current year credits:</b>			
Investment tax credit refund	_____		
Dividend refund	+ _____	+	
Federal capital gains refund	+ _____	+	
Provincial and territorial capital gains refund	+ _____	+	
Non-refundable dividend tax credit	+ _____	+	
Tax withheld at source	+ _____	+	
Other estimated credits	+ _____	+	
<b>Total estimated current year credits</b>			<b>H</b>
<b>Instalment base amount (G - H)</b>	<u>175,500</u>		<b>I</b>

# Ontario Tax Instalments

Corporation's Legal Name	Ontario Corporations Tax Account No. (MOF)	Taxation Year End
E.L.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

### Quarterly instalment

Date	Instalments required	Instalments paid	Cumulative difference	Instalments payable
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Total</b>	_____	_____	_____	_____

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	_____	_____	11,795
2006-08-31	11,795	_____	_____	11,795
2006-09-30	11,795	_____	_____	11,795
2006-10-31	11,795	_____	_____	11,795
2006-11-30	11,795	_____	_____	11,795
2006-12-31	11,795	_____	_____	11,795
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
<b>Total</b>	<b>141,540</b>	_____	_____	<b>141,540</b>

Indicate instalment method chosen [1-3]: 1  
1st Instalment base method

Do not use the quarterly payment even if applicable "X" to continue montly payments  
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) 141,540 ÷ 12 = 11,795  
Monthly instalments required 11,795  
Quarterly instalments required \_\_\_\_\_

**2 – Combined 1st and 2nd instalment method**

2nd instalment base amount:

<b>Indicate:</b>	Income tax, C.M.T.	311,214			
	Capital tax, prem. tax	37,479	+		
	<b>Total</b>	348,693	÷ 12	=	29,058 A
Each of the first two instalment payments					29,058 B

Total tax from I below	141,540				
Amount A above x 2	58,116	-			
	83,424	÷ 10	=		8,343
Each of the remaining ten instalment payments					8,343
Quarterly instalments required					

**3 – Estimated tax method**

Instalment base amount (amount I below)		÷ 12	=	
Monthly instalments required				
Quarterly instalments required				

**Instalment base calculation**

	1st instalment base method	Estimated tax method	
<b>Ontario taxable income</b>	793,400		
<b>Calculation of tax payable</b>			
Gross 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	+	+	
<b>Total deduction and credits</b>	=	=	B
Income tax (A - B)	111,076		C
Capital tax	+	+	D
Corporate minimum tax paid (credited)	+	+	E
Premium tax	+	+	F
<b>Total income tax and other taxes (C + D + E + F)</b>	=	=	G
Adjustment for short taxation years x 365 ÷ number of days in year if less than 365	365 ÷ 365	365 ÷ 365	H
Total estimated current year credits	-	-	I
	141,540		



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

# Electronic Filing Certificate for Corporations Tax Return CT23

<input type="checkbox"/> First Year of Filing	<input type="checkbox"/> Final Taxation Year up to Dissolution	<input type="checkbox"/> Change of Control fed. s.249(4)
<input type="checkbox"/> Amended Return	<input type="checkbox"/> Final Taxation Year before Amalgamation	Date Control was acquired: <input type="text"/>
<input type="checkbox"/> Taxation Year End has changed (approval by Revenue Canada required)	<input type="checkbox"/> Floating Fiscal Year End	
<input type="checkbox"/> Exempt From Filing	<input checked="" type="checkbox"/> Subject to CMT	

Change of Information? Yes ☐ No ☒

Corporation's Legal Name  
E.L.K. Energy Inc.

Mailing Address

172 Forest Avenue

Essex

CA N8M 3E4

## Transmitter Data

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

Disk Reference Number ..... 677870

Aggregate of Total Revenue ..... 250 21,303,994

Aggregate of Total Assets ..... 249 24,250,151

Taxable Income (Non-capital Loss) ..... 10 793,400

Total Tax Payable ..... 950 141,540

Payments ..... 960 654,244

Enclosed ..... 990

Apply to: Year

Apply Amount ..... 980

Refund ..... 975 512,704 Yes ☒ No ☐

If Yes, Due to:

Loss Carryback ..... Yes ☐ No ☒

Overpayment ..... Yes ☒ No ☐

Refundable Tax Credit ..... Yes ☐ No ☒

Corporation's Ontario  
Tax Account Number  
1800085

Date of Incorporation

2000-01-06

Return for Taxation Year

Start 2005-01-01

End 2005-12-31

Revenue Canada Taxation  
Account Number

86656 7787 RC0001

Jurisdiction Incorporated

ONTARIO

## Certification

I am an authorized signing officer of the Corporation. I certify that this Return, including all schedules and statements filed with or as part of this 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

SANDRA SLATER

Title

DIRECTOR OF FINANCE

Full Residence address

Signature

Date

2006-04-10

Phone Number

(519) 776-5291

Ministry  
Use Only

Return I.D. # 86656778720060410133434000000

**Payment Advice**

Enter the amount of payment and indicate taxation year.

Corporation's Ontario Tax Account Number 1800085	Date of Incorporation year month day 2000-01-06	Taxation Year End	Payment Amount
Corporation's Legal Name E.L.K. Energy Inc.		2004-12-31	\$
		2005-12-31	\$
		<b>Total Payment</b>	\$

Submit your cheque (drawn on a Canadian financial institution) or money order, in Canadian funds, payable to the Minister 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 delay processing an assessment.*

# Ontario Consent Form

Corporation's Legal Name E.L.K. Energy Inc.	Ontario Corporations Tax Account No. (MOF) 1800085	Taxation Year End 2005-12-31
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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

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 confidential information about my Corporation tax return by the Ontario Ministry of Finance to the representative named below.**

Representative's name: KPMG LLP  
(If a firm, enter the name of the firm. If an individual, enter the first and last name of the individual.)  
If you named a firm as your representative, and you want to specify a particular individual of that firm, enter that individual's first and last name: \_\_\_\_\_

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: \_\_\_\_\_

(519) 251-3500 (519) 251-3540  
Representative's telephone number Extension Representative's fax number

## Part 2 – Details of consent

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

I request that this 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 that.  
Year Month Day
3. The following year-ends only:  
Year Month Day 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 information to a representative

Client's name: \_\_\_\_\_

I cancel all previous consent for all representatives. ☐ OR

I cancel my consent to the release of confidential information about my Corporation tax return by the Ontario Ministry of Finance to the representative named below.

Representative's name: \_\_\_\_\_

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

If you named a firm as your representative, and you want to specify a particular individual of that firm, enter that individual's 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: \_\_\_\_\_

Representative's telephone number

Extension

Representative's fax number

### Part 4 – Details of cancellation of consent

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

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

1. All year-ends up to:

Year Month Day

2. All year-ends beginning in:

Year Month Day

and all years after that.

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 FINANCE

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

Sign here ►

Date 2006-04-10

Year Month Day

**WE WILL NOT PROCESS THIS FORM IF IT IS NOT SIGNED**

